Ninety-Ninth Annual Report

of the

State Corporation Commission

of

Virginia

For the Year Ending December 31, 2001

GENERAL REPORT

Letter of Transmittal

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

RICHMOND, VIRGINIA, *December 31, 2001*

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 2001.

Respectfully submitted,

Clinton Miller, Chairman

Theodore V. Morrison, Jr., Commissioner

Hullihen Williams Moore, Commissioner

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State Corporation Commission

COMMISSIONERS

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

Joel H. Peck

Clerk of the Commission

*Term as Chairman expired January 31, 2001.

**Elected Chairman effective for term of one year, February 1, 2001

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 2001 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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CHAPTER 20

STATE CORPORATION COMMISSION

RULES OF PRACTICE AND PROCEDURE

PART I.

GENERAL PROVISIONS.

5 VAC 5-20-10. Applicability.

The State Corporation Commission Rules of Practice and Procedure are promulgated pursuant to the authority of § 12.1-25 of the Code of Virginia and are applicable to the regulatory and adjudicatory proceedings of the State Corporation Commission except where superseded by more specific rules for particular types of cases or proceedings. When necessary to serve the ends of justice in a particular case, the commission may grant, upon motion or its own initiative, a waiver or modification of any of the provisions of the rules, except 5 VAC 5-20-220, under terms and conditions and to the extent it deems appropriate. These rules do not apply to the internal administration or organization of the commission in matters such as the procurement of goods and services, personnel actions, and similar issues, nor to matters that are being handled administratively by a division or bureau of the commission.

5 VAC 5-20-20. Good faith pleading and practice; sanctions.

Every pleading, written motion, or other paper presented for filing by a party represented by an attorney shall be signed by at least one attorney of record in the attorney's individual name, and the attorney's mailing address and telephone number, and where available, telefax number and email address, shall be stated. An individual not represented by an attorney shall sign the individual's pleading, motion, or other paper, and shall state the individual's mailing address and telephone number. A partnership not represented by an attorney shall have a partner sign the partnership's pleading, motion, or other paper, and shall state the partnership's mailing address and telephone number. A non-lawyer may only represent the interests of another before the commission in the presentation of facts, figures, or factual conclusions, as distinguished from legal arguments or conclusions. In the case of an individual or entity not represented by counsel, each signature shall be that of a qualified officer or agent. The pleadings need not be under oath unless so required by statute. The Commission may provide, by order, a manner for acceptance of electronic signatures in particular cases.

The signature of an attorney or party constitutes a certification that: (i) the attorney or party has read the pleading, motion, or other paper; (ii) to the best of the attorney's or party's knowledge, information, and belief formed after reasonable inquiry, it is well grounded in fact and is warranted by existing law or a good faith argument for the extension, modification, or reversal of existing law; and (iii) it is not interposed for any improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of litigation. A pleading, written motion, or other paper will not be accepted for filing by the Clerk of the Commission if not signed.

An oral motion made by an attorney or party in a commission proceeding constitutes a representation that the motion: (i) is well grounded in fact and is warranted by existing law or a good faith argument for the extension, modification, or reversal of existing law; and (ii) is not interposed for any improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of litigation.

5 VAC 5-20-30. Counsel.

Except as otherwise provided in 5 VAC 5-20-20, no person other than a properly licensed attorney at law shall file pleadings or papers or appear at a hearing to represent the interests of another person or entity before the commission. An attorney admitted to practice in another jurisdiction, but not licensed in Virginia, may be permitted to appear in a particular proceeding pending before the commission in association with a member of the Virginia State Bar. The Virginia State Bar member will be counsel of record for every purpose related to the conduct and disposition of the proceeding.

In all appropriate proceedings before the Commission, the Division of Consumer Counsel, Office of the Attorney General, may appear and represent and be heard on behalf of consumers' interests, and investigate matters relating to such appearance, and otherwise may participate to the extent reasonably necessary to discharge its statutory duties.

5 VAC 5-20-40. Photographs and broadcasting of proceedings.

Electronic media and still photography coverage of commission hearings will be allowed at the discretion of the commission.

5 VAC 5-20-50. Consultation by parties with Commissioners and Hearing Examiners.

No commissioner or hearing examiner shall consult with any party or any person acting on behalf of any party with respect to a pending formal proceeding without giving adequate notice and opportunity for all parties to participate.

5 VAC 5-20-60. Commission staff.

The commissioners and hearing examiners shall be free at all times to confer with any member of the commission staff. However, no facts nor legal arguments likely to influence a pending formal proceeding and not of record in that proceeding shall be furnished ex parte to any commissioner or hearing examiner by any member of the commission staff.

5 VAC 5-20-70. Informal complaints.

All correspondence and informal complaints shall be referred to the appropriate division or bureau of the commission. The head of the division or bureau receiving this correspondence or complaint shall attempt to resolve the matter presented. Matters not resolved to the satisfaction of all participating parties by the informal process may be reviewed by the full commission upon the proper filing of a formal proceeding in accordance with the rules by any party to the informal process.

PART II.

COMMENCEMENT OF FORMAL PROCEEDINGS.

5 VAC 5-20-80. Regulatory proceedings.

A. Application. Except where otherwise provided by statute, rule or commission order, a person or entity seeking to engage in an industry or business subject to the commission's regulatory control, or to make changes in any previously authorized service, rate, facility, or other aspect of such industry or business that, by statute or rule, must be approved by the Commission, shall file an application requesting authority to do so. The application shall contain: (i) a specific statement of the action sought; (ii) a statement of the facts that the applicant is prepared to prove that would warrant the action sought; (iii) a statement of the legal basis for such action; and (iv) any other information required by law or regulation. Any person or entity filing an application shall be a party to that proceeding.

B. Participation as a respondent. A notice of participation as a respondent is the proper initial response to an application. A notice of participation shall be filed within the time prescribed by the commission and shall contain: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any person or entity filing a notice of participation as a respondent shall be a party to that proceeding.

C. Public witnesses. Any person or entity not participating in a matter pursuant to 5 VAC 5-20-80 A or 5 VAC 5-20-80 B may make known their position in any regulatory proceeding by filing written comments in advance of the hearing if provided for by commission order or by attending the hearing, noting an appearance in the manner prescribed by the commission, and giving oral testimony. Public witnesses may not otherwise participate in the proceeding, be included in the service list, or be considered a party to the proceeding.

D. Commission staff. The commission staff may appear and participate in any proceeding in order to see that pertinent issues on behalf of the general public interest are clearly presented to the commission. The staff may, inter alia, conduct investigations and discovery, evaluate the issues raised, testify and offer exhibits, file briefs and make argument, and be subject to cross-examination when testifying. Neither the commission staff collectively nor any individual member of the commission staff shall be considered a party to the case for any purpose by virtue of participation in a proceeding.

5 VAC 5-20-90. Adjudicatory proceedings.

A. Initiation of proceedings. Investigative, disciplinary, penal, and other adjudicatory proceedings may be initiated by motion of the commission staff or upon the commission's own motion. Further proceedings shall be controlled by the issuance of a rule to show cause, which shall give notice to the defendant, state the allegations against the defendant, provide for a response from the defendant and, where appropriate, set the matter for hearing. A rule to show cause shall be served in the manner provided by § 12.1-19.1 or § 12.1-29 of the Code of Virginia. The commission staff shall prove the case by clear and convincing evidence.

B. Answer. An answer is the proper initial responsive pleading to a rule to show cause. An answer shall be filed within 21 days of service of the rule to show cause, unless the commission shall order otherwise. The answer shall state, in narrative form, each defendant's responses to the allegations in the rule to show cause and any affirmative defenses asserted by the defendant. Failure to file a timely answer may result in the entry of judgment by default against the party failing to respond.

5 VAC 5-20-100. Other proceedings.

A. Promulgation of general orders, rules, or regulations. Before promulgating a general order, rule, or regulation, the commission shall, by order upon an application or upon its own motion, require reasonable notice of the contents of the proposed general order, rule, or regulation, including publication in the Virginia Register of Regulations, and afford interested persons an opportunity to comment, present evidence, and be heard. A copy of each general order, rule, and regulation adopted in final form by the commission shall be filed with the Registrar of Regulations for publication in the Virginia Register of Regulations.

B. Petitions in other matters. Persons having a cause before the commission, whether by statute, rule, regulation, or otherwise, against a defendant, including the commission, a commission bureau, or a commission division, shall proceed by filing a written petition containing: (i) the identity of the parties; (ii) a statement of the action sought and the legal basis for the commission's jurisdiction to take the action sought; (iii) a statement of the facts, proof of which would warrant the action sought; (iv) a statement of the legal basis for the action; and (v) a certificate showing service upon the defendant.

Within 21 days of service of a petition under this rule, the defendant shall file an answer containing, in narrative form, (i) a response to each allegation of the petition and (ii) a statement of each affirmative defense asserted by the defendant. Failure to file a timely answer may result in entry of judgment by default against the defendant failing to respond. Upon order of the commission, the commission staff may participate in any proceeding under this rule in which it is not a defendant to the same extent as permitted by 5 VAC 5-20-80-D.

C. Declaratory judgments. Persons having no other adequate remedy may petition the commission for a declaratory judgment. The petition shall meet the requirements of 5 VAC 5-20-100 B and, in addition, contain a statement of the basis for concluding that an actual controversy exists. In the proceeding, the commission shall by order provide for the necessary notice, responsive pleadings, and participation by interested parties.

PART III.

PROCEDURES IN FORMAL PROCEEDINGS.

5 VAC 5-20-110. Motions. Motions may be filed for the same purposes recognized by the courts of record in the Commonwealth. Unless otherwise ordered by the commission, any response to a motion must be filed within 14 days of the filing of the motion, and any reply by the moving party must be filed within ten days of the filing of the response.

5 VAC 5-20-120. Procedure before Hearing Examiners.

A. Assignment. The commission may, by order, assign a matter pending before it to a hearing examiner. Unless otherwise ordered, the hearing examiner shall conduct all further proceedings in the matter on behalf of the commission in accordance with the rules. In the discharge of his or her duties, the hearing examiner shall exercise all the adjudicatory powers possessed by the commission including, inter alia, the power to administer oaths; require the attendance of witnesses and parties; require 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. The hearing examiner shall, upon conclusion of all assigned duties, issue a written final report and recommendation to the commission.

B. Objections and certification of issues. An objection to a ruling by the hearing examiner shall be stated with the reasons therefore at the time of the ruling, and the objection may be argued to the commission as part of a response to the hearing examiner's report. A ruling by the hearing examiner that denies further participation by a party in interest or the commission staff in a proceeding that has not been concluded may be immediately appealed to the commission by filing a written motion with the commission for review. Upon the motion of any party or the staff, or upon the hearing examiner's own initiative, the hearing examiner may certify any other material issue to the commission for its consideration and resolution. Pending resolution by the commission of a ruling appealed or certified, the hearing examiner shall retain procedural control of the proceeding.

C. Responses to hearing examiner reports. Unless otherwise ordered by the hearing examiner, responses supporting or objecting to the hearing examiner's final report must be filed within 21 days of the issuance of the report. A reply to a response to the hearing examiner's report may only be filed with leave of the commission. The commission may accept, modify, or reject the hearing examiner's recommendations in any manner consistent with law and the evidence, notwithstanding an absence of objections to the hearing examiner's report.

5 VAC 5-20-130. Amendment of pleadings.

No amendment 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 VAC 5-20-140. Filing and service.

A formal pleading or other related document shall be considered filed with the commission upon receipt of the original and required copies by the Clerk of the Commission no later than the time established for the closing of business of the clerk's office on the day the item is due. The original and copies shall be stamped by the Clerk to show the time and date of receipt. The commission may by order make provision for electronic filing of documents, including facsimile.

When a filing would otherwise be due on a day when the Clerk's office is not open for public business, the filing will be timely if made on the next regular business day when the office is open to the public. When a period of fifteen days or fewer is permitted to make a filing or take other action pursuant to commission rule or order, intervening weekends or holidays shall not be counted in determining the due date.

Service of a formal pleading, brief, or other document filed with the commission required to be served on the parties to a proceeding or upon the commission staff, shall be effected by delivery of a true copy to the party or staff, or by deposit of a true copy into the United States mail properly addressed and stamped, on or before the date of filing. Service on a party may be made by service on the party's counsel. At the foot of a formal pleading, brief, or other document required to be served, the party making service shall append a certificate of counsel of record that copies were mailed or delivered as required. The commission may, by order, provide for electronic service of documents, including facsimile. Notices, findings of fact, opinions, decisions, orders, or other paper to be served by the commission may be served by United States mail. However, all writs, processes, and orders of the commission, when acting in conformity with § 12.1-27 of the Code of Virginia, shall be attested and served in compliance with § 12.1-19.1 or § 12.1-29 of the Code of Virginia.

5 VAC 5-20-150. Copies and format.

Applications, petitions, responsive pleadings, briefs, and other documents must be filed in an original and 15 copies. One copy of each responsive pleading or brief must be served on each party and the commission staff counsel assigned to the matter, or, if no counsel has been assigned, on the General Counsel. Each document must be filed on standard size white opaque paper, 8 ½ by 11 inches in dimension, and must be capable of being reproduced in copies of archival quality. Pleadings shall be bound or attached on the left side and contain adequate margins. Each page following the first page must be numbered. If necessary, a document may be filed in consecutively numbered volumes, each of which may not exceed three inches in thickness. Pleadings containing more than one exhibit should have dividers separating each exhibit and should contain an index. Exhibits such as maps, plats, and photographs not easily reduced to standard size may be filed in a different size, as necessary. All filed documents 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. The Clerk of the Commission may reject the filing of any document not conforming to the requirements of this rule.

5 VAC 5-20-160. Memorandum of completeness.

With respect to the filing of a rate application or an application seeking actions that by statute or rule must be completed within a certain number of days, a memorandum shall be filed by an appropriate member of the commission staff within ten days of the filing of the application stating whether all

necessary requirements imposed by statute or rule for filing the application have been met and all required information has been filed. If the requirements have not been met, the memorandum shall state with specificity the remaining items to be filed. The Clerk of the Commission immediately shall serve a copy of the memorandum on the filing party. The first day of the period within which action on the application must be concluded shall be set forth in the memorandum and shall be the initial date of filing of applications that are found to be complete upon filing. Applications found to require supplementation shall be complete upon the date of filing of the last item identified in the Staff memorandum. Applications shall be deemed complete upon filing if the memorandum of completeness is not timely filed.

5 VAC 5-20-170. Confidential information.

A person who proposes in a formal proceeding that information to be filed with or submitted to the commission be withheld from public disclosure on the ground that it contains trade secrets, privileged, or confidential commercial or financial information shall file this information under seal with the Clerk of the Commission, or otherwise submit the information under seal to the commission staff as may be required. One copy of all such information also shall be submitted under seal to the commission staff counsel assigned to the matter, or, where no counsel has been assigned, to the general counsel who, until ordered otherwise by the commission, shall disclose the information only to the members of the commission staff directly assigned to the matter as necessary in the discharge of their duties. Staff counsel and all members of the commission staff, until otherwise ordered by the commission, shall maintain the information in strict confidence and shall not disclose its contents to members of the public, or to other staff members not assigned to the matter. The commission staff or any party may object to the proposed withholding of the information.

Upon challenge, the filing party shall demonstrate to the satisfaction of the commission that the information should be withheld from public disclosure. If the commission determines that the information should be withheld from public disclosure, it may nevertheless require the information to be disclosed to parties to a proceeding under appropriate protective order.

Whenever a document is filed with the clerk under seal, an expurgated or redacted version of the document deemed by the filing party or determined by the commission to be confidential shall be filed with the clerk for use and review by the public.

When the information at issue is not required to be filed or made a part of the record, a party who wishes to withhold confidential information from filing or production may move the commission for a protective order without filing the materials. In considering such a motion, the commission may require production of the confidential materials for inspection in camera, if necessary.

5 VAC 5-20-180. Official transcript of hearing.

The official transcript of a hearing before the commission or a hearing examiner shall be that prepared by the court reporters retained by the commission and certified by the court reporter as a true and correct transcript of the proceeding. Transcripts of proceedings shall not be prepared except in cases assigned to a hearing examiner, when directed by the commission, or when requested by a party desiring to purchase a copy. Parties desiring to purchase copies of the transcript shall make arrangement for purchase with the court reporter. When a transcript is prepared, a copy thereof shall be made available for public inspection in the Clerk of the Commission's office. By agreement of the parties, or as the commission may by order provide, corrections may be made to the transcript.

5 VAC 5-20-190. Rules of evidence.

In proceedings under 5 VAC 5-20-90, and all other 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 the Commonwealth. In other proceedings, evidentiary rules shall not be unreasonably used to prevent the receipt of evidence having substantial probative effect.

5 VAC 5-20-200. Briefs.

Written briefs may be authorized at the discretion of the commission, except in proceedings under 5 VAC 5-20-100 A, where briefs may be filed by right. The time for filing briefs and reply briefs, if authorized, shall be set at the time they are authorized. The commission may limit the length of a brief. The commission may by order provide for the electronic filing or service of briefs.

5 VAC 5-20-210. Oral argument.

The commission may authorize oral argument, limited as the commission may direct, on any pertinent matter at any time during the course of the proceeding.

5 VAC 5-20-220. Petition for rehearing or reconsideration.

Final judgments, orders, and decrees of the commission, except judgments prescribed by § 12.1-36 of the Code of Virginia, and except as provided in §§ 13.1-614 and 13.1-813 of the Code of Virginia, shall remain under the control of the commission and subject to modification or vacation for 21 days after the date of entry. Except for good cause shown, a petition for rehearing or reconsideration must be filed not later than 20 days after the date of entry of the judgment, order, or decree. The filing of a petition will not suspend the execution of the judgment, order, or decree, nor extend the time for taking an appeal, unless the commission, within the 21 day period following entry of the final judgment, order or decree, shall provide for a suspension in an order or decree granting the petition. A petition for rehearing or reconsideration must be served on all parties and delivered to commission staff counsel on or before the day on which it is filed. The commission will not entertain responses to, or requests for oral argument on, a petition. An order granting a rehearing or reconsideration will be served on all parties and commission staff counsel by the Clerk of the Commission.

5 VAC 5-20-230. Extension of time.

The commission may, at its discretion, grant a continuance, postponement, or extension of time for the filing of a document or the taking of an action required or permitted by these rules, except for petitions for rehearing or reconsideration filed pursuant to 5 VAC 5-20-220. Except for good cause shown, motions for extensions shall be made in writing, served on all parties and commission staff counsel, and filed with the commission at least three days prior to the date the action sought to be extended is due.

PART IV.

DISCOVERY AND HEARING PREPARATION PROCEDURES.

5 VAC 5-20-240. Prepared testimony and exhibits.

Following the filing of an application dependent upon complicated or technical proof, the commission may direct the applicant to prepare and file the testimony and exhibits by which the applicant expects to establish its case. In all proceedings in which an applicant is required to file testimony, respondents shall be permitted and may be directed by the commission or hearing examiner to file, on or before a date certain, testimony and exhibits by which they expect to establish their case. Any respondent that chooses not to file testimony and exhibits by that date may not thereafter present testimony or exhibits except by leave of the commission, but may fully participate in the proceeding and engage in cross-examination of the testimony and exhibits of commission staff and other parties. The commission staff also shall file testimony and exhibits when directed to do so by the commission. Failure to comply with the directions of the commission, without good cause shown, may result in rejection of the testimony and exhibits by the commission. With leave of the commission and unless a timely objection is made, the commission staff or a party may correct or supplement any prepared testimony and exhibits before or during the hearing. In all proceedings, all evidence must be verified by the witness before introduction into the record, and the admissibility of the evidence shall be subject to the same standards as if the testimony were offered orally at hearing, unless, with the consent of the commission, the staff and all parties stipulate the introduction of testimony without need for verification. An original and 15 copies of prepared testimony and exhibits shall be filed unless otherwise specified in the commission's scheduling order and public notice. Documents of unusual bulk or weight and physical exhibits other than documents need not be filed in advance, but shall be described and made available for pretrial examination.

5 VAC 5-20-250. Process, witnesses, and production of documents and things.

A. Subpoenas. Commission staff and a party to a proceeding shall be entitled to process, to convene parties, to compel the attendance of witnesses, and to compel the production of books, papers, documents, or things provided in this rule.

B. Commission issuance and enforcement of other regulatory agency subpoenas. Upon motion by commission staff counsel, the commission may issue and enforce subpoenas at the request of a regulatory agency of another jurisdiction if the activity for which the information is sought by the other agency, if occurring in the Commonwealth, would be a violation of the laws of the Commonwealth that are administered by the commission.

A motion requesting the issuance of a commission subpoena shall include:

1. A copy of the original subpoena issued by the regulatory agency to the named defendant;

2. An affidavit of the requesting agency administrator stating the basis for the issuance of the subpoena under that state's laws; and

3. A memorandum from the commission's corresponding division director providing the basis for the issuance of the commission subpoena.

C. Documents. In a pending case, at the request of commission staff or any party, the Clerk of the Commission shall issue a subpoena. When a matter is under investigation by commission staff, before a formal proceeding has been established, whenever it appears to the commission by affidavit filed with the Clerk of the Commission by the commission staff or an individual, that a book, writing, document, or thing sufficiently described in the affidavit, is in the possession, or under the control, of an identified person and is material and proper to be produced, the commission may order the Clerk of the Commission to issue a subpoena and to have the subpoena duly served, together with an attested copy of the commission's order compelling production at a reasonable place and time as described in the commission's order.

D. Witnesses. In a pending case, at the request of commission staff or any party, the Clerk of the Commission shall issue a subpoena.

5 VAC 5-20-260. Interrogatories to parties or requests for production of documents and things.

The commission staff and a party in a formal proceeding before the commission, other than a proceeding under 5 VAC 5-20-100 A and C, may serve written interrogatories or requests for production of documents upon a party, to be answered by the party served, or if the party served is an entity, by an officer or agent of the entity, who shall furnish to the requesting party information as is known. Interrogatories or requests for production of documents that cannot be timely answered before the scheduled hearing date may be served only with leave of the commission for good cause shown and upon such conditions as the commission may prescribe. No interrogatories or requests for production of documents may be served upon a member of the commission staff, except to discover factual information that supports the workpapers submitted by the staff to the Clerk of the Commission pursuant to 5 VAC 5-20-270. All interrogatories and requests for production of documents shall be filed with the Clerk of the Commission.

The response to each interrogatory or document request shall identify by name the person making the response. Objections, if any, to specified questions shall be stated with specificity, citing appropriate legal authority, and served with the list of responses. Responses and objections to interrogatories or requests for production of documents shall be served within 14 days of receipt, unless otherwise ordered by the commission. Upon motion promptly made and accompanied by a copy of the interrogatory or document request and the response or objection that is subject to the motion, the commission will rule upon the validity of the objection; the objection otherwise will be considered sustained.

Interrogatories or requests for production of documents 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 grounds for objection that the information sought will be inadmissible at the hearing if the information appears reasonably calculated to lead to the discovery of admissible evidence.

Where the response to an interrogatory or document request may only be derived or ascertained from the business records of the party questioned, from an examination, audit, or inspection of business records, or from a compilation, abstract, or summary of business records, and the burden of deriving or ascertaining the response is substantially the same for one entity as for the other, a response is sufficient if it: (i) identifies by name and location all records from which the response may be derived or ascertained; and (ii) tenders to the inquiring party reasonable opportunity to examine, audit, or inspect the

records subject to objection as to their proprietary or confidential nature. The inquiring party bears the expense of making copies, compilations, abstracts, or summaries.

5 VAC 5-20-270. Hearing preparation.

In a formal proceeding, a party or the commission staff may serve on a party a request to examine the workpapers supporting the testimony or exhibits of a witness whose prepared testimony has been filed in accordance with 5 VAC 5-20-240. The movant may request abstracts or summaries of the workpapers, and may request copies of the workpapers upon payment of the reasonable cost of duplication or reproduction. Copies requested by the commission staff shall be furnished without payment of copying costs. In actions pursuant to 5 VAC 5-20-80 A, the commission staff, upon the filing of its testimony, exhibits, or report, will compile and file with the Clerk of the Commission three copies of any workpapers that support the recommendations made in its testimony or report. The Clerk of the Commission shall make the workpapers available for public inspection and copying during regular business hours.

5 VAC 5-20-280. Discovery in 5 VAC 5-20-90 proceedings.

The following applies only to proceedings in which a defendant is subject to monetary or injunctive penalties, or revocation, cancellation, or curtailment of a license, certificate of authority, registration, or similar authority previously issued by the commission to the defendant.

A. Discovery of material in possession of the Commission staff. Upon written motion of the defendant, the commission shall permit the defendant to inspect and, at the defendant's expense, copy or photograph any relevant written or recorded statements, the existence of which is known, after reasonable inquiry, by the commission staff counsel assigned to the matter to be within the custody, possession, or control of commission staff, made by the defendant, or representatives, or agents of the defendant if the defendant is other than an individual, to a commission staff member or law enforcement officer.

A motion by the defendant under this rule shall be filed and served at least 10 days before the hearing date. The motion shall include all relief sought. A subsequent motion may be made only upon a showing of cause as to why the motion would be in the interests of justice. An order granting relief under 5 VAC 5-20-280 shall specify the time, place, and manner of making discovery and inspection permitted, and may prescribe such terms and conditions as the commission may determine.

Nothing in this rule shall require the disclosure of any information, the disclosure of which is prohibited by statute. The disclosure of the results of a commission staff investigation or work product of commission staff counsel shall not be required.

B. Depositions. After commencement of an action to which this rules applies, the commission staff or a party may take the testimony of a party or another person or entity, other than a member of the commission staff, by deposition on oral examination or by written questions. Depositions may be used for any purpose for which they may be used in the courts of record of the Commonwealth. Except where the commission or hearing examiner finds that an emergency exists, no deposition may be taken later than 10 days in advance of the formal hearing. The attendance of witnesses at depositions may be compelled by subpoena. Examination and cross-examination of the witness shall be as at hearing. Depositions may be taken in the City of Richmond or in the town, city, or county in which the deposed party resides, is employed, or does business. The parties and the commission staff, by agreement, may designate another place for the taking of the deposition. Reasonable notice of the intent to take a deposition must be given in writing to the commission staff counsel and to each party to the action, stating the time and place where the deposition is to be taken. A deposition may be taken before any person (the "officer") authorized to administer oaths by the laws of the jurisdiction in which the deposition is to be taken. The officer shall certify his or her authorization in writing, administer the oath to the deponent, record or cause to be recorded the testimony given, and note any objections raised. In lieu of participating in the oral examination, a party or the commission staff may deliver sealed written questions to the officer, who shall propound the questions to the witness. The officer may terminate the deposition if convinced that the examination is being conducted in bad faith or in an unreasonable manner. Costs of the deposition shall be borne by the party noticing the deposition, unless otherwise ordered by the commission.

C. Requests for admissions. The commission staff or a party to the proceeding may serve upon a party written requests for admission. Each matter on which an admission is requested shall be stated separately. A matter shall be deemed admitted unless within 21 days of the service of the request, or some other period the commission may designate, the party to whom the request is directed serves upon the requesting party a written answer addressing or objecting to the request. The response shall set forth in specific terms a denial of the matter set forth or an explanation as to the reasons the responding party cannot truthfully admit or deny the matter set forth. Requests for admission shall be filed with the Clerk of the Commission and simultaneously served on commission staff counsel and on all parties to the matter.

Adopted: September 1, 1974
Revised: May 1, 1985 by Case No. CLK850262
Revised: August 1, 1986 by Case No. CLK860572 and Repealed June 1, 2001 by Case No. CLK000311
Adopted: June 1, 2001 by Case No. CLK000311

LEADING MATTERS DISPOSED OF BY FORMAL ORDERS

BUREAU OF FINANCIAL INSTITUTIONS

CASE NO. BAN20000695
JANUARY 29, 2001

APPLICATION OF
BINGHAM FINANCIAL SERVICES CORPORATION

To acquire all the voting shares of Dynex Financial, Inc.

ORDER OF APPROVAL

Bingham Financial Services Corporation, a Michigan corporation, filed an application under § 6.1-416.1 of the Code of Virginia to acquire all the voting shares of Dynex Financial, 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. BAN20001333
JANUARY 11, 2001

APPLICATION OF
JULIE C. MARTIN

To acquire a 40 percent ownership interest in The Knox Financial Group, L.L.C.

ORDER OF APPROVAL

Julie C. Martin of Baltimore, Maryland, filed an application under § 6.1-416.1 of the Code of Virginia to acquire a 40 percent ownership interest in The Knox Financial Group, 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. BAN20001425
FEBRUARY 9, 2001

APPLICATION OF
BRADLEY H. WAITE

To acquire 26.55 percent of the voting shares of Land/Home Financial Services, Inc. (used in Virginia by Land / Home Financial Services)

ORDER OF APPROVAL

Bradley H. Waite of Alamo, California, filed an application under § 6.1-416.1 of the Code of Virginia to acquire 26.55 percent of the voting shares of Land/Home Financial Services, Inc. (used in Virginia by Land / Home Financial Services), a California corporation licensed 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. BAN20010016
MARCH 2, 2001

APPLICATION OF
XXI HOLDING CO., INC.

To acquire 100 percent of the voting shares of 21st Century Mortgage Corporation

ORDER OF APPROVAL

XXI Holding Co., Inc., a Delaware corporation, filed an application with the State Corporation Commission ("Commission") under § 6.1-416.1 of the Code of Virginia to acquire all the voting shares of 21st Century 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 NOS. BAN20010028 - BAN20010031
FEBRUARY 14, 2001

APPLICATIONS OF
TRAVELEX HOLDINGS LTD.

Pursuant to Section 6.1-378.2 of the Code of Virginia

ORDER OF APPROVAL

Travelex Holdings Ltd., a corporation organized under the laws of England and Wales, filed applications under Section 6.1-378.2 of the Code of Virginia to acquire 100 percent of the voting shares of Thomas Cook Inc., Thomas Cook Travellers Cheques Limited, Thomas Cook Currency Services Inc., and Interpayment Services Limited, licensees under Chapter 12 of Title 6.1 of the Code of Virginia. The applications were investigated by the Bureau of Financial Institutions ("Bureau").

Having considered the applications and the report of investigation of the Bureau, the Commission finds that the requirements in § 6.1-378.2 of the Code are met. Therefore, the Commission hereby approves the acquisitions provided that they take place within one year from this date and the applicant notifies the Bureau of the effective date within ten days thereof. This matter shall be placed among the ended cases.

CASE NO. BAN20010063
APRIL 19, 2001

APPLICATION OF
THE FREEDOM BANK OF VIRGINIA

For a certificate of authority to begin business as a bank at 502 Maple Avenue West, Vienna, Fairfax County, Virginia

The Freedom Bank of Virginia, 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 502 Maple Avenue West, Vienna, Fairfax County, Virginia. The application was investigated by the Bureau of Financial Institutions ("Bureau").

Having considered the application and the investigation report of the Bureau, the State Corporation Commission ("Commission") finds that the public interest will be served by additional banking facilities in Fairfax County where the applicant proposes to be. 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 of Virginia;

(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 The Freedom Bank of Virginia is granted a certificate of authority to do a banking business at the specified location, provided the following conditions are met before the bank opens for business:

1. Capital funds totaling $8,505,700 are paid in to the bank and allocated as follows: $4,252,850 to capital stock and $4,252,850 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 the bank 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 it is extended by the Commission.

CASE NO. BAN20010113
MARCH 2, 2001

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 with the State Corporation Commission ("Commission") the notice required by § 6.1-406 of the Code of Virginia of its proposed acquisition of Century South Banks, Inc. of Alpharetta, Georgia. 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 Century South Banks, Inc. by BB&T Corporation, provided the acquisition takes place within one (1) year from this date and the applicant notifies the Bureau of the effective date within ten (10) days thereof. This matter shall be placed among the ended cases.

CASE NO. BAN20010154
APRIL 6, 2001

APPLICATION OF
JOSEPH A. COMEAU

To acquire thirty-three percent of the voting shares of Choice Finance Corporation

ORDER OF APPROVAL

Joseph A. Comeau of Brookville, Maryland, filed an application with the State Corporation Commission ("Commission") under § 6.1-416.1 of the Code of Virginia to acquire thirty-three percent of the voting shares of Choice Finance 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. BAN20010176
MARCH 22, 2001

APPLICATION OF
NORMAN R. RALES

To acquire 80 percent of the voting shares of Kenwood Associates, Inc.

ORDER OF APPROVAL

Norman R. Rales of Hillsboro Beach, Florida, filed an application with the State Corporation Commission ("Commission") under § 6.1-416.1 of the Code of Virginia to acquire 80 percent of the voting shares of Kenwood Associates, 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. BAN20010386
MAY 23, 2001

APPLICATION OF
FIRST VIRGINIA BANKS, INC.

To acquire James River Bankshares, Inc.

ORDER OF APPROVAL

First Virginia Banks, Inc. of Falls Church, Virginia, has filed with the State Corporation Commission ("Commission") the application required by § 6.1-383.1 of the Code of Virginia to acquire all the voting shares of James River Bankshares, Inc. of Suffolk, 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 of § 6.1-383.2 of the Code are met.

THEREFORE, the Commission approves the acquisition of all the voting shares of James River Bankshares, Inc. by First Virginia Banks, 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. BAN20010392
JUNE 25, 2001

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

To acquire F & M National Corporation

ORDER OF APPROVAL

BB&T Corporation of Winston-Salem, North Carolina, has filed with the State Corporation Commission ("Commission") the application required by Chapter 15 of Title 6.1 of the Code of Virginia to acquire F & M National Corporation, a Virginia bank holding company with its headquarters in Winchester, Virginia. The banking subsidiaries of F & M National Corporation are listed in Exhibit A. 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 of § 6.1-383.2 of the Code are met.

Therefore, the Commission hereby approves the acquisition of F & M National 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 of the transaction. This matter shall be placed among the ended cases.

NOTE: A copy of Exhibit A entitled "Subsidiary Banks of F & M National Corporation" 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. BAN20010451
JUNE 15, 2001

APPLICATION 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 Fredericksburg State Bank, and for authority to operate the authorized offices of the merging banks

ORDER GRANTING AUTHORITY

Branch Banking and Trust Company of Virginia ("BB&T of Virginia"), a state-chartered bank with its main office at 823 East Main Street, City of Richmond, Virginia, has applied to the State Corporation Commission ("Commission"), 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 Fredericksburg State Bank of Fredericksburg, Virginia. BB&T of Virginia proposes to be the surviving bank in the merger, and it seeks authority to operate all the currently authorized offices of the merging banks. The Bureau of Financial Institutions ("Bureau") investigated the application.

Having considered the application and the report of the Bureau, the Commission finds that: (1) the provisions of the 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 $726,383,000; (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 directors have been taken and filed in accordance with § 6.1-48 of the Code; (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 of the bank 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 Fredericksburg State Bank into BB&T of Virginia. The resulting bank is authorized to have its main office at 823 East Main Street, City of Richmond, Virginia, and to operate all the previously authorized offices and facilities of both merging banks. The offices operated prior to the merger by Fredericksburg State Bank are as follows: 400 George Street, City of Fredericksburg, Virginia; 3600 Plank Road, Spotsylvania County, Virginia; 117 Garrisonville Road, Stafford, Stafford County, Virginia; and 4535 Lafayette Boulevard, Spotsylvania County, Virginia. 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.

CASE NOS. BAN20010540 and BAN20010541
JUNE 29, 2001

APPLICATIONS OF
SAXON CAPITAL ACQUISITION CORP.

To acquire 100 percent of the voting shares of Saxon Mortgage, Inc. and America's MoneyLine, Inc.

ORDER OF APPROVAL

Saxon Capital Acquisition Corp., a Delaware corporation, filed applications with the State Corporation Commission ("Commission") under § 6.1-416.1 of the Code of Virginia to acquire all the voting shares of Saxon Mortgage, Inc. and America's MoneyLine, Inc., licensees under Chapter 16 of Title 6.1 of the Code of Virginia. The applications were investigated by the Bureau of Financial Institutions ("Bureau").

Having considered the applications 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 acquisitions and orders that the matters be placed among the ended cases.

CASE NO. BAN20010600
AUGUST 2, 2001

APPLICATION OF
SOUTHTRUST CORPORATION
Birmingham, Alabama

To acquire CENIT Bancorp, Inc.

ORDER OF APPROVAL

SouthTrust Corporation ("SouthTrust") of Birmingham, Alabama, has filed with the State Corporation Commission ("Commission") the application required by Article 11 of Chapter 3.01 of Title 6.1 of the Code of Virginia to acquire CENIT Bancorp, Inc. ("CENIT"). SouthTrust is an out-of-state savings institution holding company within the meaning of § 6.1-194.96. CENIT is a savings institution holding company, the parent of CENIT Bank, a Virginia savings institution headquartered in Norfolk, Virginia. The application was referred to the Bureau of Financial Institutions ("Bureau") for investigation, and notice of the application was published in the Bureau's Weekly Information Bulletin dated June 29, 2001. No objection to the proposed acquisition was received.

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

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

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

CASE NO. BAN20010711
AUGUST 27, 2001

APPLICATION OF
FIRST VIRGINIA BANK
Falls Church, Virginia

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

ORDER GRANTING AUTHORITY

First Virginia Bank, a state-chartered bank with its main office at 6400 Arlington Boulevard, City of Falls Church, Virginia, has applied to the State Corporation Commission ("Commission"), 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 State Bank, Remington, Virginia. First Virginia Bank proposes to be the surviving bank in the merger and seeks authority to operate all the currently authorized offices of the merging banks, except the office of State Bank at 11139 Marsh Road, Bealeton, Fauquier County, Virginia. The Bureau of Financial Institutions ("Bureau") investigated the application.

Having considered the application and the report of the Bureau, the Commission finds that: (1) the provisions of the law have been complied with; (2) the capital stock of the resulting bank will be $27,050,000, and its surplus will be not less than $238,521,000; (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 directors have been taken and filed in accordance with § 6.1-48 of the Code; (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 of the bank 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 First Virginia Bank, effective upon the issuance by the Clerk of a certificate of merger merging State Bank into First Virginia Bank. The resulting bank is authorized to have its main office at 6400 Arlington Boulevard, City of Falls Church, Virginia, and to operate all the previously authorized offices and facilities of First Virginia Bank, as well as the following offices operated prior to the merger by State Bank: 100 John Stone Street, Remington, Fauquier County, Virginia; and 3420 Catlett Road, Catlett, Fauquier County, Virginia. 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.

CASE NO. BAN20010743
OCTOBER 16, 2001

APPLICATION OF
CAPITAL ONE BANK

To convert from a state bank to a state savings bank

ORDER APPROVING THE CONVERSION AND GRANTING A CERTIFICATE OF AUTHORITY

Capital One Bank, a state bank, has applied to the State Corporation Commission ("Commission"), pursuant to § 6.1-194.129 B of the Code of Virginia, to convert to a state savings bank under the same name. The application was referred to the Bureau of Financial Institutions ("Bureau") for investigation.

Capital One Bank currently has assets of approximately $14.0 billion. The Bureau reports that: (1) the bank will amend its articles of incorporation in accordance with Title 13.1 of the Code of Virginia; (2) the savings bank will conduct its business from the bank's currently authorized locations at 11011 West Broad Street, Glen Allen, Henrico County, Virginia and North American Centre, 5650/5700 Yonge Street, North York, Ontario, Canada; and (3) all applicable provisions of §6.1-194.114 of the Code of Virginia are met.

Accordingly, IT IS ORDERED that the conversion is hereby approved, and a certificate of authority is hereby issued to Capital One Bank to commence business as a state savings bank, effective upon issuance by the Clerk of the Commission of a certificate of amendment of its articles of incorporation, and subject to the condition that the applicant notify the Bureau in writing of the date on which it will commence business as a state savings bank, upon which date the certificate of authority previously issued to the bank to conduct business as a state bank shall be deemed vacated. If this grant of authority is not exercised in twelve (12) months from this date, it will expire, unless extended.

CASE NO. BAN20010744
OCTOBER 16, 2001

APPLICATION OF
CAPITAL ONE FINANCIAL CORPORATION

To acquire the voting stock of Capital One Bank, a state savings bank

ORDER OF APPROVAL

Capital One Financial Corporation of Falls Church, Virginia, has filed with the State Corporation Commission ("Commission") the application required by § 6.1-194.87 C of the Code of Virginia to acquire all the voting shares of Capital One Bank, upon its conversion from a state bank to a state savings bank as permitted by Order of the Commission in Case Number BAN20010743. 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 § 6.1-194.87 C of the Code of Virginia are met.

Accordingly, IT IS ORDERED that the acquisition by Capital One Financial Corporation of the voting shares of Capital One Bank upon its conversion to a state savings bank is approved, 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.

CASE NO. BAN20010745
OCTOBER 16, 2001

APPLICATION OF
CAPITAL ONE BANK

To merge with Capital One Bank, FSB

ORDER APPROVING A MERGER

Capital One Bank, having its main office in Henrico County, Virginia, has applied to the State Corporation Commission ("Commission"), pursuant to § 6.1-194.131 A 3 of the Code of Virginia to merge, upon its conversion to a state savings bank from a state bank also named Capital One Bank, with Capital One Bank FSB, a federal savings institution based in Falls Church, Virginia, under the charter and title of the state savings bank. The application was referred to the Bureau of Financial Institutions ("Bureau") for investigation.

The Bureau reports that: (1) the applicant will file articles of merger with the Clerk of the Commission and (2) all relevant provisions of § 6.1-194.114 of the Code of Virginia are met.

Accordingly, IT IS ORDERED that, upon (1) its conversion to a state savings bank; (2) approval of the aforesaid articles of merger filed with the Clerk of the Commission; and (3) issuance of any necessary federal approval, Capital One Bank is hereby authorized to merge with Capital One Bank, FSB, and operate as a branch the office of Capital One Bank, FSB located at 2980 Fairview Park Drive, Suite 1300, Fairfax County, Virginia, provided that the merger is consummated within one (1) year of the date of this order and the Bureau is given written notice of the merger within ten (10) days of its consummation.

CASE NO. BAN20010794
SEPTEMBER 14, 2001

APPLICATION OF
FIRST VIRGINIA BANK-COLONIAL
Richmond, Virginia

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

ORDER GRANTING AUTHORITY

First Virginia Bank-Colonial, a state-chartered bank with its main office at 700 East Main Street, City of Richmond, Virginia, has applied to the State Corporation Commission ("Commission"), 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 First Colonial Bank, Hopewell, Virginia. First Virginia Bank-Colonial proposes to be the surviving bank in the merger and seeks authority to operate all the currently authorized offices of the merging banks, except the office of First Colonial Bank at 2141 East Hundred Road, Enon, Chesterfield County, Virginia. The Bureau of Financial Institutions ("Bureau") investigated the application.

Having considered the application and the report of the Bureau, the Commission finds that: (1) the provisions of the law have been complied with; (2) the capital stock of the resulting bank will be $32,625,000, and its surplus will be not less than $54,429,000; (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 directors have been taken and filed in accordance with § 6.1-48 of the Code; (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 of the bank 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 First Virginia Bank-Colonial, effective upon the issuance by the Clerk of the Commission of a certificate of merger merging First Colonial Bank into First Virginia Bank-Colonial. The resulting bank is authorized to have its main office at 700 East Main Street, City of Richmond, Virginia, and to operate all the previously authorized offices and facilities of First Virginia Bank-Colonial, as well as the following offices operated prior to the merger by First Colonial Bank: (1) 5100 Oaklawn Boulevard, Prince George County, Virginia; (2) 4221 West Hundred Road, Chester, Chesterfield County, Virginia; (3) 25901 Cox Road, Dinwiddie County, Virginia; (4) 2208 Boulevard, City of Colonial Heights, Virginia; (5) 1883 South Crater Road, City of Petersburg, Virginia; and (6) 1421 West City Point Road, City of Hopewell, Virginia. 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.

CASE NO. BAN20010912
SEPTEMBER 26, 2001

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, has filed with the State Corporation Commission ("Commission") the notice required by § 6.1-406 of the Code of Virginia of its proposed acquisition of Community First Banking Company of Carrollton, Georgia. 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 First Banking Company 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. BAN20010918
OCTOBER 29, 2001

APPLICATION OF
VIRGINIA FINANCIAL CORPORATION

To acquire Caroline Savings Bank

ORDER OF APPROVAL

Virginia Financial Corporation of Staunton, Virginia, has filed with the State Corporation Commission ("Commission") the application required by Article 9 of Chapter 3.01 of Title 6.1 of the Code of Virginia to acquire Caroline Savings Bank. The application was referred to the Bureau of Financial Institutions ("Bureau") for investigation.

Having considered the application and the report of the Bureau's 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 Financial Corporation to acquire Caroline Savings Bank, provided that the acquisition becomes effective within twelve (12) months of the date of this Order and that the Bureau is notified of the acquisition in writing within ten (10) days of its occurrence.

CASE NO. BAN20010919
OCTOBER 29, 2001

APPLICATION OF
VIRGINIA FINANCIAL CORPORATION

To acquire Virginia Commonwealth Financial Corporation

ORDER OF APPROVAL

Virginia Financial Corporation of Staunton, Virginia, has filed with the State Corporation Commission ("Commission") the application required by § 6.1-383.1 of the Code of Virginia to acquire all the voting shares of Virginia Commonwealth Financial Corporation 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 § 6.1-383.2 A of the Code are met.

THEREFORE, the Commission approves the acquisition of all the voting shares of Virginia Commonwealth Financial Corporation by Virginia 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.

CASE NO. BAN20010926
OCTOBER 11, 2001

APPLICATION OF
NEW PEOPLES BANKSHARES, INC.

To acquire New Peoples Bank, Inc.

ORDER OF APPROVAL

New Peoples Bankshares, Inc. of Honaker, Virginia, has filed with the State Corporation Commission ("Commission") the application required by § 6.1-383.1 of the Code of Virginia to acquire all the voting shares of New Peoples Bank, Inc. of Honaker, 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 of the Code are met.

THEREFORE, the Commission approves the acquisition of all the voting shares of New Peoples Bank, Inc. by New Peoples Bankshares, Inc., provided the acquisition takes place within one (1) year from this date and the applicant notifies the Bureau of the effective date within ten (10) days thereof.

CASE NO. BAN20010943
OCTOBER 1, 2001

APPLICATION OF
NEWPORT NEWS SHIPBUILDING EMPLOYEES' CREDIT UNION, INC.

To merge with Amoco Yorktown Refinery Credit Union, Incorporated

ORDER APPROVING THE MERGER

Newport News Shipbuilding Employees' Credit Union, Inc., a Virginia state-chartered credit union, filed an application with the State Corporation Commission ("Commission") to merge with Amoco Yorktown Refinery Credit Union, Incorporated, a Virginia state-chartered credit union, pursuant to the provisions of Section 6.1-225.27 of the Code of Virginia.

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

THEREFORE, IT IS ORDERED that the merger of Amoco Yorktown Refinery Credit Union, Incorporated into Newport News Shipbuilding Employees' Credit Union, Inc. is approved, provided that the merger, which will be effective when the Clerk issues a certificate of merger, shall be accomplished not later than one year from this date.

CASE NO. BAN20010952
OCTOBER 31, 2001

APPLICATION OF
SOUTHTRUST CORPORATION
Birmingham, Alabama

To acquire The Bank of Tidewater

ORDER OF APPROVAL

SouthTrust Corporation of Birmingham, Alabama, has filed with the State Corporation Commission ("Commission") the application required by Chapter 15 of Title 6.1 of the Code of Virginia to acquire The Bank of Tidewater, a Virginia bank with its headquarters in Virginia Beach, 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 of § 6.1-383.2 of the Code are met.

Therefore, the Commission hereby approves the acquisition of The Bank of Tidewater by SouthTrust 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.

CASE NO. BAN20011000
OCTOBER 29, 2001

APPLICATION OF
UNITED BANKSHARES, INC

Pursuant to § 6.1-406 of the Code of Virginia

ORDER OF APPROVAL

United Bankshares, Inc. of Charleston, West Virginia, has filed with the State Corporation Commission ("Commission") the notice required by § 6.1-406 of the Code of Virginia of its proposed acquisition of Century Bancshares, Inc. of Washington, D. C. 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 Century Bancshares, Inc. by United Bankshares, Inc., provided the acquisition takes place within one (1) year from this date and the applicant notifies the Bureau of the effective date within ten (10) days thereof.

CASE NO. BAN20011001
OCTOBER 29, 2001

APPLICATION OF
UNITED BANK

To merge with Century National Bank

ORDER GRANTING AUTHORITY

United Bank of Fairfax, Virginia, has filed with the State Corporation Commission ("Commission") the application required by § 6.1-44.15, et seq., of the Code of Virginia to merge with Century National Bank of Washington, D.C. United Bank, the resulting bank in the merger, will have capital stock and surplus of not less than $209,039,000. The Bureau of Financial Institutions ("Bureau") investigated the proposed transaction.

Having considered the application and the report of the Bureau, the Commission finds that the proposed merger will not be detrimental to the safety and soundness of the applicant and will be in the public interest. The officers and directors of the resulting bank have the qualifications prescribed by law.

Accordingly, the application of United Bank to merge with Century National Bank is approved, subject to the following conditions: (1) the applicant shall comply with the Virginia Stock Corporation Act and receive all other necessary regulatory approvals, and (2) the merger shall be accomplished within a year. The merger will be effective upon the issuance by the Clerk of a certificate of merger. The resulting bank, which will have its main office at 11185 Main Street, City of Fairfax, Virginia, is authorized to maintain and operate, in addition to the current branches and facilities of United Bank, the offices and facilities that have been operated by Century National Bank until the merger. The authorized offices of Century National Bank are listed in Attachment A.

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

CASE NO. BAN20011027
NOVEMBER 7, 2001

APPLICATION OF
SOUTHTRUST CORPORATION
Birmingham, Alabama

To acquire Community Bankshares Incorporated

ORDER OF APPROVAL

SouthTrust Corporation, an out-of-state bank holding company with headquarters in Birmingham, Alabama, has filed with the State Corporation Commission ("Commission") the application required by Chapter 15 of Title 6.1 of the Code of Virginia to acquire Community Bankshares Incorporated, a Virginia bank holding company. 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 of § 6.1-383.2 of the Code are met.

Therefore, the Commission hereby approves the acquisition of Community Bankshares Incorporated by SouthTrust 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.

CASE NO. BAN20011080
NOVEMBER 20, 2001

APPLICATION OF
FNB CORPORATION

To acquire Salem Community Bankshares, Inc.

ORDER OF APPROVAL

FNB Corporation, a Virginia bank holding company, has filed with the State Corporation Commission ("Commission") the application required by § 6.1-383.1 of the Code of Virginia to acquire all the voting shares of Salem Community Bankshares, Inc., also a Virginia bank holding company. 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 of the Code are met.

THEREFORE, the Commission approves the acquisition of all the voting shares of Salem Community Bankshares, 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.

CASE NOS. BAN20011144 - BAN20011152
DECEMBER 19, 2001

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: F & M Bank-Central Virginia; F&M Bank-Northern Virginia; F&M Bank-Southern Virginia; F & M Bank-Richmond; F & M Bank – Massanutten; F & M Bank – Atlantic; F & M Bank-Peoples; F&M Bank-Highlands; and F & M Bank - Winchester, 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 to the State Corporation Commission ("Commission"), 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 the following Virginia state-chartered banks: (1) F & M Bank-Central Virginia; (2) F&M Bank-Northern Virginia; (3) F&M Bank-Southern Virginia, (4) F & M Bank-Richmond; (5) F & M Bank – Massanutten; (6) F & M Bank – Atlantic; (7) F & M Bank-Peoples; (8) F&M Bank-Highlands; and (9) F & M Bank - Winchester. 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 ("Bureau").

Having considered the applications and the report of the Bureau, the Commission finds that: (1) 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 $1,029,794,000; (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 the Commission of a certificate of merger in the proposed transaction. The resulting bank, which will have its main office at 823 East Main Street, City of Richmond, Virginia, is authorized to maintain and operate, in addition to its current offices and facilities, the offices that have been operated by the each of the other merging banks. The offices operated by the merging banks are listed in Attachment A. The authority granted herein shall expire one year from this date, unless extended by Commission order prior to the expiration date.

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. BAN20011218 and BAN20011219
DECEMBER 21, 2001

APPLICATIONS OF
BB&T CORPORATION

Pursuant to § 6.1-406 of the Code of Virginia

ORDER OF APPROVAL

BB&T Corporation ("BB&T"), an out-of-state bank holding company which controls several Virginia state-chartered banks, has filed with the State Corporation Commission ("Commission") the notices required by § 6.1-406 of the Code of Virginia of its proposed acquisitions of AREA Bancshares Corporation and Mid-America Bancorp, both Kentucky bank holding companies. The Bureau of Financial Institutions ("Bureau") investigated the proposed transactions.

Having considered the notices and the report of the Bureau, the Commission finds that the proposed acquisitions will not have a detrimental effect on the safety or soundness of any Virginia bank subsidiary of BB&T. Therefore, the Commission hereby approves the acquisitions of AREA Bancshares Corporation and Mid-America Bancorp by BB&T, 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.

CASE NO. BAN20011274
DECEMBER 28, 2001

APPLICATION OF
THE FIRST BANK AND TRUST COMPANY

For approval of an interstate merger

ORDER GRANTING AUTHORITY

The First Bank and Trust Company, a Virginia state-chartered bank, has applied to the State Corporation Commission ("Commission"), pursuant to § 6.1-44.17 of the Code of Virginia, for approval of a merger with First Bank and Trust Company of Tennessee, a Tennessee state bank. The First Bank and Trust Company proposes to be the surviving bank in the merger and seeks authority to operate all the currently authorized offices of the merging banks. The application was investigated by the Bureau of Financial Institutions ("Bureau").

Having considered the application and the report of the Bureau, the Commission finds that: (1) the laws of the State of Tennessee permit interstate bank mergers; (2) the proposed transaction will not be detrimental to the safety and soundness of the Virginia bank; and (3) the proposed merger is in the public interest.

Accordingly, the merger of the two banks is approved, effective upon the issuance by the Clerk of the Commission of a certificate of merger in the proposed transaction. The resulting bank is authorized to maintain and operate, in addition to its current offices and facilities, the offices that have been operated by First Bank and Trust Company of Tennessee listed in Attachment A. The authority granted herein shall expire one (1) year from this date unless extended by order.

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. BFI000109
MARCH 2, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
AMERICAN TRUST MORTGAGE CORP.,
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 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 on November 15, 2000, that he would propose that its license be revoked on December 6, 2000 unless the annual fee was paid, and that a written request for hearing was required to be filed in the office of the Clerk on or before November 29, 2000; and that no annual fee or written request for hearing was received.

Accordingly, the Commission finds that the Defendant failed to pay the annual fee required by law, and

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

CASE NO. BFI000111
MARCH 2, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CALIFORNIA LENDING GROUP, INC. d/b/a UNITED LENDING 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 lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; 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 on November 15, 2000, that he would propose that its license be revoked on December 6, 2000 unless the annual fee was paid, and that a written request for a hearing was required to be filed in the office of the Clerk on or before November 29, 2000; and that no annual fee or written request for hearing was received.

Accordingly, the Commission finds that the Defendant failed to pay the annual fee required by law, 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. BFI000112
MARCH 2, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CAPITOL MORTGAGE BANKERS, 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 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 on November 15, 2000, that he would propose that its license be revoked on December 6, 2000 unless the annual fee was paid, and that a written request for hearing was required to be filed in the office of the Clerk on or before November 29, 2000; and that no annual fee or written request for hearing was received.

Accordingly, the Commission finds that the Defendant failed to pay the annual fee required by law, 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. BFI000113
MARCH 2, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ROBERT W. CARTY d/b/a HIGHLAND MORTGAGE,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to pay his 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 on November 15, 2000, that he would propose that his license be revoked on December 6, 2000 unless the annual fee was paid, and that a written request for hearing was required to be filed in the office of the Clerk on or before November 29, 2000; and that no annual fee or written request for hearing was received.

Accordingly, the Commission finds that the Defendant failed to pay the annual fee required by law, and

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

CASE NO. BFI000115
MARCH 2, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
DAVENPORT-DUKES MORTGAGE SERVICE 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 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 on November 15, 2000, that he would propose that its license be revoked on December 6, 2000 unless the annual fee was paid, and that a written request for hearing was required to be filed in the office of the Clerk on or before November 29, 2000; and that no annual fee or written request for hearing was received.

Accordingly, the Commission finds that the Defendant failed to pay the annual fee required by law, and

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

CASE NO. BFI000117
MARCH 2, 2001

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business as a mortgage lender under Chapter 16 of Title 6.1 of the Code of Virginia; 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 on November 15, 2000, that he would propose that its license be revoked on December 6, 2000 unless the annual fee was paid, and that a written request for hearing was required to be filed in the office of the Clerk on or before November 29, 2000; and that no annual fee or written request for hearing was received.

Accordingly, the Commission finds that the Defendant failed to pay the annual fee required by law, and

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

CASE NO. BFI000119
MARCH 2, 2001

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; 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 on November 15, 2000, that he would propose that its license be revoked on December 6, 2000 unless the annual fee was paid, and that a written request for hearing was required to be filed in the office of the Clerk on or before November 29, 2000; and that no annual fee or written request for hearing was received.

Accordingly, the Commission finds that the Defendant failed to pay the annual fee required by law, and

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

CASE NO. BFI000122
MARCH 2, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
GULFSTREAM FINANCIAL SERVICES OF NC, 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 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 on November 15, 2000, that he would propose that its license be revoked on December 6, 2000 unless the annual fee was paid, and that a written request for hearing was required to be filed in the office of the Clerk on or before November 29, 2000; and that no annual fee or written request for hearing was received.

Accordingly, the Commission finds that the Defendant failed to pay the annual fee required by law, 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. BFI000123
MARCH 2, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
IMPERIAL HOME LOANS, 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 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 on November 15, 2000, that he would propose that its license be revoked on December 6, 2000 unless the annual fee was paid, and that a written request for hearing was required to be filed in the office of the Clerk on or before November 29, 2000; and that no annual fee or written request for hearing was received.

Accordingly, the Commission finds that the Defendant failed to pay the annual fee required by law, 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. BFI000124
MARCH 2, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
LAKELAND REGIONAL 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 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 on November 15, 2000, that he would propose that its license be revoked on December 6, 2000 unless the annual fee was paid, and that a written request for hearing was required to be filed in the office of the Clerk on or before November 29, 2000; and that no annual fee or written request for hearing was received.

Accordingly, the Commission finds that the Defendant failed to pay the annual fee required by law, and

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

CASE NO. BFI000126
MARCH 2, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
METROPOLITAN HOME MORTGAGE CORPORATION OF NEW YORK,
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 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 on November 15, 2000, that he would propose that its license be revoked on December 6, 2000 unless the annual fee was paid, and that a written request for hearing was required to be filed in the office of the Clerk on or before November 29, 2000; and that no annual fee or written request for hearing was received.

Accordingly, the Commission finds that the Defendant failed to pay the annual fee required by law, and

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

CASE NO. BFI000133
MARCH 2, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UNITED MORTGAGE & FINANCIAL SERVICES, INC.,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; 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 on November 15, 2000, that he would propose that its license be revoked on December 6, 2000 unless the annual fee was paid, and that a written request for hearing was required to be filed in the office of the Clerk on or before November 29, 2000; and that no annual fee or written request for hearing was received.

Accordingly, the Commission finds that the Defendant failed to pay the annual fee required by law, and

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

CASE NO. BFI000140
FEBRUARY 12, 2001

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was canceled on November 22, 2000; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on November 29, 2000, that he would recommend that its license be revoked unless a new bond was filed by December 20, 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 December 13, 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 Landmark Financial Services, Inc. to engage in business as a mortgage lender and broker is hereby revoked.

CASE NO. BFI010003
MARCH 30, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
POTOMAC 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 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 February 16, 2001; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on February 26, 2001: (1) that he would recommend its license be revoked unless a new bond was filed by March 19, 2001, and (2) a written request for hearing was required to be filed in the office of the Clerk of the Commission on or before March 12, 2001; and that no new bond or written request for hearing was filed by the Defendant.

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

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

CASE NO. BFI010005
JUNE 15, 2001

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("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 cancelled on February 1, 2001; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on February 26, 2001, (1) of his intention to recommend revocation of its license unless a new bond was filed by March 19, 2001, and (2) that a written request for hearing was required to be filed in the office of the Clerk of the Commission on or before March 12, 2001; and that no new bond or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to maintain its bond in force as required by law, and

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

CASE NO. BFI010006
MAY 7, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
AMERICAN MORTGAGE CAPITAL, 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 to engage in business 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 cancelled on January 3, 2001; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on March 20, 2001, (1) of his intention to recommend revocation of its license unless a new bond was filed by April 10, 2001, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before April 3, 2001; and that no new bond or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to maintain its bond in force as required by law, and

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

CASE NO. BFI010015
SEPTEMBER 14, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BANKERS FIRST MORTGAGE CO., 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 to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on July 19, 2001; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on August 2, 2001, (1) of his intention to recommend revocation of its license unless a new bond was filed by August 23, 2001, and (2) that a written request for hearing was required to be filed in the office of the Clerk of the Commission on or before August 16, 2001; and that no new bond or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant failed to maintain its bond in force as required by law, 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. BFI010020
JUNE 19, 2001

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("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, 2001, 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 19, 2001, that (1) he would propose that its license be revoked unless the report was filed by May 11, 2001, and (2) a written request for hearing was required to be filed in the office of the Clerk of the Commission on or before May 4, 2001; 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 law, 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. BFI010040
JUNE 19, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FLAGSHIP CAPITAL SERVICES CORP.,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("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, 2001, 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 19, 2001, that (1) he would propose that its license be revoked unless the report was filed by May 11, 2001, and (2) a written request for hearing was required to be filed in the office of the Clerk of the Commission on or before May 4, 2001; 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 law, 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. BFI010042
JUNE 19, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
HOMEOWNERS.COM, INC.,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("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, 2001, 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 19, 2001, that (1) he would propose that its license be revoked unless the report was filed by May 11, 2001, and (2) a written request for hearing was required to be filed in the office of the Clerk of the Commission on or before May 4, 2001; 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 law, and

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

CASE NO. BFI010043
JUNE 19, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
INTEGRITY MORTGAGE AND FINANCE, INC.,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("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, 2001, 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 19, 2001, that (1) he would propose that its license be revoked unless the report was filed by May 11, 2001, and (2) a written request for hearing was required to be filed in the office of the Clerk of the Commission on or before May 4, 2001; 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 law, and

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

CASE NO. BFI010050
JUNE 19, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
METROPOLITAN MORTGAGE AND FINANCIAL SERVICES, CORPORATION,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("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, 2001, 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 19, 2001, that (1) he would propose that its license be revoked unless the report was filed by May 11, 2001, and (2) a written request for hearing was required to be filed in the office of the Clerk of the Commission on or before May 4, 2001; 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 law, and

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

CASE NO. BFI010052
JUNE 19, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MG INVESTMENTS, INC.,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("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, 2001, 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 19, 2001, that (1) he would propose that its license be revoked unless the report was filed by May 11, 2001, and (2) a written request for hearing was required to be filed in the office of the Clerk of the Commission on or before May 4, 2001; 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 law, and

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

CASE NO. BFI010054
JUNE 19, 2001

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("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, 2001, 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 19, 2001, that (1) he would propose that its license be revoked unless the report was filed by May 11, 2001, and (2) a written request for hearing was required to be filed in the office of the Clerk of the Commission on or before May 4, 2001; 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 law, and

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

CASE NO. BFI010058
JUNE 19, 2001

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("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, 2001, 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 19, 2001, that (1) he would propose that its license be revoked unless the report was filed by May 11, 2001, and (2) a written request for hearing was required to be filed in the office of the Clerk of the Commission on or before May 4, 2001; 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 law, and

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

CASE NO. BFI010062
JUNE 19, 2001

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("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, 2001, 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 19, 2001, that (1) he would propose that its license be revoked unless the report was filed by May 11, 2001, and (2) a written request for hearing was required to be filed in the office of the Clerk of the Commission on or before May 4, 2001; 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 law, and

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

CASE NO. BFI010065
JUNE 19, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
U.S.A. MORTGAGE, INC.,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("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, 2001, 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 19, 2001, that (1) he would propose that its license be revoked unless the report was filed by May 11, 2001, and (2) a written request for hearing was required to be filed in the office of the Clerk of the Commission on or before May 4, 2001; 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 law, and

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

CASE NO. BFI010070
MAY 15, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In re Powers delegated to the Commissioner of Financial Institutions

ORDER TO TAKE NOTICE

WHEREAS § 12.1-16 of the Code of Virginia provides, among other things, for delegation by the State Corporation Commission ("Commission") to the Commissioner of Financial Institutions ("Commissioner") of its duties under certain laws; and

WHEREAS the Commission has previously delegated various powers and duties to the Commissioner pursuant to this statute, which delegations currently appear in the Virginia Administrative Code at 10 VAC 5-10-10; and

WHEREAS the Commission now proposes to delegate certain additional authority to the Commissioner in order to promote the efficient administration of Title 6.1 of the Code of Virginia;

IT IS THEREFORE ORDERED THAT:

(1) The proposed amended regulation entitled "Powers Delegated to Commissioner of Financial Institutions" is appended hereto and made part of the record herein.

(2) On or before June 11, 2001, any person desiring to comment upon the proposed amended regulation shall file written comments containing a reference to Case No. BFI010070 with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218.

(3) The proposed amended regulation shall be posted on the Commission's website at http://www.state.va.us/scc.

(4) AN ATTESTED COPY hereof, together with a copy of the proposed amended regulation, shall be sent to the Registrar of Regulations for publication in the Virginia Register.

NOTE: A copy of Attachment A entitled "Powers Delegated to Commissioner of Financial Institutions" 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. BFI010070
JUNE 27, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In re Powers Delegated to the Commissioner of Financial Institutions

ORDER ADOPTING A REGULATION

By Order entered herein on May 15, 2001, the Commission directed that notice be given of proposed amendments to its regulation entitled "Powers Delegated to Commissioner of Financial Institutions", §10 VAC 5-10-10 of the Virginia Administrative Code. Notice of the proposed amendment was published in the Virginia Register on June 4, 2001, and the proposed amended regulation was posted on the Commission's website. Interested parties were afforded the opportunity to file written comments in favor of or against the proposal on or before June 18, 2001. No written comments were filed, and the Staff has suggested no modification of the proposal.

The Commission, having considered the record and the proposed amendments, concludes that the additional delegations affected by the amendments will promote the efficient administration of Title 6.1 of the Code of Virginia and that the proposed amended regulation should be adopted.

THEREFORE, IT IS ORDERED THAT:

(1) The proposed amended regulation entitled "Powers Delegated to Commissioner of Financial Institutions", attached hereto, is adopted effective July 1, 2001.

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

(3) This case is dismissed and the papers herein shall be placed among the ended cases.

NOTE: A copy of Attachment A entitled "10 VAC 5-10-10. Powers Delegated to Commissioner of Financial Institutions" 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. BFI010071
JUNE 19, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
DIVERSIFIED LENDING SERVICES, INC.,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("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, 2001, 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 May 7, 2001, that (1) he would propose that its license be revoked unless the report was filed by May 29, 2001, and (2) a written request for hearing was required to be filed in the office of the Clerk of the Commission on or before May 22, 2001; 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 law, 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. BFI010076
JUNE 15, 2001

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("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 cancelled on April 29, 2001, and the Defendant failed to file its annual report by March 1, 2001, 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 (1) of his intention to recommend revocation of its license unless a new bond and the annual report were filed, and (2) that a written request for hearing was required to be filed in the office of the Clerk of the Commission; and that no new bond, annual report, or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to maintain its bond in force and file its annual report as required by law, and

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

CASE NO. BFI010077
JUNE 15, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MEMBERS CAPITAL MORTGAGE, LLC,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was cancelled on April 29, 2001; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on May 10, 2001, (1) of his intention to recommend revocation of its license unless a new bond was filed by May 24, 2001, and (2) that a written request for hearing was required to be filed in the office of the Clerk of the Commission on or before May 31, 2001; and that no new bond or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to maintain its bond in force as required by law, 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. BFI010079
MAY 14, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

v.

CBSK FINANCIAL GROUP, INC. d/b/a AMERICAN HOME LOANS,
Defendant

SETTLEMENT ORDER

ON A FORMER DAY, the Staff reported to the State Corporation Commission ("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 certain laws applicable to the conduct of its business; that upon being informed that the Staff intended to recommend the imposition of a penalty therefor, the Defendant offered to settle this case by payment of a penalty in the sum of 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 of Financial Institutions 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 in this case is accepted.

(2) This case is hereby dismissed.

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

CASE NO. BFI010080
MAY 15, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In re annual fees for examination, supervision, and regulation of banks and savings institutions

ORDER TO TAKE NOTICE

WHEREAS §§ 6.1-94, 6.1-194.85, and 6.1-194.149 of the Code of Virginia provide, among other things, for each bank, savings association, and savings bank examined, supervised, and regulated by the Bureau of Financial Institutions ("Bureau") to pay an annual fee according to a schedule set by the State Corporation Commission ("Commission"); and

WHEREAS the current schedule of annual fees appears in the Virginia Administrative Code at 10 VAC 5-20-30; and

WHEREAS the Commission now, based on information supplied by the Bureau Staff, proposes to modify the schedule of annual fees to promote the efficient and effective examination, supervision, and regulation of state banks and savings institutions;

IT IS THEREFORE ORDERED THAT:

(1) The proposed amended regulation, entitled "Schedule Prescribing Annual Fees Paid for Examination, Supervision, and Regulation of State Banks and Savings Institutions," is appended hereto and made part of the record herein.

(2) On or before June 18, 2001, any person desiring to comment on the proposed amended regulation shall file written comments containing a reference to Case No. BFI010080 with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218.

(3) The proposed amended regulation shall be posted on the Commission's website at http://www.state.va.us/scc.

(4) AN ATTESTED COPY hereof, together with a copy of the proposed amended regulation, shall be sent to the Registrar of Regulations for publication in the Virginia Register.

NOTE: A copy of Attachment A entitled "Schedule prescribing annual fees paid for examination, supervision, and regulation of state-chartered banks and savings institutions" 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. BFI010080
JUNE 26, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In re annual fees for examination, supervision, and regulation of banks and savings institutions

ORDER ADOPTING THE REGULATION

By Order dated May 15, 2001, the State Corporation Commission ("Commission") directed that notice be given of a proposed regulation modifying the schedule of annual fees of banks and savings institutions.

Notice was published in the Virginia Register of Regulations dated June 4, 2001; was mailed to each bank and savings institution subject to the regulation; and was posted on the Commission's website. One written comment was received.

Now having considered the regulation and schedule of fees proposed by the Bureau of Financial Institutions, and the comment received, the Commission finds that the regulation should be adopted as proposed.

Accordingly, IT IS ORDERED THAT:

(1) The amended regulation, entitled "Schedule Prescribing Annual Fees Paid for Examination, Supervision, and Regulation of State-Chartered Banks and Savings Institutions" is adopted, as proposed. A copy of the final regulation is attached.

(2) An attested copy hereof, with the regulation as adopted attached, shall be sent to the Registrar of Regulations for publication in the Virginia Register.

NOTE: A copy of Attachment A entitled "10 VAC 5-20-30. Schedule prescribing annual fees paid for examination, supervision, and regulation of state-chartered banks and savings institutions" 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. BFI010081
JULY 12, 2001

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("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 cancelled on May 9, 2001; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on June 5, 2001, (1) of his intention to recommend revocation of its license unless a new bond was filed by June 26, 2001, and (2) that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before June 19, 2001; and that no new bond or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant failed to maintain its bond in force as required by law, and

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

CASE NO. BFI010081
AUGUST 2, 2001

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

ORDER REINSTATING A LICENSE

ON THIS DAY the staff reported to the State Corporation Commission that a new surety bond filed by the Defendant with the Bureau of Financial Institutions was misplaced and, as a result, the Defendant's mortgage broker license was revoked by Order dated July 12, 2001. Upon consideration thereof,

IT IS ORDERED that the Defendant's license to engage in business as a mortgage broker is reinstated nunc pro tunc to July 12, 2001, and that the Order entered on that date revoking Defendant's mortgage broker license shall be deemed a nullity.

CASE NO. BFI010082
AUGUST 20, 2001

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("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 cancelled on May 6, 2001; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on June 5, 2001, (1) of his intention to recommend revocation of its license unless a new bond was filed by June 26, 2001, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before June 19, 2001; and that no new bond or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to maintain its bond in force as required by law, and

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

CASE NO. BFI010095
OCTOBER 30, 2001

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

ORDER REVOKING A LICENSE

On May 22, 2001, by Administrative Ruling 1609 and pursuant to § 6.1-413 of the Code of Virginia, the Commissioner of Financial Institutions ("Commissioner") increased the minimum surety bond required for licensees under Chapter 16 of Title 6.1 of the Code of Virginia and advised such licensees, including the Defendant, of the necessity of filing new surety bonds or riders with the Bureau of Financial Institutions. The Ruling was promptly mailed to all Chapter 16 licensees, including the Defendant. Thereafter, the Commissioner reported to the State Corporation Commission ("Commission") that he notified the Defendant again of the necessity for filing a proper rider or bond by letter dated August 1, 2001; that pursuant to delegated authority he gave written notice by certified mail on August 29, 2001, (1) of his intention to recommend revocation of its license unless a new bond or rider was filed by September 19, 2001, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before September 12, 2001; and that no proper bond or rider or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to maintain its bond in force as required by law, and

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

CASE NO. BFI010095
DECEMBER 19, 2001

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

ORDER DENYING RECONSIDERATION

On October 30, 2001, the State Corporation Commission ("Commission") entered an Order revoking the mortgage broker license issued to the Defendant under Chapter 16 of Title 6.1 of the Code of Virginia. Thereafter, the Defendant, by counsel, filed a motion seeking reconsideration of the license revocation order on November 20, 2001, and filed a motion for extension of time to file the previously-filed motion for reconsideration on December 5, 2001. It appears to the Commission that the motions were untimely filed under Rule 5 VAC 5-20-220 of the Rules of Practice and Procedure and that the Commission cannot grant the relief sought in the motions.

Accordingly, IT IS ORDERED THAT the motion for reconsideration is denied.

CASE NO. BFI010099
OCTOBER 30, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
AMERICAN MORTGAGE AND INVESTMENT CORPORATION,
Defendant

ORDER REVOKING A LICENSE

On May 22, 2001, by Administrative Ruling 1609 and pursuant to § 6.1-413 of the Code of Virginia, the Commissioner of Financial Institutions ("Commissioner") increased the minimum surety bond required for licensees under Chapter 16 of Title 6.1 of the Code of Virginia and advised such licensees, including the Defendant, of the necessity of filing new surety bonds or riders with the Bureau of Financial Institutions. The Ruling was promptly mailed to all Chapter 16 licensees, including the Defendant. Thereafter, the Commissioner reported to the State Corporation Commission ("Commission") that he notified the Defendant again of the necessity for filing a proper rider or bond by letter dated August 1, 2001; that pursuant to delegated authority he gave written notice by certified mail on August 29, 2001, (1) of his intention to recommend revocation of its license unless a new bond or rider was filed by September 19, 2001, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before September 12, 2001; and that no proper bond or rider or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to maintain its bond in force as required by law, and

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

CASE NO. BFI010099
NOVEMBER 20, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
AMERICAN MORTGAGE AND INVESTMENT CORPORATION,
Defendant

TEMPORARY LICENSE REINSTATEMENT ORDER

On October 30, 2001, the State Corporation Commission ("Commission") entered an Order in this case revoking the mortgage broker license previously granted to the Defendant. Thereafter, the Defendant, by counsel, filed a motion seeking reconsideration of said license revocation Order upon certain grounds. Upon consideration thereof,

IT IS ORDERED THAT:

(1) The license revocation Order entered in this case on October 30, 2001, is vacated.

(2) Defendant's mortgage broker license is temporarily reinstated pending hearing and disposition of the motion for reconsideration.

(3) This case is continued generally on the Commission's docket.

CASE NO. BFI010100
OCTOBER 30, 2001

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

ORDER REVOKING A LICENSE

On May 22, 2001, by Administrative Ruling 1609 and pursuant to § 6.1-413 of the Code of Virginia, the Commissioner of Financial Institutions ("Commissioner") increased the minimum surety bond required for licensees under Chapter 16 of Title 6.1 of the Code of Virginia and advised such licensees, including the Defendant, of the necessity of filing new surety bonds or riders with the Bureau of Financial Institutions. The Ruling was promptly mailed to all Chapter 16 licensees, including the Defendant. Thereafter, the Commissioner reported to the State Corporation Commission ("Commission") that he notified the Defendant again of the necessity for filing a proper rider or bond by letter dated August 1, 2001; that pursuant to delegated authority he gave written notice by certified mail on August 29, 2001, (1) of his intention to recommend revocation of its license unless a new bond or rider was filed by September 19, 2001, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before September 12, 2001; and that no proper bond or rider or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to maintain its bond in force as required by law, and

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

CASE NO. BFI010100
DECEMBER 19, 2001

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

ORDER DENYING RECONSIDERATION

On October 30, 2001, the State Corporation Commission ("Commission") entered an Order revoking the mortgage broker license issued to the Defendant under Chapter 16 of Title 6.1 of the Code of Virginia. Thereafter, on November 30, 2001, the Defendant, by counsel, filed a pleading styled "Motion Reinstating License" seeking reconsideration of the license revocation order. It appears to the Commission that the motion was untimely filed under Rule 5 VAC 5-20-220 of the Rules of Practice and Procedure and that the Commission cannot grant the relief sought in the motion.

Accordingly, IT IS ORDERED THAT the motion for reconsideration is denied.

CASE NO. BFI010106
OCTOBER 30, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
EAST COAST MORTGAGE CORP.,
Defendant

ORDER REVOKING A LICENSE

On May 22, 2001, by Administrative Ruling 1609 and pursuant to § 6.1-413 of the Code of Virginia, the Commissioner of Financial Institutions ("Commissioner") increased the minimum surety bond required for licensees under Chapter 16 of Title 6.1 of the Code of Virginia and advised such licensees, including the Defendant, of the necessity of filing new surety bonds or riders with the Bureau of Financial Institutions. The Ruling was promptly mailed to all Chapter 16 licensees, including the Defendant. Thereafter, the Commissioner reported to the State Corporation Commission ("Commission") that he notified the Defendant again of the necessity for filing a proper rider or bond by letter dated August 1, 2001; that pursuant to delegated authority he gave written notice by certified mail on August 29, 2001, (1) of his intention to recommend revocation of its license unless a new bond or rider was filed by September 19, 2001, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before September 12, 2001; and that no proper bond or rider or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to maintain its bond in force as required by law, and

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

CASE NO. BFI010116
OCTOBER 30, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BUYER'S EDGE MORTGAGE CORPORATION,
Defendant

ORDER REVOKING A LICENSE

On May 22, 2001, by Administrative Ruling 1609 and pursuant to § 6.1-413 of the Code of Virginia, the Commissioner of Financial Institutions ("Commissioner") increased the minimum surety bond required for licensees under Chapter 16 of Title 6.1 of the Code of Virginia and advised such licensees, including the Defendant, of the necessity of filing new surety bonds or riders with the Bureau of Financial Institutions. The Ruling was promptly mailed to all Chapter 16 licensees, including the Defendant. Thereafter, the Commissioner reported to the State Corporation Commission ("Commission") that he notified the Defendant again of the necessity for filing a proper rider or bond by letter dated August 1, 2001; that pursuant to delegated authority he gave written notice by certified mail on August 29, 2001, (1) of his intention to recommend revocation of its license unless a new bond or rider was filed by September 19, 2001, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before September 12, 2001; and that no proper bond or rider or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to maintain its bond in force as required by law, and

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

CASE NO. BFI010125
OCTOBER 30, 2001

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

ORDER REVOKING A LICENSE

On May 22, 2001, by Administrative Ruling 1609 and pursuant to § 6.1-413 of the Code of Virginia, the Commissioner of Financial Institutions ("Commissioner") increased the minimum surety bond required for licensees under Chapter 16 of Title 6.1 of the Code of Virginia and advised such licensees, including the Defendant, of the necessity of filing new surety bonds or riders with the Bureau of Financial Institutions. The Ruling was promptly mailed to all Chapter 16 licensees, including the Defendant. Thereafter, the Commissioner reported to the State Corporation Commission ("Commission") that he notified the Defendant again of the necessity for filing a proper rider or bond by letter dated August 1, 2001; that pursuant to delegated authority he gave written notice by certified mail on August 29, 2001, (1) of his intention to recommend revocation of its license unless a new bond or rider was filed by September 19, 2001, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before September 12, 2001; and that no proper bond or rider or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to maintain its bond in force as required by law, and

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

CASE NO. BFI010126
OCTOBER 30, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FIRST GOVERNMENT MORTGAGE AND INVESTORS CORP.,
Defendant

ORDER REVOKING A LICENSE

On May 22, 2001, by Administrative Ruling 1609 and pursuant to § 6.1-413 of the Code of Virginia, the Commissioner of Financial Institutions ("Commissioner") increased the minimum surety bond required for licensees under Chapter 16 of Title 6.1 of the Code of Virginia and advised such licensees, including the Defendant, of the necessity of filing new surety bonds or riders with the Bureau of Financial Institutions. The Ruling was promptly mailed to all Chapter 16 licensees, including the Defendant. Thereafter, the Commissioner reported to the State Corporation Commission ("Commission") that he notified the Defendant again of the necessity for filing a proper rider or bond by letter dated August 1, 2001; that pursuant to delegated authority he gave written notice by certified mail on August 29, 2001, (1) of his intention to recommend revocation of its license unless a new bond or rider was filed by September 19, 2001, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before September 12, 2001; and that no proper bond or rider or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to maintain its bond in force as required by law, and

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

CASE NO. BFI010129
OCTOBER 30, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FIRST RESIDENTIAL MORTGAGE SERVICES CORP.,
Defendant

ORDER REVOKING A LICENSE

On May 22, 2001, by Administrative Ruling 1609 and pursuant to § 6.1-413 of the Code of Virginia, the Commissioner of Financial Institutions ("Commissioner") increased the minimum surety bond required for licensees under Chapter 16 of Title 6.1 of the Code of Virginia and advised such licensees, including the Defendant, of the necessity of filing new surety bonds or riders with the Bureau of Financial Institutions. The Ruling was promptly mailed to all Chapter 16 licensees, including the Defendant. Thereafter, the Commissioner reported to the State Corporation Commission ("Commission") that he notified the Defendant again of the necessity for filing a proper rider or bond by letter dated August 1, 2001; that pursuant to delegated authority he gave written notice by certified mail on August 29, 2001, (1) of his intention to recommend revocation of its license unless a new bond or rider was filed by September 19, 2001, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before September 12, 2001; and that no proper bond or rider or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to maintain its bond in force as required by law, 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. BFI010130
OCTOBER 30, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
COMSTOCK MORTGAGE SERVICES, L.C.,
Defendant

ORDER REVOKING A LICENSE

On May 22, 2001, by Administrative Ruling 1609 and pursuant to § 6.1-413 of the Code of Virginia, the Commissioner of Financial Institutions ("Commissioner") increased the minimum surety bond required for licensees under Chapter 16 of Title 6.1 of the Code of Virginia and advised such licensees, including the Defendant, of the necessity of filing new surety bonds or riders with the Bureau of Financial Institutions. The Ruling was promptly mailed to all Chapter 16 licensees, including the Defendant. Thereafter, the Commissioner reported to the State Corporation Commission ("Commission") that he notified the Defendant again of the necessity for filing a proper rider or bond by letter dated August 1, 2001; that pursuant to delegated authority he gave written notice by certified mail on August 29, 2001, (1) of his intention to recommend revocation of its license unless a new bond or rider was filed by September 19, 2001, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before September 12, 2001; and that no proper bond or rider or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to maintain its bond in force as required by law, and

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

CASE NO. BFI010136
OCTOBER 30, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FORD ENTERPRISES INTERNATIONAL, INC.,
Defendant

ORDER REVOKING A LICENSE

On May 22, 2001, by Administrative Ruling 1609 and pursuant to § 6.1-413 of the Code of Virginia, the Commissioner of Financial Institutions ("Commissioner") increased the minimum surety bond required for licensees under Chapter 16 of Title 6.1 of the Code of Virginia and advised such licensees, including the Defendant, of the necessity of filing new surety bonds or riders with the Bureau of Financial Institutions. The Ruling was promptly

mailed to all Chapter 16 licensees, including the Defendant. Thereafter, the Commissioner reported to the State Corporation Commission ("Commission") that he notified the Defendant again of the necessity for filing a proper rider or bond by letter dated August 1, 2001; that pursuant to delegated authority he gave written notice by certified mail on August 29, 2001, (1) of his intention to recommend revocation of its license unless a new bond or rider was filed by September 19, 2001, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before September 12, 2001; and that no proper bond or rider or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to maintain its bond in force as required by law, and

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

CASE NO. BFI010145
OCTOBER 30, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
JANIS B. NEAL,
Defendant

ORDER REVOKING A LICENSE

On May 22, 2001, by Administrative Ruling 1609 and pursuant to § 6.1-413 of the Code of Virginia, the Commissioner of Financial Institutions ("Commissioner") increased the minimum surety bond required for licensees under Chapter 16 of Title 6.1 of the Code of Virginia and advised such licensees, including the Defendant, of the necessity of filing new surety bonds or riders with the Bureau of Financial Institutions. The Ruling was promptly mailed to all Chapter 16 licensees, including the Defendant. Thereafter, the Commissioner reported to the State Corporation Commission ("Commission") that he notified the Defendant again of the necessity for filing a proper rider or bond by letter dated August 1, 2001; that pursuant to delegated authority he gave written notice by certified mail on August 29, 2001, (1) of his intention to recommend revocation of her license unless a new bond or rider was filed by September 19, 2001, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before September 12, 2001; and that no proper bond or rider or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to maintain her bond in force as required by law, and

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

CASE NO. BFI010148
OCTOBER 30, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
JOEL STOWE,
Defendant

ORDER REVOKING A LICENSE

On May 22, 2001, by Administrative Ruling 1609 and pursuant to § 6.1-413 of the Code of Virginia, the Commissioner of Financial Institutions ("Commissioner") increased the minimum surety bond required for licensees under Chapter 16 of Title 6.1 of the Code of Virginia and advised such licensees, including the Defendant, of the necessity of filing new surety bonds or riders with the Bureau of Financial Institutions. The Ruling was promptly mailed to all Chapter 16 licensees, including the Defendant. Thereafter, the Commissioner reported to the State Corporation Commission ("Commission") that he notified the Defendant again of the necessity for filing a proper rider or bond by letter dated August 1, 2001; that pursuant to delegated authority he gave written notice by certified mail on August 29, 2001, (1) of his intention to recommend revocation of Defendant's license unless a new bond or rider was filed by September 19, 2001, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before September 12, 2001; and that no proper bond or rider or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to maintain his bond in force as required by law, and

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

CASE NO. BFI010154
OCTOBER 30, 2001

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

ORDER REVOKING A LICENSE

On May 22, 2001, by Administrative Ruling 1609 and pursuant to § 6.1-413 of the Code of Virginia, the Commissioner of Financial Institutions ("Commissioner") increased the minimum surety bond required for licensees under Chapter 16 of Title 6.1 of the Code of Virginia and advised such licensees, including the Defendant, of the necessity of filing new surety bonds or riders with the Bureau of Financial Institutions. The Ruling was promptly mailed to all Chapter 16 licensees, including the Defendant. Thereafter, the Commissioner reported to the State Corporation Commission ("Commission") that he notified the Defendant again of the necessity for filing a proper rider or bond by letter dated August 1, 2001; that pursuant to delegated authority he gave written notice by certified mail on August 29, 2001, (1) of his intention to recommend revocation of its license unless a new bond or rider was filed by September 19, 2001, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before September 12, 2001; and that no proper bond or rider or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to maintain its bond in force as required by law, and

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

CASE NO. BFI010155
OCTOBER 30, 2001

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

ORDER REVOKING A LICENSE

On May 22, 2001, by Administrative Ruling 1609 and pursuant to § 6.1-413 of the Code of Virginia, the Commissioner of Financial Institutions ("Commissioner") increased the minimum surety bond required for licensees under Chapter 16 of Title 6.1 of the Code of Virginia and advised such licensees, including the Defendant, of the necessity of filing new surety bonds or riders with the Bureau of Financial Institutions. The Ruling was promptly mailed to all Chapter 16 licensees, including the Defendant. Thereafter, the Commissioner reported to the State Corporation Commission ("Commission") that he notified the Defendant again of the necessity for filing a proper rider or bond by letter dated August 1, 2001; that pursuant to delegated authority he gave written notice by certified mail on August 29, 2001, (1) of his intention to recommend revocation of its license unless a new bond or rider was filed by September 19, 2001, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before September 12, 2001; and that no proper bond or rider or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to maintain its bond in force as required by law, 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. BFI010162
OCTOBER 30, 2001

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

ORDER REVOKING A LICENSE

On May 22, 2001, by Administrative Ruling 1609 and pursuant to § 6.1-413 of the Code of Virginia, the Commissioner of Financial Institutions ("Commissioner") increased the minimum surety bond required for licensees under Chapter 16 of Title 6.1 of the Code of Virginia and advised such licensees, including the Defendant, of the necessity of filing new surety bonds or riders with the Bureau of Financial Institutions. The Ruling was promptly mailed to all Chapter 16 licensees, including the Defendant. Thereafter, the Commissioner reported to the State Corporation Commission ("Commission") that he notified the Defendant again of the necessity for filing a proper rider or bond by letter dated August 1, 2001; that pursuant to delegated authority he gave written notice by certified mail on August 29, 2001, (1) of his intention to recommend revocation of its license unless a new bond or rider was filed by September 19, 2001, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before September 12, 2001; and that no proper bond or rider or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to maintain its bond in force as required by law, and

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

CASE NO. BFI010164
OCTOBER 30, 2001

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

ORDER REVOKING A LICENSE

On May 22, 2001, by Administrative Ruling 1609 and pursuant to § 6.1-413 of the Code of Virginia, the Commissioner of Financial Institutions ("Commissioner") increased the minimum surety bond required for licensees under Chapter 16 of Title 6.1 of the Code of Virginia and advised such licensees, including the Defendant, of the necessity of filing new surety bonds or riders with the Bureau of Financial Institutions. The Ruling was promptly mailed to all Chapter 16 licensees, including the Defendant. Thereafter, the Commissioner reported to the State Corporation Commission ("Commission") that he notified the Defendant again of the necessity for filing a proper rider or bond by letter dated August 1, 2001; that pursuant to delegated authority he gave written notice by certified mail on August 29, 2001, (1) of his intention to recommend revocation of its license unless a new bond or rider was filed by September 19, 2001, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before September 12, 2001; and that no proper bond or rider or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to maintain its bond in force as required by law, and

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

CASE NO. BFI010169
OCTOBER 30, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SOUTHLAND LOG HOMES MORTGAGE CO., LLC,
Defendant

ORDER REVOKING A LICENSE

On May 22, 2001, by Administrative Ruling 1609 and pursuant to § 6.1-413 of the Code of Virginia, the Commissioner of Financial Institutions ("Commissioner") increased the minimum surety bond required for licensees under Chapter 16 of Title 6.1 of the Code of Virginia and advised such licensees, including the Defendant, of the necessity of filing new surety bonds or riders with the Bureau of Financial Institutions. The Ruling was promptly mailed to all Chapter 16 licensees, including the Defendant. Thereafter, the Commissioner reported to the State Corporation Commission ("Commission") that he notified the Defendant again of the necessity for filing a proper rider or bond by letter dated August 1, 2001; that pursuant to delegated authority he gave written notice by certified mail on August 29, 2001, (1) of his intention to recommend revocation of its license unless a new bond or rider was filed by September 19, 2001, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before September 12, 2001; and that no proper bond or rider or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to maintain its bond in force as required by law, and

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

CASE NO. BFI010170
OCTOBER 30, 2001

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

ORDER REVOKING A LICENSE

On May 22, 2001, by Administrative Ruling 1609 and pursuant to § 6.1-413 of the Code of Virginia, the Commissioner of Financial Institutions ("Commissioner") increased the minimum surety bond required for licensees under Chapter 16 of Title 6.1 of the Code of Virginia and advised such licensees, including the Defendant, of the necessity of filing new surety bonds or riders with the Bureau of Financial Institutions. The Ruling was promptly

mailed to all Chapter 16 licensees, including the Defendant. Thereafter, the Commissioner reported to the State Corporation Commission ("Commission") that he notified the Defendant again of the necessity for filing a proper rider or bond by letter dated August 1, 2001; that pursuant to delegated authority he gave written notice by certified mail on August 29, 2001, (1) of his intention to recommend revocation of its license unless a new bond or rider was filed by September 19, 2001, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before September 12, 2001; and that no proper bond or rider or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to maintain its bond in force as required by law, and

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

CASE NO. BFI010171
OCTOBER 30, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SOUTHWEST MORTGAGE COMPANY, L.L.C.,
Defendant

ORDER REVOKING A LICENSE

On May 22, 2001, by Administrative Ruling 1609 and pursuant to § 6.1-413 of the Code of Virginia, the Commissioner of Financial Institutions ("Commissioner") increased the minimum surety bond required for licensees under Chapter 16 of Title 6.1 of the Code of Virginia and advised such licensees, including the Defendant, of the necessity of filing new surety bonds or riders with the Bureau of Financial Institutions. The Ruling was promptly mailed to all Chapter 16 licensees, including the Defendant. Thereafter, the Commissioner reported to the State Corporation Commission ("Commission") that he notified the Defendant again of the necessity for filing a proper rider or bond by letter dated August 1, 2001; that pursuant to delegated authority he gave written notice by certified mail on August 29, 2001, (1) of his intention to recommend revocation of its license unless a new bond or rider was filed by September 19, 2001, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before September 12, 2001; and that no proper bond or rider or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to maintain its bond in force as required by law, and

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

CASE NO. BFI010171
NOVEMBER 20, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SOUTHWEST MORTGAGE COMPANY, L.L.C.,
Defendant

TEMPORARY LICENSE REINSTATEMENT ORDER

On October 30, 2001, the State Corporation Commission ("Commission") entered an Order in this case revoking the mortgage broker license previously granted to the Defendant. Thereafter, the Defendant, by counsel, filed a motion seeking reconsideration of said license revocation Order upon certain grounds. Upon consideration thereof,

IT IS ORDERED THAT:

(1) The license revocation Order entered in this case on October 30, 2001, is vacated.

(2) Defendant's mortgage broker license is temporarily reinstated pending hearing and disposition of the motion for reconsideration.

(3) This case is continued generally on the Commission's docket.

CASE NO. BFI010174
OCTOBER 30, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
THE MORTGAGE TASK GROUP, INC.,
Defendant

ORDER REVOKING A LICENSE

On May 22, 2001, by Administrative Ruling 1609 and pursuant to § 6.1-413 of the Code of Virginia, the Commissioner of Financial Institutions ("Commissioner") increased the minimum surety bond required for licensees under Chapter 16 of Title 6.1 of the Code of Virginia and advised such licensees, including the Defendant, of the necessity of filing new surety bonds or riders with the Bureau of Financial Institutions. The Ruling was promptly mailed to all Chapter 16 licensees, including the Defendant. Thereafter, the Commissioner reported to the State Corporation Commission ("Commission") that he notified the Defendant again of the necessity for filing a proper rider or bond by letter dated August 1, 2001; that pursuant to delegated authority he gave written notice by certified mail on August 29, 2001, (1) of his intention to recommend revocation of its license unless a new bond or rider was filed by September 19, 2001, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before September 12, 2001; and that no proper bond or rider or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to maintain its bond in force as required by law, and

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

CASE NO. BFI010176
OCTOBER 30, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
THE SANFORD MORTGAGE COMPANY, INC.,
Defendant

ORDER REVOKING A LICENSE

On May 22, 2001, by Administrative Ruling 1609 and pursuant to § 6.1-413 of the Code of Virginia, the Commissioner of Financial Institutions ("Commissioner") increased the minimum surety bond required for licensees under Chapter 16 of Title 6.1 of the Code of Virginia and advised such licensees, including the Defendant, of the necessity of filing new surety bonds or riders with the Bureau of Financial Institutions. The Ruling was promptly mailed to all Chapter 16 licensees, including the Defendant. Thereafter, the Commissioner reported to the State Corporation Commission ("Commission") that he notified the Defendant again of the necessity for filing a proper rider or bond by letter dated August 1, 2001; that pursuant to delegated authority he gave written notice by certified mail on August 29, 2001, (1) of his intention to recommend revocation of its license unless a new bond or rider was filed by September 19, 2001, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before September 12, 2001; and that no proper bond or rider or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to maintain its bond in force as required by law, and

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

CASE NO. BFI010176
NOVEMBER 16, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
THE SANFORD MORTGAGE COMPANY, LLC,
Defendant

AMENDED ORDER REVOKING A LICENSE

On May 22, 2001, by Administrative Ruling 1609 and pursuant to § 6.1-413 of the Code of Virginia, the Commissioner of Financial Institutions ("Commissioner") increased the minimum surety bond required for licensees under Chapter 16 of Title 6.1 of the Code of Virginia and advised such licensees, including the Defendant, of the necessity of filing new surety bonds or riders with the Bureau of Financial Institutions. The Ruling was promptly mailed to all Chapter 16 licensees, including the Defendant. Thereafter, the Commissioner reported to the State Corporation Commission ("Commission") that he notified the Defendant again of the necessity for filing a proper rider or bond by letter dated August 1, 2001; that pursuant to delegated authority he gave written notice by certified mail on August 29, 2001, (1) of his intention to recommend revocation of its license unless a new bond or rider was filed by September 19, 2001, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before September 12, 2001; and that no proper bond or rider or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to maintain its bond in force as required by law, and

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

CASE NO. BFI010177
OCTOBER 30, 2001

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

ORDER REVOKING A LICENSE

On May 22, 2001, by Administrative Ruling 1609 and pursuant to § 6.1-413 of the Code of Virginia, the Commissioner of Financial Institutions ("Commissioner") increased the minimum surety bond required for licensees under Chapter 16 of Title 6.1 of the Code of Virginia and advised such licensees, including the Defendant, of the necessity of filing new surety bonds or riders with the Bureau of Financial Institutions. The Ruling was promptly mailed to all Chapter 16 licensees, including the Defendant. Thereafter, the Commissioner reported to the State Corporation Commission ("Commission") that he notified the Defendant again of the necessity for filing a proper rider or bond by letter dated August 1, 2001; that pursuant to delegated authority he gave written notice by certified mail on August 29, 2001, (1) of his intention to recommend revocation of its license unless a new bond or rider was filed by September 19, 2001, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before September 12, 2001; and that no proper bond or rider or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to maintain its bond in force as required by law, and

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

CASE NO. BFI010182
OCTOBER 30, 2001

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

ORDER REVOKING A LICENSE

On May 22, 2001, by Administrative Ruling 1609 and pursuant to § 6.1-413 of the Code of Virginia, the Commissioner of Financial Institutions ("Commissioner") increased the minimum surety bond required for licensees under Chapter 16 of Title 6.1 of the Code of Virginia and advised such licensees, including the Defendant, of the necessity of filing new surety bonds or riders with the Bureau of Financial Institutions. The Ruling was promptly mailed to all Chapter 16 licensees, including the Defendant. Thereafter, the Commissioner reported to the State Corporation Commission ("Commission") that he notified the Defendant again of the necessity for filing a proper rider or bond by letter dated August 1, 2001; that pursuant to delegated authority he gave written notice by certified mail on August 29, 2001, (1) of his intention to recommend revocation of its license unless a new bond or rider was filed by September 19, 2001, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before September 12, 2001; and that no proper bond or rider or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to maintain its bond in force as required by law, 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. BFI010189
OCTOBER 30, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
PCLOANS.COM, INC.,
Defendant

ORDER REVOKING A LICENSE

On May 22, 2001, by Administrative Ruling 1609 and pursuant to § 6.1-413 of the Code of Virginia, the Commissioner of Financial Institutions ("Commissioner") increased the minimum surety bond required for licensees under Chapter 16 of Title 6.1 of the Code of Virginia and advised such licensees, including the Defendant, of the necessity of filing new surety bonds or riders with the Bureau of Financial Institutions. The Ruling was promptly

mailed to all Chapter 16 licensees, including the Defendant. Thereafter, the Commissioner reported to the State Corporation Commission ("Commission") that he notified the Defendant again of the necessity for filing a proper rider or bond by letter dated August 1, 2001; that pursuant to delegated authority he gave written notice by certified mail on August 29, 2001, (1) of his intention to recommend revocation of its license unless a new bond or rider was filed by September 19, 2001, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before September 12, 2001; and that no proper bond or rider or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to maintain its bond in force as required by law, 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. BFI010192
OCTOBER 30, 2001

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

ORDER REVOKING A LICENSE

On May 22, 2001, by Administrative Ruling 1609 and pursuant to § 6.1-413 of the Code of Virginia, the Commissioner of Financial Institutions ("Commissioner") increased the minimum surety bond required for licensees under Chapter 16 of Title 6.1 of the Code of Virginia and advised such licensees, including the Defendant, of the necessity of filing new surety bonds or riders with the Bureau of Financial Institutions. The Ruling was promptly mailed to all Chapter 16 licensees, including the Defendant. Thereafter, the Commissioner reported to the State Corporation Commission ("Commission") that he notified the Defendant again of the necessity for filing a proper rider or bond by letter dated August 1, 2001; that pursuant to delegated authority he gave written notice by certified mail on August 29, 2001, (1) of his intention to recommend revocation of its license unless a new bond or rider was filed by September 19, 2001, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before September 12, 2001; and that no proper bond or rider or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to maintain its bond in force as required by law, and

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

CASE NO. BFI010193
OCTOBER 30, 2001

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

ORDER REVOKING A LICENSE

On May 22, 2001, by Administrative Ruling 1609 and pursuant to § 6.1-413 of the Code of Virginia, the Commissioner of Financial Institutions ("Commissioner") increased the minimum surety bond required for licensees under Chapter 16 of Title 6.1 of the Code of Virginia and advised such licensees, including the Defendant, of the necessity of filing new surety bonds or riders with the Bureau of Financial Institutions. The Ruling was promptly mailed to all Chapter 16 licensees, including the Defendant. Thereafter, the Commissioner reported to the State Corporation Commission ("Commission") that he notified the Defendant again of the necessity for filing a proper rider or bond by letter dated August 1, 2001; that pursuant to delegated authority he gave written notice by certified mail on August 29, 2001, (1) of his intention to recommend revocation of its license unless a new bond or rider was filed by September 19, 2001, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before September 12, 2001; and that no proper bond or rider or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to maintain its bond in force as required by law, 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. BFI010194
OCTOBER 30, 2001

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

ORDER REVOKING A LICENSE

On May 22, 2001, by Administrative Ruling 1609 and pursuant to § 6.1-413 of the Code of Virginia, the Commissioner of Financial Institutions ("Commissioner") increased the minimum surety bond required for licensees under Chapter 16 of Title 6.1 of the Code of Virginia and advised such licensees, including the Defendant, of the necessity of filing new surety bonds or riders with the Bureau of Financial Institutions. The Ruling was promptly mailed to all Chapter 16 licensees, including the Defendant. Thereafter, the Commissioner reported to the State Corporation Commission ("Commission") that he notified the Defendant again of the necessity for filing a proper rider or bond by letter dated August 1, 2001; that pursuant to delegated authority he gave written notice by certified mail on August 29, 2001, (1) of his intention to recommend revocation of its license unless a new bond or rider was filed by September 19, 2001, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before September 12, 2001; and that no proper bond or rider or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to maintain its bond in force as required by law, 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. BFI010194
NOVEMBER 19, 2001

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

ORDER REINSTATING A LICENSE

On November 9, 2001, the defendant, by counsel, filed a Motion to Reconsider in this case. Said motion alleged, in substance, that defendant's failure to timely file a proper surety bond with the Bureau of Financial Institutions was the result of a clerical error by its employees. Upon consideration of said motion,

IT IS ORDERED THAT:

(1) The license revocation order entered in this case on October 30, 2001, is vacated.

(2) The license granted to the defendant to engage in business as a mortgage lender and broker is reinstated effective October 30, 2001.

(3) This case is hereby dismissed.

(4) The papers herein shall be placed among the ended cases.

CASE NO. BFI010197
OCTOBER 30, 2001

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

ORDER REVOKING A LICENSE

On May 22, 2001, by Administrative Ruling 1609 and pursuant to § 6.1-413 of the Code of Virginia, the Commissioner of Financial Institutions ("Commissioner") increased the minimum surety bond required for licensees under Chapter 16 of Title 6.1 of the Code of Virginia and advised such licensees, including the Defendant, of the necessity of filing new surety bonds or riders with the Bureau of Financial Institutions. The Ruling was promptly mailed to all Chapter 16 licensees, including the Defendant. Thereafter, the Commissioner reported to the State Corporation Commission ("Commission") that he notified the Defendant again of the necessity for filing a proper rider or bond by letter dated August 1, 2001; that pursuant to delegated authority he gave written notice by certified mail on August 29, 2001, (1) of his intention to recommend revocation of its license unless a new bond or rider was filed by September 19, 2001, and (2) that a written request for hearing was required to be filed in the office of the Clerk on or before September 12, 2001; and that no proper bond or rider or written request for hearing was received or filed.

Accordingly, the Commission finds that the Defendant has failed to maintain its bond in force as required by law, and

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

CASE NO. BFI010203
SEPTEMBER 19, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In re: powers of state savings banks: Corporate name; investment requirement

ORDER TO TAKE NOTICE

WHEREAS, § 6.1-194.112 of the Code of Virginia provides that a savings bank incorporated under the laws of Virginia shall have the words "savings bank" as a part of its corporate name, while federal law and regulations do not subject federal savings institutions to such a requirement; and

WHEREAS, § 6.1-194.62 of the Code requires state savings banks to invest 60 percent of assets in "real estate loans," as defined therein, while federal savings institutions are less constrained in satisfying the "qualified thrift lender test," the analogous federal-law investment requirement; and

WHEREAS, § 6.1-194.141 authorizes the State Corporation Commission ("Commission") to adopt such regulations as may be necessary to permit state savings banks to have powers comparable with those of federal financial institutions regardless of existing statutes; and

WHEREAS, at the request of an applicant for conversion to a state savings bank charter, the Bureau of Financial Institutions has proposed a regulation that will authorize state savings banks to select a corporate name and invest in credit card loans on equal terms with federal savings associations, and the Bureau has recommended adoption of the regulation;

IT IS THEREFORE ORDERED THAT:

(1) The proposed regulation, entitled "Special Authority for State Savings Banks: Corporate Name and Investment Requirement," is appended hereto and made a part of the record herein.

(2) On or before October 22, 2001, any person desiring to comment on the proposed regulation shall file written comments containing a reference to Case No. BFI010203, with the Clerk of the Commission, Document Control Center, P. O. Box 2118, Richmond, Virginia 23218.

(3) The proposed regulation shall be posted on the Commission's website at http://www.state.va.us./scc.

(4) An attested copy hereof, together with a copy of the proposed regulation, shall be sent to the Registrar of Regulations for publication in the Virginia Register.

NOTE: A copy the Attachment entitled "10 VAC 5-20-40. State savings banks; corporate name and investment requirement" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. BFI010203
DECEMBER 19, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In re: Powers of state savings banks: corporate name; investment requirement

ORDER ADOPTING A REGULATION

By Order entered herein on September 19, 2001, the State Corporation Commission ("Commission") directed that notice be given of its proposal, acting pursuant to § 6.1-194.141 of the Code of Virginia, to promulgate a regulation applicable to state savings banks. Notice of the proposed regulation was published in the Virginia Register on October 8, 2001, and the proposed regulation was posted on the Commission's website. Interested parties were afforded the opportunity to file written comments in favor of or against the proposal on or before October 22, 2001. Capital One Bank, by counsel, filed written comments suggesting modifications of the proposed regulation, and the Staff also suggested modifications.

The Commission, having considered the record, the proposed regulation, the written comments filed, and Staff suggestions, concludes that the proposed regulation should be modified in certain respects. The Commission further concludes that the proposed regulation, as modified, will make the powers of state savings banks comparable to those of federal savings banks in relation to corporate names and investment requirements and that the modified proposed regulation should be adopted.

THEREFORE, IT IS ORDERED THAT:

(1) Modified proposed 10 VAC 5-20-40 entitled "State savings banks; corporate name and investment requirement" attached hereto is adopted effective as of the date of this Order.

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

(3) The Commissioner of Financial Institutions shall send a copy of the regulation to all state savings banks.

(4) This case is dismissed, and the papers herein shall be placed among the ended cases.

NOTE: A copy of Attachment A entitled "State Savings Banks; Corporate Name and Investment Requirement" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. BFI010204
OCTOBER 1, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In re: reserves of state credit unions

ORDER TO TAKE NOTICE

WHEREAS, § 6.1-225.58 of the Code of Virginia provides for the establishment and maintenance of a regular reserve by a state credit union as described in subdivisions 1, 2, and 3 of that section, while federal law and regulations subject federally insured (federal and state-chartered) credit unions to different, generally less burdensome, requirements; and

WHEREAS, § 6.1-225.3:1 of the Code authorizes the State Corporation Commission ("Commission") to adopt regulations necessary to permit state credit unions to have powers comparable with those of federally chartered credit unions regardless of existing statutes; and

WHEREAS, the Bureau of Financial Institutions has proposed a regulation that will authorize a state credit union to establish and maintain a regular reserve account on equal terms with federal credit unions, and the Bureau recommends adoption of the regulation;

IT IS THEREFORE ORDERED THAT:

(1) The proposed regulation, entitled "Regular Reserve Accounts," is appended hereto and made a part of the record herein.

(2) On or before November 5, 2001, any person desiring to comment on the proposed regulation shall file written comments containing a reference to Case No. BFI010204, with the Clerk of the Commission, Document Control Center, P. O. Box 2118, Richmond, Virginia 23218.

(3) The proposed regulation shall be posted on the Commission's website at http://www.state.va.us./scc.

(4) An attested copy hereof, together with a copy of the proposed regulation, shall be sent to the Registrar of Regulations for publication in the Virginia Register.

NOTE: A copy of the Attachment entitled "Regular Reserve Accounts" 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. BFI010204
DECEMBER 5, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In re: reserves of state credit unions

ORDER ADOPTING A REGULATION

By Order entered herein on October 1, 2001, the Commission directed that notice be given of its proposal, acting pursuant to § 6.1-225.3:1 of the Code of Virginia, to amend its regulations applicable to state credit unions, § 10 VAC 5-40-10, et seq. of the Virginia Administrative Code. Notice of the proposed amendment was published in the Virginia Register on October 22, 2001, and the proposed amendment was posted on the Commission's website. Interested parties were afforded the opportunity to file written comments in favor of or against the proposal on or before November 5, 2001. No written comments in opposition were filed, and the Staff has suggested no modifications to the proposal.

The Commission, having considered the record and the proposed amendment, concludes that the proposed amendment will equalize the powers of state credit unions and federal credit unions in relation to maintenance of reserves while providing adequate assurance of the solvency of state credit unions, and that the proposed amendment should be adopted.

THEREFORE, IT IS ORDERED THAT:

(1) Proposed 10 VAC 5-40-30 entitled "Regular reserve accounts," attached hereto, is adopted effective December 15, 2001.

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

(3) This case is dismissed and the papers herein shall be placed among the ended cases.

NOTE: A copy of Attachment A entitled "Regular Reserve Accounts" 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. BFI010209
NOVEMBER 1, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
T. M. MORTGAGE CORP.,
Defendant

SETTLEMENT ORDER

ON A FORMER DAY, the Staff reported to the State Corporation Commission ("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 examination of the Defendant's business records, it was discovered that the Company violated certain laws applicable to the conduct of its business; that upon being informed that the Commissioner of Financial Institutions ("Commissioner") intended to recommend the imposition of a penalty therefor, the Defendant offered to settle this case by payment of a penalty in the sum of 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 hereby dismissed.

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

CLERK'S OFFICE

CASE NO. CLK000311
APRIL 30, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter concerning revised State Corporation Commission Rules of Practice and Procedure

FINAL ORDER PROMULGATING STATE CORPORATION COMMISSION RULES OF PRACTICE AND PROCEDURE

In 1974, the State Corporation Commission ("Commission") issued its Rules of Practice and Procedure ("Rules"), now codified at 5 VAC 5-10-10 et seq. The Commission revised its Rules by Order dated June 12, 1986, in Case No. CLK860572.[1] Since 1974 and 1986, many changes have occurred in the industries and businesses subject to the regulatory authority of the Commission, including the introduction of competitive forces in the establishment of rates and provision of services formerly established by economic regulation, or the increased interest in reliance on these market forces.

By Order entered on July 18, 2000, the Commission issued a proposed, revised version of the Rules ("Proposed Rules") and invited interested parties to comment on and suggest modifications or supplements to, or request hearing on, the Proposed Rules. The Proposed Rules were published in the Virginia Register of Regulations and were made available in the Clerk of the Commission's office, as well as on the Commission's website. Interested parties were given until September 22, 2000, to file comments, proposals, or requests with the Clerk of the Commission.

Nine parties submitted comments on September 22, 2000.[2] The parties submitting comments were AEP-VA ("AEP"), AT&T Communications of Virginia, Inc. ("AT&T"), Columbia Gas of Virginia, Inc. ("Columbia Gas"), Cox, Old Dominion Electric Cooperative and the Virginia, Maryland & Delaware Association of Electric Cooperatives ("Coops"), the Office of the Attorney General, Division of Consumer Counsel ("AG"), Verizon, Virginia Electric and Power Company ("Virginia Power"), and Washington Gas Light Company ("Washington Gas"). AEP was the only party to request a hearing to permit oral argument on the Rules, although the other parties submitted revisions and most expressed a desire to participate if a hearing were held.

On November 28, 2000, the Commission entered its Order Setting Matter for Hearing in this proceeding. The Commission determined that the issues to be decided were purely legal in nature. As a result, the Commission scheduled this matter for January 9, 2001, for the purpose of hearing legal argument on the Proposed Rules and comments thereto. The Commission further ordered the parties and Staff to meet and attempt to narrow the issues. Prior to the hearing, the parties and Staff met and greatly narrowed the issues in controversy. These collaborative efforts resulted in additional modifications to the Proposed Rules, which were considered by all parties and the Commission at the hearing.

The Commission convened a hearing on this matter on January 9, 2001. All parties who submitted comments, as well as Staff, appeared by counsel at the hearing. The transcript of the proceedings was filed on January 29, 2001.

NOW THE COMMISSION, upon consideration of the evidentiary record, arguments, and the applicable law, is of the opinion and finds that the Rules set out in Attachment A hereto should be adopted, effective June 1, 2001.[3] The Commission has considered all of the comments, revisions, argument of the parties, and the law applicable to these Rules in making its determination in this matter. As the market and regulatory environment changes, it is the Commission's hope that these Rules will be flexible enough to embrace these developments, while continuing to retain the hallmarks of due process and fair dealing that have been a tradition at the Commission. The Commission commends the parties and Staff for narrowing the issues in dispute prior to the start of the hearing. This successful collaborative effort has greatly improved the Rules.

While it is not necessary for us to comment on each and every rule where we have made changes, several Rules that were the subject of some controversy or were substantially revised since the inception of this proceeding require discussion.

RULE 50[4]

At the hearing, it was noted that § 12.1-30.1 of the Code of Virginia specifically provides that the Commissioners are responsible for notifying the parties of a requested ex parte consultation by another party, as well as providing other parties the opportunity to participate.[5] While no parties suggested

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[1] Commonwealth of Virginia, At the relation of the State Corporation Commission, Ex Parte: In the Matter of revising the Rules of Practice and Procedure of the State Corporation Commission.

[2] Cox Virginia Telcom, Inc. ("Cox") submitted revised comments on September 29, 2000, which were identical to the comments Cox filed on September 22, 2000, except that one item was omitted from the September 29, 2000, filing. No party objected to Cox's revision, and the Commission has considered Cox's September 29, 2000, comments as part of its deliberations on the Rules.

[3] The new Rules will not, however, negate the provisions of any order entered prior to the effective date of these Rules.

[4] For convenience, each Rule discussed will be referred to in this short form. The full citation for the Rule is 5 VAC 5-20-50.

[5] Tr. at 33-34.

that the existing rule[6] was not working, the language of § 12.1-30.1 of the Code of Virginia is mandatory.[7] The Commission is therefore altering Rule 50 to track nearly verbatim the last sentence of § 12.1-30.1 of the Code of Virginia.

RULE 60

One of the contested issues at the hearing was what restrictions on ex parte contact with the Commissioners and Hearing Examiners during pending formal proceedings should be applicable to the Commission Staff. All parties agree that the Staff is in a different position than the other participants. Most parties appeared satisfied with the present situation and several stated specifically that the present rule should continue.[8] Two parties, AEP and the Coops, argued in their comments as well as at the hearing that the Staff should be treated as a party and be subject to the same restrictions and obligations as parties.[9] AEP's and the Coops' written comments went even further in advocating that the Staff be treated as a party.

AEP urged that the ex parte contact prohibition apply in a limited way to the Staff. Specifically, AEP's proposed prohibition would not apply to the entire Staff, but only to the particular individuals who are involved in preparing and presenting testimony on a specific topic.[10] AEP asserted that this bar would not apply to the directors of the different divisions, or to Staff counsel, but only to the individuals "most directly involved in disputed topics and disputed issues of fact and law before the Commission."[11]

The Coops argued, as a first step, for the creation of a Chinese wall between the Staff member most directly involved in the proceeding and the Commissioners or Hearing Examiner. This prohibition would also apply to Staff counsel assigned to the case.[12]

AEP and the Coops did not cite any legal support for their position, but instead argued that, at least in some cases, there was an appearance of unfairness in the failure to prohibit Staff from communicating with the Commissioners regarding a pending proceeding.

The Commission certainly wishes to avoid the appearance of impropriety, but the practical and legal difficulties inherent in AEP's and the Coops' position are readily apparent. Putting aside the legal and statutory issues,[13] two practical problems exist with AEP's and the Coops' proposed solutions to this issue. First, it is very difficult to draw a bright line between those who would be permitted to communicate with the Commissioners and those who would be prohibited. For example, there may be multiple individuals with varying degrees of knowledge of a particular case who could be affected by an ex parte bar. Would the Staff person be permitted to communicate with the Division Director, who is required to be knowledgeable of ongoing cases, or would the ex parte bar prohibit the Division Director from advising the Commissioners as to any information learned from the employee behind the Chinese wall? This leads to the second issue.

It appears that additional Staff would be required to support separate advisory and advocacy roles.[14] In some cases, more than one member of the Staff is involved in preparing for and testifying in a given case. If these Staff members were prohibited from communicating with the Commissioners, the Commissioners would be without advice on complex technical matters unless additional advisory Staff resources were procured. These advisory Staff members would need to be as knowledgeable as the Staff members testifying in the proceeding and trying the case.

Furthermore, the record is devoid of any evidence, anecdotal or otherwise, to support the view that there are, in fact, improper ex parte Staff communications occurring which result in violations of due process or fair dealing. AEP expressly disavowed the existence of such problems.[15] For all of these reasons, the Commission will adopt Rule 60 without the changes suggested by AEP and the Coops. We note that Rule 60 does include ex parte limits on the Commission and Staff designed to protect due process and fair dealing. Specifically, Rule 60 provides that:

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[6] Rule 4:13.

[7] "The rules shall provide, among other provisions, that no commissioner shall consult with any party or any person acting on behalf of any party with respect to such proceeding without giving adequate notice and opportunity for all parties to participate."

[8] See Tr. at 42 (Virginia Power); 42-43 (AG); 43-44 (Verizon); 45 (AT&T).

[9] AEP and the Coops also argued that the Staff should be subject to the same discovery obligations as other parties.

[10] Tr. at 47.

[11] Tr. at 48.

[12] Tr. at 52.

[13] The General Assembly has recognized implicitly in § 12.1-30.1 of the Code of Virginia that the Staff and parties are not the same. Both the title of the statute, and more importantly, the text, of § 12.1-30.1 of the Code of Virginia refer to the parties "or" the Staff. Indeed, if the Staff was to be treated as the equivalent of a party, there would be no need to refer to "the staff" at all.

Another statute legally supporting the present structure is § 12.1-18 of the Code of Virginia. That section provides for the appointment by the Commission of the various assistants and "such other subordinates and employees. . . all of whom shall serve at the pleasure of the Commission." It is plain from this language that the Staff is an extension of, and accountable to, the Commission, which places the Staff in a fundamentally different position from other parties. Neither AEP nor the Coops has addressed how the Staff could be accountable and responsive to the Commission in accordance with this statutory mandate, and yet be isolated behind a Chinese wall and prohibited from communicating with the Commission regarding a pending proceeding. Such isolation by a portion of the Staff does not appear to be contemplated by the plain language of § 12.1-18 of the Code of Virginia.

[14] See Tr. at 42-43, 57, and 67-70.

[15] See Tr. at 55. The Coops argued that ". . . we've run into more situations where we have the feeling that Staff is advocating a role rather than just the feeling of the public interest where issues are raised purely by Staff." Tr. at 72.

> [N]o facts nor legal arguments likely to influence a pending formal proceeding and not of record in that proceeding shall be furnished ex parte to any commissioner or hearing examiner by any member of the commission staff.

RULE 80

In the final version of this rule, the Commission is eliminating from the Rule discussed at the hearing the sentence that read, "[t]he commission may, at its discretion, permit cross-examination of public witness testimony, and may limit public witness testimony if it appears that the testimonies of the witnesses will be substantially similar, or for other good cause." The Commission continues to believe that public witnesses may be cross-examined like any other witness. Furthermore, the Commission deems this sentence unnecessary to establish the proposition that the Commission has the inherent power to control proceedings in its own courtroom and maintain proper decorum therein.

RULES 260 & 270

Two primary issues need to be addressed in these rules. First is the suggestion that Staff should be subject to the same discovery obligations as parties. The Commission will provide two new avenues for parties to obtain additional information concerning the Staff's position in certain cases, as well as the basis for the Staff's position.[16] Rules 260 and 270 provide this newly established avenue of discovery for parties.

Pursuant to Rule 270, in actions pursuant to Rule 80 A, the Staff must compile and file with the Clerk of the Commission three copies of any workpapers that support the recommendations made in its testimony or report. These workpapers will be made available for public inspection and copying during regular business hours.

The Commission has made one addition to Rule 260 pertaining to the filing of workpapers by Staff, which is directed in Rule 270. The first paragraph of Rule 260 has been amended to permit parties to discover factual information that supports the workpapers submitted by the Staff to the Clerk of the Commission pursuant to Rule 270. This was suggested by one of the parties,[17] and would further enhance the new obligation on the Staff in Rule 270.

The second issue in Rule 260 involves the interplay of the last two paragraphs. While current Rule 6:4[18] contains similar language to Rule 260 as discussed at the hearing, the parties were unable to reconcile the apparent conflict between the two paragraphs regarding the shifting of the burden on the inquiring party if the burden of deriving or ascertaining the response is substantially the same, and the apparent shielding of this same information as possible work product in the last paragraph. For this reason, the Commission has eliminated the last paragraph of Rule 260 as discussed at the hearing.[19] The work product doctrine, like any other objection not specifically mentioned in the Rules of Practice and Procedure, remains viable in Commission practice.

Accordingly, IT IS ORDERED THAT:

(1) The current Rules of Practice and Procedure, as set forth in 5 VAC 5-10-10 through 5 VAC 5-10-620 should be, and they are hereby, REPEALED, effective as of June 1, 2001;

(2) The new Rules of Practice and Procedure, as set forth in 5 VAC 5-10-10 through 5 VAC 5-10-280, attached to this order as Attachment A, should be, and they are hereby, ADOPTED, effective as of June 1, 2001;

(3) A copy of this Order and the Rules adopted herein shall be forwarded to the Virginia Register of Regulations for publication; and

(4) 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 20. State Corporation Commission Rules of Practice and Procedure" 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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[16] In addition, Rule 280 A provides that, in investigative, disciplinary, penal, and other adjudicatory proceedings, upon written motion of the defendant, the Commission shall provide the defendant with access to certain statements of the defendant within the custody, possession, or control of Commission Staff.

[17] See Comments of Verizon filed September 22, 2000, in Case No. CLK000311 at 9-10.

[18] Rule 5 VAC 5-10-480.

[19] "Interrogatories or document requests that solicit answers requiring the assembling or preparation of information that might reasonably be considered original work product are subject to objection."

CASE NO. CLK000311
MAY 4, 2001

COMMONWEALTH OF VIRGINIA, ex rel:
STATE CORPORATION COMMISSION

Ex Parte: In the matter concerning revised State Corporation Commission Rules of Practice and Procedure

CORRECTING ORDER

By Final Order Promulgating State Corporation Commission Rules of Practice and Procedure ("Order") entered herein on April 30, 2001, the State Corporation Commission adopted new Rules of Practice and Procedure, effective as of June 1, 2001.

In ordering paragraph (2), set forth on page 8 of the Order, there is a reference to the new Rules "as set forth in 5 VAC 5-10-10 through 5 VAC 5-10-280." The correct reference, however, should be to 5 VAC 5-20-10 through 5 VAC 5-20-280.

THEREFORE, IT IS ORDERED THAT:

(1) The reference in ordering paragraph (2), set forth on page 8 of the Order to "5 VAC 5-10-10 through 5 VAC 5-10-280" shall be corrected to read "5 VAC 5-20-10 through 5 VAC 5-20-280."

(2) All other provisions of the Final Order Promulgating State Corporation Commission Rules of Practice and Procedure entered on April 30, 2001, shall remain in full force and effect.

CASE NO. CLK010068
MAY 15, 2001

COMMONWEALTH OF VIRGINIA, ex. rel.
STATE CORPORATION COMMISSION

Ex Parte: In re Uniform Commercial Code Filing Rules

ORDER TO TAKE NOTICE

WHEREAS, by Chapter 1007 of the Acts of Assembly of its 2000 Session, the Virginia General Assembly amended the Code of Virginia by, among other things, adding Title 8.9A to become effective on July 1, 2001; and

WHEREAS, by §8.9A-526 of the Code of Virginia as so amended, the Commission is authorized to promulgate rules governing practices of the Clerk's Office acting as the filing office for financing statements and associated records permitted to be filed in said office under Title 8.9A; and

WHEREAS, the Commission has consulted with other states and taken into account the most recent proposed filing office rules of the International Association of Corporate Administrators, as directed in §8.9A-526 of the Code of Virginia;

IT IS THEREFORE ORDERED THAT:

(1) A proposed regulation entitled "Uniform Commercial Code Filing Rules" is appended hereto and made part of the record herein.

(2) On or before June 18, 2001, any person desiring to comment upon the proposed regulation shall file written comments containing a reference to Case No. CLK010068 with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218.

(3) On or before June 18, 2001, any person desiring a hearing on the proposed regulation who has filed written comments may file a written request for a hearing with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218. The written request for a hearing shall contain a reference to Case No. CLK010068 and a statement of reasons why their position cannot be expressed adequately in writing.

(4) If a written request for hearing is filed, a hearing will be held on June 27, 2001, at 10:00 a.m. in the Commission's Courtroom, 2nd floor, 13th and Main Streets, Richmond, Virginia 23218.

(5) The proposed regulation shall be posted on the Commission's website at http://www.state.va.us/scc.

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

CASE NO. CLK010068
JUNE 26, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In re Uniform Commercial Code Filing Rules

ORDER ADOPTING A REGULATION

By order entered herein on May 15, 2001, the Commission directed that notice be given of a proposed regulation entitled "Uniform Commercial Code Filing Rules", § 5 VAC 5-30-10 et seq. of the Administrative Code, implementing Title 8.9A of the Code of Virginia which becomes effective July 1, 2001. Notice of the proposed regulation was published in the *Virginia Register* on June 4, 2001, and the Clerk's Office gave notice of the proposed regulation to various attorneys and corporate filing and search organizations by mail on May 18, 2001, as shown by a Certificate of Mailing filed among the papers in this case. Interested parties were afforded the opportunity to file written comments in favor of or against the proposal, and written requests to be heard, on or before June 18, 2001, and a hearing date was reserved in the event a request for a hearing was made.

One person filed comments on the proposed regulation and, as a result, various clarifying and linguistic changes were made. The Commission staff also suggested certain technical and linguistic changes, which the Commission accepted. No request for a hearing was made and, therefore, no hearing was convened. The Commission was also advised that a new filing system for Uniform Commercial Code records ("UCC records") will be put in place in the Clerk's Office later this year, which will necessitate amendments to the proposed regulation.

The proposed regulation, as revised, is designed to implement the provisions of Title 8.9 A of the Code of Virginia which relate to the filing various UCC records and the maintenance of a searchable record system for such filings. The Commission, having considered the record and the proposed regulation as modified, concludes that the proposal properly effectuates applicable statutory provisions, and that the proposed regulation as modified should be adopted on an interim basis pending implementation of the new Clerk's Office UCC record system.

THEREFORE, IT IS ORDERED THAT:

(1) The proposed regulation as modified entitled "Uniform Commercial Code Filing Rules", attached hereto, is adopted effective July 1, 2001.

(2) The proposed regulation, as modified and adopted, shall be transmitted for publication in the *Virginia Register*.

(3) The Clerk's Office shall send copies of the regulation as adopted to these persons identified on the Certificate of mailing filed in this case.

(4) This case is continued generally on the Commission's docket.

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

BUREAU OF INSURANCE

CASE NO. INS890021
MAY 18, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
COMMONWEALTH HEALTH ALLIANCE GROUP INSURANCE TRUST,
Defendant

FINAL ORDER

WHEREAS, by Order of the Circuit Court of the City of Richmond dated March 17, 1989, the Commission was appointed Receiver for Commonwealth Health Alliance Group Insurance Trust (the "Trust") to rehabilitate or liquidate its insurance affairs and to take other appropriate steps as authorized by Chapter 15 of Title 38.2 of the Code of Virginia as the Commission deemed advisable in the best interest of the Trust, its members, beneficiaries, creditors and the public; and

WHEREAS, by Order entered herein March 17, 1989, the Commission, upon recommendation of the Bureau of Insurance, appointed C. William Waechter, Jr. as Special Deputy Receiver of the Trust and delegated to him all of its powers and authority to carry out the rehabilitation or liquidation of the Trust; and

WHEREAS, by Order entered herein February 16, 1990, the Commission established a date by which all claims of beneficiaries and creditors of the Trust in addition to the claims of beneficiaries theretofore adjusted by the receivership were to be filed with the Special Deputy Receiver in order that the total liabilities of the Trust could be ascertained; and

WHEREAS, upon recommendation of the Special Deputy Receiver, the Commission by Order entered herein May 31, 1991, approved and authorized a distribution of the marshaled assets of the Trust in partial payment of the unpaid benefits due beneficiaries under benefit contracts issued by the Trust; and

WHEREAS, a Final Report of the Special Deputy Receiver dated April 24, 2001, and filed with the Commission on April 24, 2001, states that all of the assets of the Trust, including all premiums due on account of benefit contracts issued by the Trust, have been marshaled, that all causes of action which reasonably could be expected to benefit the beneficiaries and other creditors of the Trust have been pursued to conclusion, and that the Trust's liabilities to persons entitled to benefits under benefit contracts issued by the Trust and to other creditors have been ascertained; and

WHEREAS, the Final Report further states that the distribution of available assets of the Trust to beneficiaries of the Trust in respect of claims for benefits payable by the Trust has been accomplished in the manner authorized and directed by the Commission's Orders dated February 16, 1990, and May 31, 1991, and that, of the assets distributed, there remains the sum of $36,862.43 which is due to beneficiaries who, after further effort to locate them, cannot be found and which the Special Deputy Receiver proposes to deliver, together with the available information regarding such beneficiaries, to the Treasurer of Virginia pursuant to the provisions of the Virginia Uniform Unclaimed Property Act (Chapter 11.1, Title 55 of the Code of Virginia); and

WHEREAS, the Final Report further states that the remaining assets of the Trust as of December 31, 2000, consist of $164,107.24 on deposit in the receivership account from which there should be deducted the aforesaid payment to the Treasurer of Virginia on account of the distribution previously ordered, and the costs and expenses of administration due the Special Deputy Receiver through conclusion of the receivership estimated at $8,000 leaving an asset balance, after deducting such amounts, of approximately $119,250; and

WHEREAS, the Final Report of the Special Deputy Receiver advises that a distribution of the remaining assets to beneficiaries would require substantial time and additional costs and expenses of approximately $35,000 and would result in distributions of *de minimis* sums to most beneficiaries; and

WHEREAS, the Bureau of Insurance has advised the Special Deputy Receiver and the Commission that it has incurred costs and expenses for *per diem* costs and travel expenses of its employees who assisted in the administration of the receivership greatly in excess of the aforesaid asset balance, no portion of which costs and expenses has been reimbursed as of the date of this Order; and

WHEREAS, § 38.2-1509 of the Code of Virginia provides that the Commission shall be entitled to recover its costs and expenses incurred in the administration of the receivership of an insolvent insurer as a priority claim against the insurer's assets superior to any other claim;

IT IS ORDERED THAT:

(1) The Final Report of the Special Deputy Receiver dated April 24, 2001 and filed with the Commission on April 24, 2001, be, and it is hereby, accepted and approved;

(2) All actions heretofore taken by the Special Deputy Receiver during the course of the receivership of the Trust be, and they are hereby, approved, adopted and ratified;

(3) The Special Deputy Receiver, after payment of the sum of $36,862.43 to the Treasurer of Virginia as unclaimed property pursuant to the provisions of Chapter 11.1 of Title 55 of the Code of Virginia due beneficiaries of the Trust who cannot be located and payment of the remaining costs and expenses of administration due the Special Deputy Receiver, be, and he is hereby, authorized and directed to pay over and deliver the remaining assets of the Trust to the Bureau of Insurance as partial reimbursement of its costs and expenses of administration as provided by § 38.3-1509 of the Code of Virginia;

(4) The Special Deputy Receiver be, and he is hereby, authorized and directed to dispose of any remaining unnecessary records of the Order by reducing the records to any appropriate medium or by destroying such records at his discretion;

(5) The Special Deputy Receiver or any other person that from time to time may be designated in writing by the Commissioner of Insurance shall be designated as the individual charged with handing all post-closing matters, including, but not limited to, preserving and keeping all necessary records of the Trust for a period of five (5) years following the date of this Order, after which period they shall be destroyed unless needed for any unresolved receivership matters then pending;

(6) Except as otherwise specifically set forth herein, the Special Deputy Receiver be, and he is hereby, released, discharged and acquitted from any further responsibilities in such capacity and from any and all claims, demands, and causes of action of every kind which may arise from or be related to the administration of this receivership;

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

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

CASE NO. INS910068
NOVEMBER 14, 2001

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

ORDER APPROVING AMENDMENT OF AGREEMENT AND DECLARATION OF TRUST

ON A FORMER DAY CAME the Deputy Receiver of First Dominion Mutual Life Insurance Company (formerly Fidelity Bankers Life Insurance Company), in Receivership for Conservation and Rehabilitation ("the Company") and filed with the Clerk of the Commission an Application for Order to Approve Amendment of Agreement and Declaration of Trust ("Application"), seeking an order from the Commission which approves amendment of the Agreement and Declaration of Trust ("Agreement") by which the Company formed a grantor Trust, and extends the term of the Trust until December 13, 2003.

AND THE COMMISSION, having considered the Application, finds that the Deputy Receiver's Application is, in all things, well taken and that it should be, and it is hereby, granted. Accordingly, the Commission finds that the "AMENDMENT NUMBER ONE TO AGREEMENT AND DECLARATION OF TRUST" attached to the Deputy Receiver's Application as Exhibit "A", should be, and it is hereby, approved as being in conformance with the Agreement and the plan for the rehabilitation of the Company approved by this Commission on September 29, 1992 ("Rehabilitation Plan"). The Commission finds that the extension of the term of the Trust until December 13, 2003, is in the best interest of policyholders, other creditors, and the public.

THEREFORE, IT IS ORDERED that the Application for Order Approving Amendment of Agreement and Declaration of Trust be, and it is hereby, granted in conformance with the Agreement and the Rehabilitation Plan, and the Trust be, and it is hereby, extended until December 13, 2003.

CASE NO. INS940128
AUGUST 29, 2001

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

FINAL ORDER

WHEREAS, Inland Mutual Insurance Company, a mutual insurer domiciled in the State of West Virginia ("Defendant"), initially was licensed to transact the business of insurance in the Commonwealth of Virginia on April 4, 1949;

WHEREAS, § 38.2-1030 of the Code of Virginia requires mutual insurers licensed to transact the business of insurance in the Commonwealth of Virginia that issue policies without contingent liability to maintain minimum surplus of $4,000,000;

WHEREAS, by order entered on August 12, 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 July 1, 1994;

WHEREAS, the Quarterly Statement of Defendant dated June 30, 2001, and filed with the Bureau of Insurance, reflects that Defendant's surplus has been restored to at least $4,000,000;

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

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

THEREFORE, IT IS ORDERED THAT:

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

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

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

CASE NO. INS940134
FEBRUARY 5, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CMG MORTGAGE ASSURANCE COMPANY (FORMERLY INVESTORS EQUITY INSURANCE COMPANY),
Defendant

FINAL ORDER

WHEREAS, CMG Mortgage Assurance Company, a foreign corporation domiciled in the State of Wisconsin (formerly Investors Equity Insurance Company) ("Defendant"), initially was licensed to transact the business of insurance in the Commonwealth of Virginia on June 4, 1987;

WHEREAS, § 38.2-1028 of the Code of Virginia requires that insurers licensed to transact the business of insurance in the Commonwealth of Virginia 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 requirement, which became effective 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;

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

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

THEREFORE, IT IS ORDERED THAT:

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

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

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

CASE NO. INS980148
JANUARY 5, 2001

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein November 19, 1998, Defendant was ordered to take notice that the Commission would enter an order subsequent to December 1, 1998, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before December 1, 1998, Defendant filed with the Clerk of the Commission a request for a hearing before the Commission to contest the proposed suspension of Defendant's license;

WHEREAS, Defendant filed a timely request for a hearing;

WHEREAS, by Rule to Show Cause entered herein December 5, 2000, Defendant was ordered to appear at a hearing on January 18, 2001, and show cause why the Commission should not suspend Defendant's license; and

WHEREAS, by letter and affidavit dated December 15, 2000, and filed with the Clerk of the Commission on December 27, 2000, Steven Puck, President of Defendant, withdrew Defendant's earlier request for a hearing 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. INS980240
NOVEMBER 20, 2001

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

AMENDED SETTLEMENT ORDER

WHEREAS, on May 11, 1998, a multi-state market conduct examination of Defendants commenced;

WHEREAS, as a result of the examination, Defendants entered into a Consent Order with the participating states and agreed to implement a Compliance Plan;

WHEREAS, Defendants also agreed to pay a monetary settlement of fifteen million dollars ($15,000,000) to the participating states, three million dollars ($3,000,000) of which was stayed pending Defendants' compliance with the Consent Order and Compliance Plan;

WHEREAS, by Settlement Order entered herein on January 28, 1999, Defendants tendered to the Commonwealth of Virginia the sum of three hundred thirty-six thousand twenty-five dollars ($336,025), which amount represented Virginia's share of the monetary settlement;

WHEREAS, ordering paragraph (2) of the Settlement Order directed Defendants to fully comply with the Consent Order and Compliance Plan;

WHEREAS, ordering paragraph (3) of the Settlement Order provided that the Commission shall retain jurisdiction of this matter in order to monitor compliance with the terms of the Settlement Order;

WHEREAS, a subsequent multi-state compliance examination of Defendants found that Defendants failed to completely implement the Compliance Plan;

WHEREAS, the multi-state compliance examination also found that Defendants, in certain instances, violated §§ 38.2-305 B, 38.2-310, 38.2-316 A, 38.2-316 B, 38.2-316 C, 38.2-317, 38.2-502, 38.2-503, 38.2-510, 38.2-604, 38.2-610 A, 38.2-1318 C, 38.2-1812, 38.2-1834 C, 38.2-1906 D, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2119 B, 38.2-2208, 38.2-2212, 38.2-2223, 38.2-2610, 38.2-2612.5, 38.2-3407.1, 38.2-3407.4 A, 38.2-3731 A, and 38.2-3731 C of the Code of Virginia, as well as 14 VAC 5-40-60 B, 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 A, 14 VAC 5-90-130 A, 14 VAC 5-90-170 A, 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-50 A, 14 VAC 5-400-60 A, 14 VAC 5-400-60 B, and 14 VAC 5-400-70 D;

WHEREAS, the Commission is authorized by §§ 38.2-218, 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 violations;

WHEREAS, 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 one hundred four thousand five hundred sixty dollars ($104,560), waived their right to a hearing, and agreed to the entry by the Commission of a cease and desist order; and

WHEREAS, 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 §§ 38.2-305 B, 38.2-310, 38.2-316 A, 38.2-316 B, 38.2-316 C, 38.2-317, 38.2-502, 38.2-503, 38.2-510, 38.2-604, 38.2-610 A, 38.2-1318 C, 38.2-1812, 38.2-1834 C, 38.2-1906 D, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2119 B, 38.2-2208, 38.2-2212, 38.2-2223, 38.2-2610, 38.2-2612.5, 38.2-3407.1, 38.2-3407.4 A, 38.2-3731 A, or 38.2-3731 C of the Code of Virginia, or 14 VAC 5-40-60 B, 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 A, 14 VAC 5-90-130 A, 14 VAC 5-90-170 A, 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-50 A, 14 VAC 5-400-60 A, 14 VAC 5-400-60 B, or 14 VAC 5-400-70 D; and

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

CASE NO. INS990087
DECEMBER 19, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
JAMES C. RUTLEDGE,
Defendant

FINAL ORDER

On July 2, 1999, a Rule to Show Cause was issued by the Commission against Defendant, alleging violations of §§ 38.2-512, 38.2-1804, 38.2-1813 and 38.1-3403 of the Code of Virginia. The Hearing Examiner, appointed pursuant to § 12.1-31 to take the evidence in this case, allowed the Bureau of Insurance to amend the Rule to Show Cause as well as allowing Defendant to reply to the amended Rule to Show Cause.

The hearing was convened on June 13, 2000, in the Smyth County Courthouse in Marion, Virginia. Defendant was present, and being represented by counsel, fully participated in the hearing. The Hearing Examiner filed his Report on September 25, 2000, making the following findings of fact and recommendations:

1. Defendant violated § 38.2-1804 as alleged in paragraph 1 of the Amended Rule to Show Cause ("Amended Rule"). He recommended a $5,000 penalty.

2. Defendant's Motion to Strike the evidence in paragraph 2 of the Amended Rule should be granted.

3. Defendant violated § 38.2-512 as alleged in paragraph 3 of the Amended Rule. He recommended a $5,000 penalty.

4. Defendant violated § 38.2-512 as alleged in paragraph 4 of the Amended Rule. He recommended a $2,500 penalty.

5. The Bureau of Insurance did not establish by clear and convincing evidence that Defendant violated § 38.2-512 as alleged in paragraph 5 of the Amended Rule. He recommended that the Commission dismiss the alleged violation.

6. Defendant violated § 38.2-512 as alleged in paragraph 6 of the Amended Rule. He recommended a $2,500 penalty.

7. Defendant violated § 38.2-512 as alleged in paragraph 7 of the Amended Rule. He recommended a $2,500 penalty. He further recommended that Defendant's license to transact the business of insurance in Virginia be revoked for the violations as alleged in paragraphs 3, 4, 6, and 7 of the Amended Rule.

8. Defendant violated § 38.2-512 as alleged in paragraph 8 of the Amended Rule. He recommended a $5,000 penalty as well as revocation of Defendant's license to transact the business of insurance in Virginia.

9. The Bureau of Insurance did not establish by clear and convincing evidence that Defendant violated § 38.2-512 as alleged in paragraph 9 of the Amended Rule. He recommended that the Commission dismiss the alleged violation.

10. The Bureau of Insurance did not establish by clear and convincing evidence that Defendant violated § 38.2-3403 as alleged in paragraph 16 of the Amended Rule. He recommended that the Commission dismiss the alleged violation.

11. Defendant's Motion to Strike paragraph 11 of the Amended Rule should be granted.

12. Defendant's Motion to Strike paragraph 12 of the Amended Rule should be granted.

13. Defendant violated § 38.2-512 as alleged in paragraph 13 of the Amended Rule. He recommended a $5,000 penalty as well as revocation of the Defendant's license to transact the business of insurance in Virginia.

14. Defendant violated § 38.2-512 as alleged in paragraph 14 of the Amended Rule. He recommended a $5,000 penalty as well as revocation of Defendant's license to transact the business of insurance in Virginia.

15. Defendant violated § 38.2-512 as alleged in paragraph 15 of the Amended Rule. He recommended a $5,000 penalty as well as revocation of Defendant's license to transact the business of insurance in Virginia.

16. Defendant violated § 38.2-512 as alleged in paragraph 16 of the Amended Rule. He recommended a $5,000 penalty as well as revocation of Defendant's license to transact the business of insurance in Virginia.

17. The Bureau of Insurance did not establish by clear and convincing evidence that Defendant violated § 38.2-3403 as alleged in paragraph 17 of the Amended Rule. He recommended that the Commission dismiss the alleged violation.

18. Defendant violated § 38.2-512 as alleged in paragraph 18 of the Amended Rule. He recommended a $5,000 penalty as well as revocation of the Defendant's license to transact the business of insurance in Virginia.

19. The Bureau of Insurance did not establish by clear and convincing evidence that Defendant violated § 38.2-512 as alleged in paragraph 19 of the Amended Rule. He recommended that the Commission dismiss the alleged violation.

20. Defendant's Motion to Strike paragraph 20 of the Amended Rule should be granted.

21. The Bureau of Insurance did not establish by clear and convincing evidence that Defendant violated § 38.2-512 as alleged in paragraph 19 of the Amended Rule. He recommended that the Commission dismiss the alleged violation.

22. Defendant's Motion to Strike paragraph 22 of the Amended Rule should be granted.

UPON CONSIDERATION of the amended Rule to Show Cause, the evidence presented at the hearing, the Hearing Examiner's Report, and the comments thereto, the Commission adopts the Hearing Examiner's findings of fact as to the violations of law but declines to adopt the recommendations concerning the penalties to be imposed. The Commission is in agreement with the Hearing Examiner as to which allegations contained in the Amended Rule were proven at the hearing and which were not, but disagrees with him concerning the appropriate sanctions to be imposed.

In order to determine the proper penalty in each individual case, the Commission must consider all the relevant facts and circumstances. Here Defendant has a 25-year career in the insurance business, which has otherwise been violation free. Although there are 22 alleged violations, they involve only 4 transactions. This is not to minimize the nature of the violations, which are serious breaches of the duty imposed by statute on any agent engaged in the business of insurance in Virginia, but it does tend to mitigate the actions of Defendant. Another factor of mitigation is that the case has been open for quite some time and there have been no further reports of wrongdoing in connection with Defendant's insurance business. This indicates that Defendant is willing and capable of complying with the requirements of law, especially when he knows he is under the watchful eye of the Bureau of Insurance. Under these circumstances, the Commission is of the opinion that a penalty in the aggregate amount of $10,000 for the 11 separate violations of law is an appropriate monetary penalty. It is further the opinion of the Commission that Defendant should be given the opportunity to retain his agent's license.

IT IS THEREFORE ORDERED THAT:

(1) The license of Defendant to transact the business of insurance in Virginia as an insurance agent be, and the same is hereby, revoked, for ten (10) violations of § 38.2-512 and one violation of § 38.2-1804, as set forth below, said revocation is suspended for ninety (90) days from the date of this order. If Defendant pays all penalties, as set forth below, within this ninety (90) day period, the suspension of the revocation will continue and Defendant's license as an insurance agent shall remain intact;

(2) Defendant be, and he is hereby, penalized in the amount of $9,000 for his violations of § 38.2-512 as alleged in paragraphs 3, 4, 6, 7, 8, 13, 14, 15, and 16 of the Amended Rule;

(3) Defendant be, and he is hereby, penalized in the amount of $1,000 for his violation of § 38.2-1804 as alleged in paragraph 4 of the Amended Rule;

(4) The other recommendations of the Hearing Examiner set forth in his Report of September 25, 2000, are adopted and all allegations specifically not addressed above contained in the Amended Rule are hereby dismissed; and

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

CASE NO. INS990140
SEPTEMBER 10, 2001

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

ORDER REVOKING LICENSE

WHEREAS, for the reasons stated in an order entered herein February 24, 2000, Defendant was ordered to take notice that the Commission would 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 filed with the Clerk of the Commission a request for a hearing before the Commission to contest the proposed revocation of Defendant's license;

WHEREAS, as was stated in the February 24, 2000 order, on November 30, 1999, 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 (the "Liquidator") and directed to liquidate the business and affairs of Defendant;

WHEREAS, the Liquidator filed a timely request for a hearing, wherein it was noted that the Liquidator planned to separate the corporate shell (including licenses) of Defendant from Defendant's liabilities and discharge the shell from liquidation, placing it in rehabilitation;

WHEREAS, the Bureau took no further action until, by letter to counsel for the Liquidator dated January 30, 2001, the Bureau requested an update on Defendant's efforts to locate a buyer for its corporate shell and notified the Liquidator that the Bureau would consider resuming the process to revoke Defendant's license if a buyer for the corporate shell was not located by July 19, 2001;

WHEREAS, the Liquidator notified the Bureau by letter dated February 15, 2001, that the Liquidator was continuing to pursue a plan to sell Defendant's licenses and its corporate shell to a buyer which would meet the requirements for approval under a Form A application filing and acknowledged the Bureau's possible future action to resume the revocation process;

WHEREAS, the Liquidator notified the Bureau on August 6, 2001, that the Liquidator no longer is pursuing the plan to sell Defendant's corporate shell and no longer opposes the revocation of Defendant's license;

WHEREAS, the Liquidator, by letter dated August 30, 2001, and filed with the Commission on September 4, 2001, notified the Commission that it wished to withdraw its request for a hearing; 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:

(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. INS990147
FEBRUARY 15, 2001

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein September 10, 1999, Defendant was ordered to take notice that the Commission would enter an order subsequent to September 21, 1999, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before September 21, 1999, Defendant filed with the Clerk of the Commission a request for a hearing before the Commission to contest the proposed suspension of Defendant's license;

WHEREAS, Defendant filed a timely request for a hearing;

WHEREAS, by Rule to Show Cause entered herein December 5, 2000, Defendant was ordered to appear at a hearing on January 24, 2001, and show cause why the Commission should not suspend Defendant's license;

WHEREAS, by letter and affidavit filed with the Clerk of the Commission on January 23, 2001, M. F. Beausang, Jr., Secretary of Defendant, withdrew Defendant's earlier request for a hearing with respect to the proposed suspension of Defendant's license and agreed to an indefinite suspension of Defendant's license;

WHEREAS, on January 23, 2001, the Commission's Hearing Examiner issued his report which contained his findings of fact and his recommendation that the Commission enter an order suspending Defendant's license to transact the business of insurance in the Commonwealth of Virginia; and

THE COMMISSION, having considered the record herein and the findings of fact and recommendation of the Hearing Examiner, adopts the findings of fact as its own, and further, the Commission is of the opinion that Defendant's license to transact the business of insurance in the Commonwealth of Virginia should be suspended;

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. INS990263
OCTOBER 10, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ADVANTAGE TITLE, L.C.
Defendant

JUDGMENT ORDER

WHEREAS, on May 1, 2000, a Rule to Show Cause was entered against Defendant alleging violations of § 6.1-2.23 C of the Code of Virginia;

WHEREAS, by ruling entered on June 30, 2000, the Hearing Examiner directed Defendant to file with the Clerk of the Commission an Answer or other responsive pleading to the Rule on or before July 17, 2000;

WHEREAS, Defendant failed to file an Answer or other responsive pleading with the Clerk of the Commission by that date;

WHEREAS, on July 20, 2000, the Bureau of Insurance filed a Motion for Default Judgment based upon Defendant's failure to timely file an Answer or other responsive pleading;

WHEREAS, by ruling entered on August 18, 2000, the Hearing Examiner found that Defendant: (i) failed to timely file an Answer or other responsive pleading, and (ii) violated § 6.1-2.23 C of the Code of Virginia on two occasions between July 1, 1997, and January 1, 2000;

WHEREAS, the Hearing Examiner also recommended that the Commission enter an order: (i) revoking Defendant's licenses to transact the business of insurance in Commonwealth of Virginia, and (ii) penalizing Defendant the sum of five thousand dollars ($5,000) for each violation of § 6.1-2.23 C of the Code of Virginia, for a total penalty of ten thousand dollars ($10,000);

WHEREAS, by order entered on January 11, 2001, the Commission adopted the Hearing Examiner's findings of facts, but remanded the case back to the Office of the Hearing Examiner in order to allow both the Bureau and Defendant an opportunity to present any relevant evidence regarding the appropriate penalty to be assessed against Defendant;

WHEREAS, the Hearing Examiner conducted a hearing on February 22, 2001, where the Bureau appeared represented by counsel and Defendant failed to appear;

WHEREAS, on April 6, 2001, the Hearing Examiner's Supplemental Report, which contained findings of fact, conclusions of law, and recommendations to the Commission, was filed with the Clerk of the Commission;

WHEREAS, the Hearing Examiner has recommended that the Commission enter an order: (i) penalizing Defendant the sum of five thousand dollars ($5,000) for each of Defendant's five violations of § 6.1-2.23 C of the Code of Virginia, for a total penalty of twenty-five thousand dollars ($25,000), and (ii) revoking Defendant's license to transact the business of a title insurance agency in the Commonwealth of Virginia;

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

THEREFORE, IT IS ORDERED THAT:

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

(2) Defendant be, and it is hereby, penalized in the amount of twenty-five thousand dollars ($25,000), five thousand dollars ($5,000) for each violation of § 6.1.-2.23 C of the Code of Virginia;

(3) Defendant's license to transact the business of a title insurance agency in the Commonwealth of Virginia be, and it is hereby, revoked; and

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

CASE NO. INS000002
MARCH 8, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
U.S. BENEFITS CORPORATION, U.S. BENEFITS ASSOCIATION, CHRISTOPHER PURSER
and
ROBERT PRICE,
Defendants

ORDER TO TAKE NOTICE

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendants, which are not licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-502 and 38.2-1802 of the Code of Virginia;

THEREFORE, IT I S ORDERED that Defendants TAKE NOTICE that the Commission shall enter a Judgment Order permanently enjoining Defendants from transacting the business of insurance in the Commonwealth of Virginia unless on or before April 9, 2001, Defendants file with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, a responsive pleading and a request for a hearing.

CASE NO. INS000002
APRIL 26, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
U.S. BENEFITS CORPORATION, U.S. BENEFITS ASSOCIATION, CHRISTOPHER PURSER,
and
ROBERT PRICE,
Defendants

JUDGMENT ORDER

WHEREAS, by order entered herein March 8, 2001, Defendants were ordered to take notice that the Commission would enter a Judgment Order subsequent to April 9, 2001, permanently enjoining Defendants from transacting the business of insurance in the Commonwealth of Virginia, unless on or before April 9, 2001, Defendants filed with the Clerk of the Commission a responsive pleading and a request for a hearing;

WHEREAS, as of the date of this order, Defendants U.S. Benefits Association and Christopher Purser have failed to file a responsive pleading to object to the entry of a Judgment Order or a request for a hearing;

WHEREAS, by Motion to Dismiss filed on April 23, 2001, the Bureau of Insurance requested that Defendants U.S. Benefits Corporation and Robert Price be dismissed from this proceeding;

WHEREAS, the Commission, having considered the pleadings, finds that Defendants U.S. Benefits Association and Christopher Purser violated §§ 38.2-502 and 38.2-1802 of the Code of Virginia by misrepresenting the benefits, advantages, conditions, or terms of an insurance policy, and by soliciting, negotiating, procuring, or effecting contracts of insurance on behalf of an insurer not licensed to transact the business of insurance in the Commonwealth of Virginia. The Commission further finds that the Bureau's Motion to Dismiss should be granted;

THEREFORE, IT IS ORDERED THAT:

(1) Defendants U.S. Benefits Association and Christopher Purser be, and they are hereby, permanently enjoined from transacting the business of insurance in the Commonwealth of Virginia;

(2) The Bureau of Insurance's Motion to Dismiss Defendants U.S. Benefits Corporation and Robert Price from this proceeding be, and it is hereby, granted; and

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

CASE NO. INS000038
FEBRUARY 22, 2001

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, for reasons stated in an order entered herein March 13, 2000, the Commission suspended the license of American Chambers Life 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");

WHEREAS, by Final Order of Liquidation entered May 8, 2000, in the Court of Common Pleas of Franklin County, Ohio, in Case No. 00 CVH03-2206, Defendant was declared insolvent, and the Superintendent of Insurance for the Ohio Department of Insurance was appointed the Liquidator of Defendant and directed to liquidate the business and affairs of Defendant; and

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to March 6, 2001, revoking the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before March 6, 2001, 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. INS000038
MARCH 13, 2001

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

ORDER REVOKING LICENSE

WHEREAS, for the reasons stated in an Order entered herein February 22, 2001, Defendant was ordered to take notice that the State Corporation Commission ("Commission") would enter an Order subsequent to March 6, 2001, revoking the license of the Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before March 6, 2001, 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. INS000089
JANUARY 9, 2001

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

ORDER OF INSOLVENCY, ORDER PROVIDING FOR FILING OF PROOFS OF CLAIM, AND ORDER APPROVING PLAN TO DISBURSE ASSETS

This matter came on before the Commission on the application of Alfred W. Gross, Commissioner of Insurance, Bureau of Insurance, State Corporation Commission, in his capacity as Deputy Receiver (the "Deputy Receiver") 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. The relief sought in the Application is (1) a final Order of insolvency of Union; (2) approval of plan to notify persons with claims against Union to file a proof of claim; and (3) the entry of an Order setting bar date for claims and authorizing the disbursement of the assets of Union to claimants in the priority set out in Virginia law.

And the Commission, having reviewed the record herein, is of the opinion and finds:

1. Union is a corporation organized and existing as a mutual assessment property and casualty insurer pursuant to the provisions of Chapter 25 of Title 38.2 of the Code of Virginia. Union has no capital stock, no policies of insurance currently in effect, and thus presently has no members, as defined in Article 3 of Chapter 25 of Title 38.2.

2. By order of the Circuit Court of Richmond, entered August 9, 2000, this Commission was appointed Receiver for Rehabilitation or Liquidation of Union, and Commissioner Gross was appointed Deputy Receiver, and empowered to appoint a Special Deputy Receiver.

3. The Deputy Receiver, by letter dated August 9, 2000, appointed Melvin J. Dillon Special Deputy Receiver of Union.

4. The Special Deputy Receiver has taken charge of the assets, books, and records of Union, has examined the financial condition of Union, and has determined that Union is insolvent within the meaning of § 38.2-1501 of Chapter 15 of Title 38.2 of the Code of Virginia, in that Union has liabilities in excess of assets.

5. The Deputy Receiver has reviewed the conclusions of the Special Deputy Receiver, and concurs in them.

6. It is in the best interests of the policyholders and creditors of Union, and in the public interest, for the Commission to enter an Order finding that Union is insolvent.

7. The assets of Union which are reasonably available to pay claims and the administrative expenses of Union, as of September 30, 2000, total approximately $77,009.00.

8. The asserted outstanding policyholder claims against Union, and the estimated liabilities of Union, as of September 30, 2000, total approximately $100,487.00. Included in this amount is approximately $3,700 in outstanding checks which have not been presented for collection at Union's accounts. In addition to known claims, there is a possibility of incurred but not reported losses on commercial general and homeowner's liability policies issued by Union, the amount of which is unknown, but which is not estimated to be large. The largest single creditor of Union is a reinsurer, a member of the Gen Re group of companies, which has asserted a claim for overdue reinsurance premiums of approximately $65,000. The merits of this claim have not been determined by the Special Deputy Receiver.

9. The assets of Union, while insufficient to pay all claims, are sufficient to settle known policyholder claims at their reasonable value, and to pay the reasonable estimated value of incurred but presently unknown claims. It is therefore unlikely that there will be any "unpaid claims" of Union's policyholders within the meaning of Article 1, § 38.2-1603 of Chapter 16 of Title 38.2 of the Code of Virginia. It is therefore unnecessary for an Order of liquidation to be entered against Union, or for the Virginia Property and Casualty Insurance Guaranty Association ("Guaranty Association"), established pursuant to Chapter 16 of Title 38.2 of the Code of Virginia, to take any steps under Article 16 unless the Commission shall order otherwise at some future date upon petition of the Deputy Receiver. For the same reason it is unnecessary to disburse any of the funds of Union at the present time to the Guaranty Association.

10. The potential claimants against the assets of Union consist of its former policyholders; persons with claims against Union's policyholders arising under Union's contracts of insurance; and Union's general creditors. The Commission finds that it will provide reasonable notice to each person known to have a claim against Union to be mailed a proof of claim, in the form attached hereto, within thirty (30) days of the entry of this Order. Because records of Union relating to the names and addresses of all former policyholders cannot be accessed without great difficulty, it is not practical to give individual notice to all former policyholders of Union. Therefore, notice to file a proof of claim should be given to all former policyholders, and others who may have claims but are unknown to the Deputy Receiver, by publishing a notice of the determination of the insolvency of Union, and the obligation to file a proof of claim, in one or more newspapers of general circulation likely to cover the geographical areas in which Union had policyholders. The notice shall inform potential claimants where they may obtain a proof of claim, and further notify them that any claim not filed as required by this Order shall not be considered or paid until all other duly filed and approved claims are paid in full. The notice shall also specify to the holders of all outstanding checks drawn on Union's accounts that those accounts have been closed and that the holders of such checks must file a proof of claim in order to have this claim considered.

11. Due to the likelihood that there are no unknown policyholder claims against Union, the Commission finds that a claims bar date of sixty (60) days from the date of mailing of a proof of claim to known claimants, and of ninety (90) days from the date of advertising for unknown claims, are reasonable.

12. The assets of Union should be disbursed in the order of priority provided in § 38.2-1509.B. of Chapter 15 of Title 38.2 of the Code of Virginia, with the exception that the Deputy Receiver need not await any claim from the Guaranty Association before distributing assets.

NOW, THEREFORE, it is Ordered, adjudged, and decreed:

(1) That Union of America Mutual Insurance Company is insolvent within the meaning of § 38.2-1501 of Chapter 15 of Title 38.2 of the Code of Virginia;

(2) That the Deputy Receiver, acting through the Special Deputy Receiver, is authorized and directed to send notices to file proof of claims to all known claimants against the assets of Union of America Mutual Insurance Company;

(3) That the Deputy Receiver, acting through the Deputy Receiver, is directed to publish a notice of the determination of the insolvency of Union of America Mutual Insurance Company and of the obligation to file a proof of claim, in one or more newspapers of general circulation likely to cover the geographical areas in which Union of America Mutual Insurance Company had policyholders. The notice shall inform potential claimants where they may obtain a proof of claim, and further notify all potential claimants that any claim not filed as required by this Order shall not be considered or paid until all other duly filed and approved claims are paid in full and to advertise for unknown claims, as prayed for herein;

(4) That a bar date for claims of sixty (60) days from the date of mailing of notice to known claimants, and of ninety (90) days from the date of advertisement for unknown claims, is hereby Ordered;

(5) That the Deputy Receiver, acting through the Special Deputy Receiver, is authorized to disburse the assets of Union of America Mutual Insurance Company in the order of priority established pursuant to § 38.2-1509 of Chapter 15 of Title 38.2 of the Code of Virginia, as prayed for herein; and

(6) That this matter is retained on the Commission's docket for such other and further relief and measures as may appear to the Commission as necessary, just, or proper.

NOTE: A copy of the Attachment entitled "Proof of Claim" 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. INS000089
DECEMBER 5, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
UNION OF AMERICA MUTUAL INSURANCE COMPANY,
Respondent

FINAL ORDER TERMINATING RECEIVERSHIP AND DISCHARGING THE DEPUTY RECEIVER AND THE SPECIAL DEPUTY RECEIVER

ON A FORMER DAY came Alfred W. Gross, Commissioner of Insurance, Bureau of Insurance, State Corporation Commission, in his capacity as Deputy Receiver ("Deputy Receiver") of Union of America Mutual Insurance Company("Union"), the Respondent in this action, and filed with the State Corporation Commission ("Commission") a Final Report and Application for Order Terminating Receivership and Discharging the Receiver, Deputy Receiver, and Special Deputy Receiver ("the Application").

The relief sought in the Application is an order: (1) fixing the amount of all claims against the assets of Union; (2) forever barring any and all other claims of any type against the assets of Union; (3) authorizing a distribution of the assets of Union to the claimants with approved claims; (4) authorizing the destruction and retention of records of Union; (5) authorizing the payment of the closing expenses of the Deputy and Special Deputy Receiver; and (6) approving and ratifying the actions of the Deputy Receiver, Special Deputy Receiver, and their agents, employees, accountants, and attorneys, and discharging them from any further authority or responsibility in connection with the receivership proceedings for Union.

Based upon the Commission's records, the prior filings in this proceeding, and the representations of counsel for the Deputy Receiver, it appears to the Commission as follows:

1. Union is a corporation organized and existing as a mutual assessment property and casualty insurer under the laws of the Commonwealth of Virginia. Union has no capital stock, no insurance currently in effect, and thus no members as that term is defined in Article 3, Chapter 25 of Title 38.2 of the Code of Virginia.

2. By order of the Circuit Court of the City of Richmond entered August 9, 2000, the State Corporation Commission of the Commonwealth of Virginia was appointed as Receiver of Union and the Deputy Receiver was appointed as the Deputy Receiver of Union with power to appoint a Special Deputy Receiver.

3. The Deputy Receiver, by letter dated August 9, 2000, appointed Melvin J. Dillon Special Deputy Receiver of Union.

4. By order of the Commission entered in this cause on January 9, 2001 (the "Order of Insolvency"), Union was found to be insolvent, and a plan to notify known claimants, and to advertise for claims from unknown claimants, against the assets of Union, and to disburse the assets of Union to policyholders, creditors, and claimants was approved.

5. The Deputy Receiver, acting through the Special Deputy, was authorized and directed to send notices to file proofs of claim to all known claimants against the assets of Union, and to publish a notice of the determination of the insolvency of Union, and of the obligation to file a proof of claim in one or more newspapers of general circulation likely to cover the geographical areas in which Union had policyholders, in order to determine if there were any unknown claims against the assets of Union.

6. The Order of Insolvency further set a "bar date" barring any further claims of any kind against Union, of sixty (60) days from the date of mailing of notice to known claimants, and of ninety (90) days from the date of advertisement for unknown claims.

7. Pursuant to the Order of Insolvency, the Deputy Receiver, acting through the Special Deputy, sent the required notices to all known claimants on January 26, 2001, and caused to be published a notice of the Order of Insolvency, and a notice to file a proof of claim, as follows:

(a) In the Roanoke Times, Roanoke, Virginia, on January 28, 2001, and February 4, 2001.

(b) In the Richmond Times Dispatch, Richmond, Virginia, on January 28, 2001, and February 4, 2001.

(c) In the Virginian-Pilot, Norfolk, Virginia, on January 28, 2001, and February 4, 2001.

8. Calculated from the date of the notice given to known and unknown claimants, the bar dates pursuant to the Order of Insolvency are March 26, 2001, for known claimants, and April 27, 2001, for all other claimants.

9. Eight proofs were returned as a result of notices sent to known creditors. No proofs of claim were received as a result of the advertisements.

10. The Special Deputy Receiver responded to proofs of claim by sending notices of determination setting a value of each proof of claim to the claimants who returned proofs. The notices of determination also set a thirty-day reply date of June 17, 2001, for appeals if the amount allowed on the claim was disputed. No appeals were received by the Special Deputy Receiver.

11. The assets available to the Deputy Receiver as of October 31, 2001, for distribution to claimants in the estate of Union total $44,053.00. The Order of Insolvency requires that these assets be distributed in the order of priority established pursuant to § 38.2-1509 of Chapter 15 of Title 38.2 of the Code of Virginia. This priority statute, as applied to the estate of Union, requires the following distribution:

(a) Administrative Expenses. The total estimated remaining expenses of the receivership and of the Deputy Receiver and Special Deputy Receiver to close the estate of Union total $5,868.00. These claims can be paid in full.

(b) Policyholder and Liability Claims. Claims of policyholders, and of persons with claims against policyholders under policies of liability insurance, totaling $26,939.00, have been approved and will be paid in full.

(c) The final federal taxes due by Union are estimated to be $2,586.00. This claim can be paid in full, but the Deputy Receiver requests that this claim not be paid until the Internal Revenue Service accepts the return of Union as a final return.

(d) There are approved claims of general creditors, totaling $73,854.00. These claims cannot be paid in full, but approximately a ten percent (10%) distribution can be made from the remaining assets of Union.

13. Due notice has been given to all persons entitled to notice to file claims against Union. All claims of any nature and kind against Union, and against the Receiver, Deputy Receiver, Special Deputy Receiver, and their employees and agents, which were not filed are barred, except to the extent that such claims have been approved by the Special Deputy Receiver.

14. The Special Deputy should be authorized and directed to distribute the remaining assets of Union as prayed for in the Application.

15. The accounting of the Deputy Receiver filed with the Application as a final accounting is appropriate and should be accepted; the actions and expenditures of the Deputy and Special Deputy should be ratified and approved.

16. The books, documents, and records relating to Union which should be retained are those described in Exhibit B to the Application, and all other books, records, and documents may be retained or destroyed as the Deputy and Special Deputy Receiver may determine in their discretion.

NOW, THEREFORE, IT IS ORDERED THAT:

(1) The claims against the estate of Union as allowed by the Special Deputy are hereby approved;

(2) Any claims against the estate of Union not allowed by the Special Deputy or which have not been previously adjudicated or dealt with in the Union receivership proceeding are hereby forever barred;

(3) A final distribution as proposed in the Application to claimants with claims allowed by the Special Deputy is hereby ordered and approved;

(4) The payment of the closing expenses of the Deputy Receiver, Special Deputy Receiver, and their staff, attorneys, and accountants is hereby ordered and approved;

(5) The reopening of the Union estate for further distribution to claimants in the event additional assets are recovered which make a further distribution economical is hereby authorized;

(6) The final account of the Special Deputy Receiver is hereby approved;

(7) The actions of the Deputy Receiver, Special Deputy Receiver, and their employees, agents, attorneys, and accountants, taken during the course of these proceedings are hereby ratified and approved;

(8) These proceedings are hereby terminated and the Deputy Receiver and his Special Deputy Receiver are hereby discharged;

(9) After the payment of the final distribution to claimants, the transfer pro rata to the general creditors of Union, as requested in the Application, of (i) any funds remaining after the payment of final expenses and (ii) the proceeds of any distribution checks not cleared within ninety (90) days of distribution is hereby authorized and ordered; and

(10) The retention and destruction of records as proposed in Exhibit B to the Application is hereby authorized and ordered.

CASE NO. INS000115
MAY 22, 2001

PETITION OF
RENEGADE PARTNERS, LP

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

FINAL ORDER

WHEREAS, by order of the Commission, a Hearing Examiner conducted a hearing on October 5, 2000, for the purpose of hearing an appeal of a decision by the National Council on Compensation Insurance ("NCCI") which transferred the workers' compensation insurance experience rating modification of Elmore Sports Group ("Elmore") to Renegade Partners, LP ("Renegade");

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

WHEREAS, on February 16, 2001, the Commission's Hearing Examiner issued his Final Report, to which Renegade timely filed written comments; and

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

THEREFORE, IT IS ORDERED THAT:

(1) The Petition of Renegade Partners, LP be, and it is hereby, DENIED; and

(2) The National Council on Compensation Insurance's decision to transfer the workers' compensation insurance experience rating modification of Elmore Sports Group to Renegade Partners, LP be and it is hereby, AFFIRMED.

CASE NO. INS000232
MAY 17, 2001

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

JUDGMENT ORDER

WHEREAS, by Rule to Show Cause issued September 28, 2000, for the reasons stated herein, the Commission's Hearing Examiner conducted a hearing on November 21, 2000, where the Bureau of Insurance appeared represented by counsel and Defendant failed to appear;

WHEREAS, on April 13, 2001, the Hearing Examiner's Report, which contained findings of fact, conclusions of law, and recommendations to the Commission, was filed with the Clerk of the Commission;

WHEREAS, in his report, the Hearing Examiner found that Defendant violated § 38.2-1802 of the Code of Virginia by procuring a contract of insurance on behalf of an insurer not licensed to transact the business of insurance in the Commonwealth of Virginia;

WHEREAS, the Hearing Examiner has recommended that the Commission enter an order: (i) penalizing Defendant the sum of ten thousand dollars ($10,000), five thousand dollars ($5,000) for each violation of the Code of Virginia; (ii) permanently enjoining Defendant from transacting the business of insurance in the Commonwealth of Virginia; and (iii) dismissing the case from the Commission's docket of active proceedings; and

THE COMMISSION, having considered the record herein, the findings of fact, conclusions of law, and recommendations of its Hearing Examiner, adopts the Hearing Examiner's findings of fact and conclusions of law as its own, and further, the Commission is of the opinion that Defendant should be permanently enjoined from transacting the business of insurance in the Commonwealth of Virginia and that Defendant should be penalized the amount of ten thousand dollars ($10,000);

THEREFORE, IT IS ORDERED THAT:

(1) Defendant be, and it is hereby, PERMANENTLY ENJOINED from transacting the business of insurance in the Commonwealth of Virginia;

(2) Defendant be, and it is hereby, penalized in the amount of ten thousand dollars ($10,000), five thousand dollars ($5,000) for each of Defendant's two violations of § 38.2-1802 of the Code of Virginia; and

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

CASE NO. INS000233
MAY 17, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
INTERNATIONAL MARINE SAFETY FOUNDATION,
Defendant

JUDGMENT ORDER

WHEREAS, by Rule to Show Cause issued September 28, 2000, for the reasons stated herein, the Commission's Hearing Examiner conducted a hearing on November 21, 2000, where the Bureau of Insurance appeared represented by counsel and Defendant failed to appear;

WHEREAS, on April 13, 2001, the Hearing Examiner's Report, which contained findings of fact, conclusions of law, and recommendations to the Commission, was filed with the Clerk of the Commission;

WHEREAS, in his report, the Hearing Examiner found that Defendant violated § 38.2-1802 of the Code of Virginia by procuring a contract of insurance on behalf of an insurer not licensed to transact the business of insurance in the Commonwealth of Virginia;

WHEREAS, the Hearing Examiner has recommended that the Commission enter an order: (i) penalizing Defendant the sum of ten thousand dollars ($10,000), five thousand dollars ($5,000) for each violation of the Code of Virginia; (ii) permanently enjoining Defendant from transacting the business of insurance in the Commonwealth of Virginia; and (iii) dismissing the case from the Commission's docket of active proceedings; and

THE COMMISSION, having considered the record herein, the findings of fact, conclusions of law, and recommendations of its Hearing Examiner, adopts the Hearing Examiner's findings of fact and conclusions of law as its own, and further, the Commission is of the opinion that Defendant should be permanently enjoined from transacting the business of insurance in the Commonwealth of Virginia and that Defendant should be penalized the amount of ten thousand dollars ($10,000);

THEREFORE, IT IS ORDERED THAT:

(1) Defendant be, and it is hereby, PERMANENTLY ENJOINED from transacting the business of insurance in the Commonwealth of Virginia;

(2) Defendant be, and it is hereby, penalized in the amount of ten thousand dollars ($10,000), five thousand dollars ($5,000) for each of Defendant's two violations of § 38.2-1802 of the Code of Virginia; and

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

CASE NO. INS000234
MAY 17, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
NORTH AMERICAN MARINE GENERAL INSURANCE COMPANY, LTD.,
Defendant

JUDGMENT ORDER

WHEREAS, by Rule to Show Cause issued September 28, 2000, for the reasons stated herein, the Commission's Hearing Examiner conducted a hearing on November 21, 2000, where the Bureau of Insurance appeared represented by counsel and Defendant failed to appear;

WHEREAS, on April 13, 2001, the Hearing Examiner's Report, which contained findings of fact, conclusions of law, and recommendations to the Commission, was filed with the Clerk of the Commission;

WHEREAS, in his report, the Hearing Examiner found that Defendant violated § 38.2-1024 of the Code of Virginia by transacting the business of insurance in the Commonwealth of Virginia without first obtaining an insurance company license from the Commission;

WHEREAS, the Hearing Examiner has recommended that the Commission enter an order: (i) penalizing Defendant the sum of ten thousand dollars ($10,000), five thousand dollars ($5,000) for each violation of the Code of Virginia; (ii) permanently enjoining Defendant from transacting the business of insurance in the Commonwealth of Virginia; and (iii) dismissing the case from the Commission's docket of active proceedings; and

THE COMMISSION, having considered the record herein, the findings of fact, conclusions of law, and recommendations of its Hearing Examiner, adopts the Hearing Examiner's findings of fact and conclusions of law as its own, and further, the Commission is of the opinion that Defendant should be permanently enjoined from transacting the business of insurance in the Commonwealth of Virginia and that Defendant should be penalized the amount of ten thousand dollars ($10,000);

THEREFORE, IT IS ORDERED THAT:

(1) Defendant be, and it is hereby, PERMANENTLY ENJOINED from transacting the business of insurance in the Commonwealth of Virginia;

(2) Defendant be, and it is hereby, penalized in the amount of ten thousand dollars ($10,000), five thousand dollars ($5,000) for each of Defendant's two violations of § 38.2-1024 of the Code of Virginia; and

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

CASE NO. INS000235
MAY 17, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
INDEMNITY CASUALTY & PROPERTY, LTD.,
Defendant

JUDGMENT ORDER

WHEREAS, by Rule to Show Cause issued September 28, 2000, for the reasons stated herein, the Commission's Hearing Examiner conducted a hearing on November 21, 2000, where the Bureau of Insurance appeared represented by counsel and Defendant failed to appear;

WHEREAS, on April 13, 2001, the Hearing Examiner's Report, which contained findings of fact, conclusions of law, and recommendations to the Commission, was filed with the Clerk of the Commission;

WHEREAS, in his report, the Hearing Examiner found that Defendant violated § 38.2-1024 of the Code of Virginia by transacting the business of insurance in the Commonwealth of Virginia without first obtaining an insurance company license from the Commission;

WHEREAS, the Hearing Examiner has recommended that the Commission enter an order: (i) penalizing Defendant the sum of ten thousand dollars ($10,000), five thousand dollars ($5,000) for each violation of the Code of Virginia; (ii) permanently enjoining Defendant from transacting the business of insurance in the Commonwealth of Virginia; and (iii) dismissing the case from the Commission's docket of active proceedings; and

THE COMMISSION, having considered the record herein, the findings of fact, conclusions of law, and recommendations of its Hearing Examiner, adopts the Hearing Examiner's findings of fact and conclusions of law as its own, and further, the Commission is of the opinion that Defendant should be permanently enjoined from transacting the business of insurance in the Commonwealth of Virginia and that Defendant should be penalized the amount of ten thousand dollars ($10,000);

THEREFORE, IT IS ORDERED THAT:

(1) Defendant be, and it is hereby, PERMANENTLY ENJOINED from transacting the business of insurance in the Commonwealth of Virginia;

(2) Defendant be, and it is hereby, penalized in the amount of ten thousand dollars ($10,000), five thousand dollars ($5,000) for each of Defendant's two violations of § 38.2-1024 of the Code of Virginia; and

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

CASE NO. INS000274
AUGUST 30, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
IGF 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 October 25, 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 January 24, 2001;

WHEREAS, the Bureau took no further action against Defendant pursuant to the request of the Indiana Insurance Department, Defendant's domiciliary regulation;

WHEREAS, the Quarterly Statement of Defendant, dated June 30, 2001, and filed with the Bureau, indcates surplus of $1,724,191; and

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to September 14, 2001, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before September 14, 2001, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23216, a request for a hearing before the Commission with respect to the proposed suspension of Defendant's license.

CASE NO. INS000274
SEPTEMBER 24, 2001

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein August 30, 2001, Defendant was ordered to take notice that the Commission would enter an order subsequent to September 14, 2001, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before September 14, 2001, 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. INS000280
FEBRUARY 16, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CREDIT GENERAL 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 November 2, 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 January 30, 2001; and

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to February 26, 2001, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before February 26, 2001, 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. INS000280
MARCH 7, 2001

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein February 16, 2001, Defendant was ordered to take notice that the Commission would enter an order subsequent to February 26, 2001, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before February 26, 2001, 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. INS000286
APRIL 11, 2001

PETITION OF
JAMES AND JUDY MONTIEGEL

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

ORDER

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

On July 21, 2000, James and Judy Montiegel ("Petitioners" or "Montiegels") filed a Petition for Review ("Petition") with the Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 3571190-B. The Determination of Appeal, which was issued on June 28, 2000, denied the Petitioners claim for coverage from HOW for foundation damage to their residence located at 17008 Village Lane, Dallas, Texas 75248.

By Order dated November 9, 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 December 8, 2000.

On December 8, 2000, the Deputy Receiver filed a Motion to Dismiss and Answer to Petition for Review, and a Memorandum in Support of the Motion to Dismiss. Therein, the Deputy Receiver argued that the Petitioners' claim for coverage was filed untimely since the HOW Companies received the Petitioners' claim for coverage more than three months after the expiration of all HOW Program coverage and the applicable grace period.

Pursuant to Hearing Examiner's Ruling of January 4, 2001, the Petitioners filed a response to the Deputy Receiver's Motion to Dismiss on January 18, 2000. Therein, the Petitioners declared that their claim for coverage should be accepted as timely filed based upon a telephone call they made to the HOW Companies in July of 1999.

After reviewing the pleadings submitted in the case, the Hearing Examiner issued his report on March 15, 2001. Therein, the Hearing Examiner made, among other things, the following findings and recommendations:

(1) The Petitioners' home was enrolled in the HOW Program on October 27, 1989;

(2) All HOW Program coverage and the thirty (30) day grace period for filing claims expired on November 26, 1999;

(3) The current claim was received by the Companies on February 28, 2000, more than three months after the expiration of all HOW Program coverage and the thirty (30) day grace period for filing claims;[1]

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

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

Neither party to this action filed comments to the Hearing Examiner's Report. Upon consideration of the pleadings submitted 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 Deputy Receiver's Motion to Dismiss be, and it is hereby, GRANTED;

(2) The Petition of James and Judy Montiegel for review of the Deputy Receiver's Determination of Appeal be, and it is hereby, DENIED;

(3) The Deputy Receiver's Determination of Appeal issued in Claim No. 3571190-B on June 28, 2000, be, and it is hereby, AFFIRMED; and

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

[1] Section I.C HOW Insurance/Warranty Documents at pg. 20. "No claim will be honored following termination of the applicable coverage unless the Insurer has received notice, in writing of the existence of a defect no later than thirty (30) days after the coverage on that item expires."

CASE NO. INS000288
JANUARY 23, 2001

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in a certain instance, violated § 38.2-610 of the Code of Virginia, as well as the Cease and Desist Order entered by the Commission in Case No. INS830069, by failing to give to an applicant for insurance written notice of an adverse underwriting decision in the form approved by the Commission;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged 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 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 § 38.2-610 of the Code of Virginia; and

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

CASE NO. INS000296
MARCH 13, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
INTERNATIONAL INDEMNITY 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, International Indemnity Company, a foreign corporation domiciled in the State of Georgia ("Defendant"), is licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia;

WHEREAS, by order entered herein December 12, 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 March 12, 2001; and

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to March 26, 2001, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before March 26, 2001, 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. INS000296
APRIL 3, 2001

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein March 14, 2001, Defendant was ordered to take notice that the Commission would enter an order subsequent to March 26, 2001, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before March 26, 2001, 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. INS000301
JUNE 13, 2001

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to operate a legal services plan in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-316 A, 38.2-316 B, 38.2-316 C, 38.2-502, 38.2-503, 38.2-511, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A 1, 38.2-1834 C, and 38.2-4415 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 forty seven thousand dollars ($47,000), waived its right to a hearing, and agreed to the entry by the Commission of a cease and desist order for the violations of §§ 38.2-502, 38.2-503, 38.2-1812 A, 38.2-1822 A, and 38.2-1833 A 1; 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 §§ 38.2-502, 38.2-503, 38.2-1812 A, 38.2-1822 A, or 38.2-1833 A 1 of the Code of Virginia; and

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

CASE NO. INS000302
JANUARY 23, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
BANKERS FIDELITY 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 §§ 38.2-502, 38.2-510 A 2, 38.2-604, 38.2-610, 38.2-3115, and 38.2-3407.4 of the Code of Virginia, as well as 14 VAC 5-40-40 A, 14 VAC 5-40-60 B, 14 VAC 5-90-60 A 1, 14 VAC 5-90-60 A 2, 14 VAC 5-90-60 B, and 14 VAC 5-90-170 A of the Virginia Administrative Code;

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 eleven thousand dollars ($11,000) 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. INS000304
JANUARY 11, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
PERRY DENNIE,
Defendant

VACATING ORDER

GOOD CAUSE having been shown, the Order Revoking License entered herein December 20, 2000, is hereby vacated.

CASE NO. INS000304
MAY 17, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
PERRY DENNIE,
Defendant

FINAL ORDER

WHEREAS, by motion filed herein May 4, 2001, the Bureau of Insurance requested that the above-captioned matter be dismissed since Defendant had voluntarily surrendered his insurance agent's license in lieu of hearing before the Commission;

WHEREAS, by ruling entered herein May 11, 2001, the Commission's Hearing Examiner granted the Bureau's Motion to Dismiss and recommended that the Commission enter an order dismissing the Rule to Show Cause and passing the papers to the file for ended causes; and

THE COMMISSION, having considered the Hearing Examiner's ruling and recommendation, is of the opinion that the Rule to Show Cause entered herein should be dismissed and that the papers herein should be passed to the file for ended causes;

THEREFORE, IT IS ORDERED THAT:

(1) The Rule to Show Cause entered herein be, and it is hereby, DISMISSED; and

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

CASE NO. INS000305
FEBRUARY 5, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
JOSEPH M. CAMERON,
Defendant

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, in certain instances, violated §§ 38.2-512, 38.2-1809, 38.2-1813, and 38.2-1822 of the Code of Virginia by making false statements or representations on or relative to an application for an insurance policy for the purpose of obtaining a fee or commission, by failing to retain all records relative to insurance transactions for the three previous calendar years, by failing to account for all funds received, and by acting as an agent of an insurer 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 his right to a hearing in this matter, whereupon Defendant, without admitting any violation of Virginia law, has waived his right to a hearing, agreed to the entry by the Commission of a cease and desist order, and agreed not to apply for a license to transact the business of insurance in the Commonwealth of Virginia for a period of five years from the date of this 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 this 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, 38.2-1809, 38.2-1813, or 38.2-1822 of the Code of Virginia;

(3) Defendant shall not apply to the Commission for a license to transact the business of insurance in the Commonwealth of Virginia for a period of five years from the date of this order; and

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

CASE NO. INS000306
FEBRUARY 5, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
PETER J. DJORDJEVIC
and
RESOURCES DEVELOPMENT GROUP, LLC,
Defendants

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendants, in certain instances, violated §§ 38.2-512, 38.2-1809, 38.2-1813, and 38.2-1822 of the Code of Virginia by making false statements or representations on or relative to an application for an insurance policy for the purpose of obtaining a fee or commission, by failing to retain all records relative to insurance transactions for the three previous calendar years, by failing to account for all funds received, and by acting as an agent of an insurer 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 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 waived their right to a hearing, agreed to the entry by the Commission of a cease and desist order, and agreed not to apply for a license to transact the business of insurance in the Commonwealth of Virginia for a period of five years from the date of this 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 Defendant in settlement of this 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, 38.2-1809, 38.2-1813, or 38.2-1822 of the Code of Virginia;

(3) Defendant shall not apply to the Commission for a license to transact the business of insurance in the Commonwealth of Virginia for a period of five years from the date of this order; and

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

CASE NO. INS000312
APRIL 4, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
WILLIAM P. BROWN,
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 as an insurance agent in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-502, 38.2-503, 38.2-512, and 38.2-1826 of the Code of Virginia by misrepresenting the benefits, advantages, conditions or terms of an insurance policy; by knowingly making, publishing, disseminating, circulating, or placing before the public an advertisement, announcement or statement containing any assertion, representation or statement relating to the business of insurance which is untrue, deceptive or misleading; by making false statements or representations on or relative to an application for an insurance policy for the purpose of obtaining a fee or commission; and by failing to report within thirty days to the Commission a change in his residence address;

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 violations;

IT FURTHER APPEARING that Defendant has been notified of Defendant's right to a hearing before the Commission in this matter by certified letter dated March 6, 2001, 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 §§ 38.2-502, 38.2-503, 38.2-512, and 38.2-1826 of the Code of Virginia by misrepresenting the benefits, advantages, conditions or terms of an insurance policy; by knowingly making, publishing, disseminating, circulating, or placing before the public an advertisement, announcement or statement containing any assertion, representation or statement relating to the business of insurance which is untrue, deceptive or misleading; by making false statements or representations on or relative to an application for an insurance policy for the purpose of obtaining a fee or commission; and by failing to report within thirty days to the Commission a change in his residence address;

THEREFORE, IT IS ORDERED THAT:

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

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

(3) Defendant 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. INS000314
JULY 5, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CIGNA 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 §§ 38.2-316 A, 38.2-316 B, 38.2-

316 C, 38.2-502, 38.2-503, 38.2-510 A 5, 38.2-510 A 10, 38.2-510 A 14, 38.2-511, 38.2-606, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A, 38.2-1834 C, 38.2-3407.4, 38.2-4301 C, 38.2-4304 B, 38.2-4306 A 2, 38.2-4306 A 4, 38.2-4306 B 1, 38.2-4306.1, 38.2-4308 A, 38.2-4308 B, 38.2-4311, and 38.2-4313 of the Code of Virginia, as well as 14 VAC 5-90-60 A 2, 14 VAC 5-90-80, 14 VAC 5-90-90 C, 14 VAC 5-90-130 A, 14 VAC 5-90-160, 14 VAC 5-90-170 A, 14 VAC 5-210-50 B 3 o, 14 VAC 5-210-50 C 3, 14 VAC 5-210-60 H, 14 VAC 5-210-70, 14 VAC 5-210-70 D, 14 VAC 5-210-70 H 1, 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 seventy thousand dollars ($70,000), waived its right to a hearing, and agreed to the entry by the Commission of a cease and desist order for the violations of §§ 38.2-316 A, 38.2-316 B, 38.2-316 C, 38.2-502, 38.2-503, 38.2-510 A 5, 38.2-511, 38.2-606, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A, 38.2-1834 C, 38.2-4306 B 1, 38.2-4308 A, 38.2-4313 of the Code of Virginia, or 14 VAC 5-90-60 A 2, 14 VAC 5-90-130 A, 14 VAC 5-210-70 H 1, 14 VAC 5-210-110 B; 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 A 5, 38.2-511, 38.2-606, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A, 38.2-1834 C, 38.2-4306 B 1, 38.2-4308 A, 38.2-4313 of the Code of Virginia, or 14 VAC 5-90-60 A 2, 14 VAC 5-90-130 A, 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. INS010001
FEBRUARY 5, 2001

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-1318 C, 38.2-1331 A, and 38.2-1408 of the Code of Virginia by failing to provide to the Commission in the course of an examination convenient access at all reasonable hours to its books and records relating to the business and affairs of the company relevant to the examination, by failing to obtain the Commission's written approval prior to making investments in affiliated companies, and by failing to obtain the required authorization or approval of its board of directors or other governing body or investment committee prior to making such investments;

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 thirteen thousand dollars ($13,000), 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 §§ 38.2-1318 C, 38.2-1331 A, or 38.2-1408 of the Code of Virginia; and

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

CASE NO. INS010007
FEBRUARY 5, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
SUSAN CHANG
and
EVERGREEN SETTLEMENT COMPANY, 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 §§ 6.1-2.21, 6.1-2.23, 6.1-2.24, 38.2-1813, and 38.2-4614 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 ten thousand dollars ($10,000), 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 §§ 6.1-2.21, 6.1-2.23, 6.1-2.24, 38.2-1813, or 38.2-4614 of the Code of Virginia, or 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. INS010008
JANUARY 31, 2001

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

IMPAIRMENT ORDER

WHEREAS, Fremont 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, the Quarterly Statement of Defendant, dated September 30, 2000, and filed with the Commission's Bureau of Insurance, indicates capital of $2,600,000, and surplus of $20,480,784;

WHEREAS, Defendant reported a permitted practice of discounting loss and ALAE (allocated loss adjustment expense) reserves in the amount of $23,464,000;

WHEREAS, such discounting is not permitted under Virginia law;

WHEREAS, Defendant's reported surplus should be adjusted in the amount of such $23,464,600, resulting in an adjusted surplus amount at September 30, 2000, of negative $2,988,816;

IT IS ORDERED THAT, on or before May 1, 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. INS010008
MAY 9, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FREMONT 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 January 31, 2001, 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 1, 2001; 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 16, 2001, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before May 16, 2001, 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. INS010008
MAY 24, 2001

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein May 9, 2001, Defendant was ordered to take notice that the Commission would enter an order subsequent to May 16, 2001, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before May 16, 2001, 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. INS010009
FEBRUARY 5, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
HOMESURE 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 §§ 38.2-2612 4 and 38.2-2612 5 of the Code of Virginia, as well as 14 VAC 5-400-30, 14 VAC 5-400-50 B, 14 VAC 5-400-50 C, 14 VAC 5-400-70 A, and 14 VAC 5-400-70 B;

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

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, 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 §§ 38.2-2612 4 or 38.2-2612 5 of the Code of Virginia, or 14 VAC 5-400-30, 14 VAC 5-400-50 B, 14 VAC 5-400-50 C, 14 VAC 5-400-70 A, or 14 VAC 5-400-70 B; and

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

CASE NO. INS010010
JANUARY 31, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FREMONT INDUSTRIAL INDEMNITY 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 in a condition that any further transaction of business in this Commonwealth is hazardous to its policyholders, creditors, and public in this Commonwealth;

WHEREAS, Fremont Industrial Indemnity Company, a foreign corporation domiciled in the State of California ("Defendant"), is licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia;

WHEREAS, the Quarterly Statement of Defendant, dated September 30, 2000, and filed with the Commission's Bureau of Insurance, indicates surplus as regards policyholders of $97,870,132;

WHEREAS, Defendant reported a permitted practice of discounting loss and ALAE (allocated loss adjustment expense) reserves in the amount of $54,555,195;

WHEREAS, such discounting is not permitted under Virginia law;

WHEREAS, Defendant's surplus as regards policyholders should be adjusted in the amount of such $54,555,195;

WHEREAS, the $54,555,195 adjustment reduces Defendant's surplus as regards policyholders to $43,314,937, a decline in such surplus of 327% from December 31, 1999, to September 30, 2000;

WHEREAS, it appears that Defendant's surplus as regards policyholders, as adjusted under Virginia law, is at its regulatory action level risk-based capital;

WHEREAS, Defendant's percentage of net premiums written for the nine months ended September 30, 2000, to surplus as regards policyholders, as adjusted under Virginia law, is 422%; 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 the foregoing indicates 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 February 9, 2001, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before February 9, 2001, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, a request for hearing before the Commission with respect to the proposed suspension of Defendant's license.

CASE NO. INS010010
MARCH 7, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FREMONT INDUSTRIAL INDEMNITY COMPANY,
Defendant

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein January 31, 2001, Defendant was ordered to take notice that the Commission would enter an order subsequent to February 9, 2001, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before February 9, 2001, Defendant filed with the Clerk of the Commission a request for a hearing before the Commission to contest the proposed suspension of Defendant's license;

WHEREAS, Defendant filed a timely request for a hearing; and

WHEREAS, by letter dated February 28, 2001, and filed with the Clerk of the Commission on March 1, 2001, Allyson B. Simpson, Senior Vice President, Secretary, and General Counsel of Defendant, withdrew Defendant's earlier request for a hearing 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. INS010011
JANUARY 31, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FREMONT INDEMNITY COMPANY,
Defendant

ORDER TO TAKE NOTICE

WHEREAS, § 38.2-1038 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 in a condition that any further transaction of business in this Commonwealth is hazardous to its policyholders, creditors, and public in this Commonwealth;

WHEREAS, Fremont Indemnity Company, a foreign corporation domiciled in the State of California ("Defendant"), is licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia;

WHEREAS, the Quarterly Statement of Defendant, dated September 30, 2000, and filed with the Commission's Bureau of Insurance, indicates surplus as regards policyholders of $222,061,431;

WHEREAS, Defendant reported a permitted practice of discounting loss and ALAE (allocated loss adjustment expense) reserves in the amount of $92,685,170;

WHEREAS, Defendant's insurance company subsidiaries collectively reported a permitted practice of discounting loss and ALAE reserves in the amount of $85,645,790;

WHEREAS, such discounting is not permitted under Virginia law;

WHEREAS, Defendant's surplus as regards policyholders should be adjusted in the amounts of $92,685,170 and $85,645,790, respectively;

WHEREAS, the $92,685,170 and $85,645,790 adjustments reduce Defendant's surplus as regards policyholders to $43,730,471, a decline in such surplus of 1,287% from December 31, 1999, to September 30, 2000;

WHEREAS, it appears that Defendant's surplus as regards policyholders, as adjusted under Virginia law, is below its mandatory control level risk-based capital;

WHEREAS, Defendant's percentage of net premium written for the nine months ended September 30, 2000, to surplus as regards policyholders, as adjusted under Virginia law, is 711%; 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 the foregoing indicates 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 February 9, 2001, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before February 9, 2001, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, a request for hearing before the Commission with respect to the proposed suspension of Defendant's license.

CASE NO. INS010011
MARCH 7, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FREMONT INDEMNITY COMPANY,
Defendant

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein January 31, 2001, Defendant was ordered to take notice that the Commission would enter an order subsequent to February 9, 2001, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before February 9, 2001, Defendant filed with the Clerk of the Commission a request for a hearing before the Commission to contest the proposed suspension of Defendant's license;

WHEREAS, Defendant filed a timely request for a hearing; and

WHEREAS, by letter dated February 28, 2001, and filed with the Clerk of the Commission on March 1, 2001, Allyson B. Simpson, Senior Vice President, Secretary, and General Counsel of Defendant, withdrew Defendant's earlier request for a hearing 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. INS010016
FEBRUARY 13, 2001

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendants, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated the Code of Virginia and the Virginia Administrative Code as follows: State Farm Mutual Automobile Insurance Company violated §§ 38.2-305 B, 38.2-510 A 10, 38.2-510 C, 38.2-1906 D, 38.2-2206 A, 38.2-2208, 38.2-2212, 38.2-2220, and 38.2-2230 of the Code of Virginia, as well as 14 VAC 5-400-30, 14 VAC 5-400-40 A, and 14 VAC 5-400-70 A; State Farm Fire & Casualty Company violated §§ 38.2-304, 38.2-305 B, 38.2-510 A 10, 38.2-510 C, 38.2-610 A, 38.2-1905, 38.2-1906 D, 38.2-2113, 38.2-2114, 38.2-2208, 38.2-2212, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-30, 14 VAC 5-400-40 A, and 14 VAC 5-400-70 A; and State Farm General Insurance Company violated § 38.2-510 A of the Code of Virginia, as well as 14 VAC 5-400-70 A;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke 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. INS010018
JANUARY 26, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT,
THE PHOENIX INSURANCE COMPANY,
THE STANDARD FIRE INSURANCE COMPANY,
THE TRAVELERS INDEMNITY COMPANY OF ILLINOIS,
THE TRAVELERS INDEMNITY COMPANY,
and
TRAVELERS PROPERTY CASUALTY 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: The Automobile Insurance Company of Hartford, Connecticut violated §§ 38.2-610 A, 38.2-1906 D, 38.2-2113, 38.2-2114, and 38.2-2118 of the Code of Virginia, as well as 14 VAC 5-400-40 A; The Phoenix Insurance Company violated §§ 38.2-610 A, 38.2-1812, 38.2-1905, 38.2-1906 D, 38.2-2113, 38.2-2208, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-40 A; The Standard Fire Insurance Company violated §§ 38.2-610 A, 38.2-1812, 38.2-1833, 38.2-1906 D, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2118, 38.2-2208, 38.2-2212, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-40 A; The Travelers Indemnity Company of Illinois violated §§ 38.2-1812, 38.2-1906 D, 38.2-2014, 38.2-2113, 38.2-2208, 38.2-2212, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-40 A; The Travelers Indemnity Company violated §§ 38.2-610 A, 38.2-1812, 38.2-1833, 38.2-1905, 38.2-1906 D, 38.2-2208, 38.2-2212, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-40 A; Travelers Property Casualty Insurance Company violated §§ 38.2-1812, 38.2-1822, 38.2-1833, 38.2-1906 D, 38.2-2113, and 38.2-2118 of the Code of Virginia, as well as 14 VAC 5-400-40 A;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke 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 fifteen thousand dollars ($15,000), 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) The Automobile Insurance Company of Hartford, Connecticut cease and desist from any conduct that constitutes a violation of §§ 38.2-610 A, 38.2-1906 D, 38.2-2113, 38.2-2114, or 38.2-2118 of the Code of Virginia, or 14 VAC 5-400-40 A; The Phoenix Insurance Company cease and desist from any conduct that constitutes a violation of §§ 38.2-610 A, 38.2-1812, 38.2-1905, 38.2-1906 D, 38.2-2113, 38.2-2208, or 38.2-2220 of the Code of Virginia, or 14 VAC 5-400-40 A; The Standard Fire Insurance Company cease and desist from any conduct that constitutes a violation of §§ 38.2-610 A, 38.2-1812, 38.2-1833, 38.2-1906 D, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2118, 38.2-2208, 38.2-2212, or 38.2-2220 of the Code of Virginia, or 14 VAC 5-400-40 A; The Travelers Indemnity Company of Illinois cease and desist from any conduct that constitutes a violation of §§ 38.2-1812, 38.2-1906 D, 38.2-2014, 38.2-2113, 38.2-2208, 38.2-2212, or 38.2-2220 of the Code of Virginia, or 14 VAC 5-400-40 A; The Travelers Indemnity Company cease and desist from any conduct that constitutes a violation of §§ 38.2-610 A, 38.2-1812, 38.2-1833, 38.2-1905, 38.2-1906 D, 38.2-2208, 38.2-2212, or 38.2-2220 of the Code of Virginia, or 14 VAC 5-400-40 A; and Travelers Property Casualty Insurance Company cease and desist from any conduct that constitutes a violation of §§ 38.2-1812, 38.2-1822, 38.2-1833, 38.2-1906 D, 38.2-2113, or 38.2-2118 of the Code of Virginia, or 14 VAC 5-400-40 A; and

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

CASE NO. INS010020
FEBRUARY 5, 2001

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-304, 38.2-305 A, 38.2-511, 38.2-1318 C, 38.2-1812 A, 38.2-1822 A, 38.2-2014, 38.2-2608 B 4, 38.2-2608 C, 38.2-2608 D 1, 38.2-2608 D 2, 38.2-2610, 38.2-2612 1, 38.2612 4, and 38.2-2612 5 of the Code of Virginia, as well as 14 VAC 5-400-30, 14 VAC 5-400-70 B, and 14 VAC 5-400-70 D;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and 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 five thousand dollars ($25,000), 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 §§ 38.2-304, 38.2-305 A, 38.2-511, 38.2-1318 C, 38.2-1812 A, 38.2-1822 A, 38.2-2014, 38.2-2608 B 4, 38.2-2608 C, 38.2-2608 D 1, 38.2-2608 D 2, 38.2-2610, 38.2-2612 1, 38.2612 4, or 38.2-2612 5 of the Code of Virginia, or 14 VAC 5-400-30, 14 VAC 5-400-70 B, or 14 VAC 5-400-70 D; and

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

CASE NO. INS010022 formerly INS860166
FEBRUARY 5, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

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

CERTIFICATE OF DISSOLUTION

ON A FORMER DAY came the Virginia Medical Malpractice Joint Underwriting Association ("Association") and the Stabilization Reserve Fund ("Fund"), by counsel, and filed with the Clerk of the Commission a final report demonstrating that all liabilities and obligations of the Association and the Fund have been satisfied, including distribution of the remaining assets by the Fund to policyholders;

THE COMMISSION, having considered the final report, the recommendation of the Bureau of Insurance, and the law applicable in this matter, is of the opinion that the Association and the Fund should be dissolved pursuant to the provisions of Chapter 28 of Title 38.2 of the Code of Virginia;

THEREFORE, IT IS ORDERED that the Virginia Medical Malpractice Joint Underwriting Association and the Stabilization Reserve Fund be, and they are hereby, DISSOLVED, effective as of the date of this Order; provided that the immediate past Chairman of the Stabilization Reserve Fund may perform any act necessary to comply with any previously incurred obligation of the Fund.

CASE NO. INS010024
MARCH 21, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
SENECA INSURANCE COMPANY, 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 §§ 38.2-1812 and 38.2-1822 of the Code of Virginia by paying a commission to a person for services as an agent when that person was not properly licensed and appointed, and by knowingly permitting a person to act as an agent without first obtaining a license in a manner and 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 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 §§ 38.2-1812 or 38.2-1822 of the Code of Virginia; and

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

CASE NO. INS010027
MARCH 19, 2001

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-5805 B, 38.2-5805 C 6, 38.2-5805 C 7, and 38.2-5805 C 10 of the Code of Virginia, as well as 14 VAC 5-210-60 L;

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 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) Defendants cease and desist from any conduct which constitutes a violation of §§ 38.2-5805 B, 38.2-5850 C 6, 38.2-5805 C 7, or 38.2-5805 C 10 of the Code of Virginia, or 14 VAC 5-210-60 L; and

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

CASE NO. INS010027
MARCH 28, 2001

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

CORRECTING ORDER

In the Settlement Order entered herein March 19, 2001, in line 2 of ordering paragraph (2), set forth on page 2 of the Order, there is a reference to "38.2-5850 C 6." The correct reference, however, should be 38.2-5805 C 6;

THEREFORE, IT IS ORDERED THAT:

(1) The reference in line 2 of ordering paragraph (2), set forth on page 2 of the Order entered on March 19, 2001, shall be corrected to read "38.2-5805 C 6"; and

(2) All other provisions of the Settlement Order entered March 19, 2001, shall remain in full force and effect.

CASE NO. INS010028
FEBRUARY 26, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Revisions to the Rules Governing Credit for Reinsurance

ORDER TO TAKE NOTICE

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

WHEREAS, the rules and regulations issued by the Commission pursuant to § 38.2-223 of the Code of Virginia are set forth in Title 14 of the Virginia Administrative Code;

WHEREAS, the Bureau of Insurance has submitted to the Commission proposed revisions to Chapter 300 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Credit for Reinsurance," which amend the rule at 14 VAC 5-300-130;

WHEREAS, the proposed revisions reflect revisions to provisions of the model Credit for Reinsurance regulation adopted by the National Association of Insurance Commissioners ("NAIC"); and

WHEREAS, the Commission is of the opinion that the proposed revisions should be considered for adoption with a proposed effective date of May 1, 2001.

THEREFORE, IT IS ORDERED THAT:

(1) The proposed revisions to the "Rules Governing Credit for Reinsurance" which amend the rule at 14 VAC 5-300-130, 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 March 29, 2001, in writing with the Clerk of the Commission, Document Control Center, Post Office Box 2118, Richmond, Virginia 23218 and shall refer to Case No. INS010028;

(3) If no written request for a hearing on the proposed revisions is filed on or before March 29, 2001, 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 Douglas C. Stolte, who forthwith shall give further notice of the proposed adoption of the revisions to the rules

by mailing a copy of this Order, together with a draft of the proposed revisions, to all insurers, burial societies, home protection companies, joint underwriting associations, group self-insurance pools, and group self-insurance associations licensed by the Commission; 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 Attachment A entitled "Chapter 300. Rules Governing Credit for Reinsurance" 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. INS010028
APRIL 3, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Revisions to the Rules Governing Credit for Reinsurance

ORDER ADOPTING REVISIONS TO RULES

WHEREAS, by order entered herein February 26, 2001, all interested persons were ordered to take notice that the Commission would consider the entry of an order subsequent to March 29, 2001, adopting revisions proposed by the Bureau of Insurance to the Commission's Rules Governing Credit for Reinsurance to update references to an outdated publication, unless on or before March 29, 2001, any person objecting to the adoption of the proposed revisions filed a request for a hearing with the Clerk of the Commission:

WHEREAS, the February 26, 2001, Order also required all interested persons to file their comments in support of or in opposition to the proposed revisions on or before March 29, 2001;

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;

WHEREAS, the Bureau has recommended that the proposed revisions be adopted; and

THE COMMISSION, having considered the proposed revisions 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 300 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Credit for Reinsurance," which amend the rule at 14 VAC 5-300-130, and which are attached hereto and made a part hereof, should be, and they are hereby, ADOPTED to be effective May 1, 2001;

(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 rule by mailing a copy of this Order, including a copy of the attached revised rule, to all insurers, joint underwriting associations, group self-insurance pools, group self-insurance associations, and reinsurers licensed by or otherwise registered with the Commission, and subject to Article 3.1 of Chapter 13 of Title 38.2 of the Code of Virginia or otherwise authorized by Title 38.2 to reinsure risks; and by forwarding a copy of this Order, including a copy of the attached revised rule, to the Virginia Registrar of Regulations for appropriate publication in the Virginia Register of Regulations; 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 "Credit for Reinsurance" 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. INS010039
MARCH 7, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
STEVEN WHALEN,
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 § 38.2-1819 of the Code of Virginia by failing to make a written application to the Commission, in the form and containing the information the Commission prescribes;

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 his right to a hearing before the Commission in this matter by certified letter dated February 20, 2001, 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 § 38.2-1819 of the Code of Virginia by failing to make a written application to the Commission, in the form and containing the information the Commission prescribes;

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. INS010048
MARCH 8, 2001

APPLICATION OF
VIRGINIA BIRTH-RELATED NEUROLOGICAL INJURY COMPENSATION PROGRAM

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

ORDER APPROVING AMENDED PLAN OF OPERATION

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

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

THEREFORE, IT IS ORDERED that the Virginia Birth-Related Neurological Injury Compensation Program's amended plan of operation be, and it is hereby, APPROVED.

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

CASE NO. INS010050
AUGUST 6, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
JERRY A. GIBBS,
Defendant

FINAL ORDER

On March 22, 2001, a Rule to Show Cause was entered by the Commission alleging that on or about May 15 and December 18, 1998, Defendant submitted two separate insurance license applications to the Commission in which he falsely swore before a notary public that he had never been charged with a misdemeanor or felony, or convicted of a violation of law, other than a minor traffic violation.

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 18, 2001. Defendant appeared at the hearing pro se. The Hearing Examiner filed his report on May 18, 2001, making the following findings of facts and recommendations:

1. Defendant was charged and pled guilty to aggravated assault in the State of Texas.

2. Defendant failed to provide this information on his insurance agent license applications when asked.

3. Defendant should have his insurance agent licenses revoked pursuant to § 38.2-1831 of the Code of Virginia for committing a fraudulent or dishonest practice.

4. Defendant should not be permitted to reapply for an insurance agent license in the Commonwealth of Virginia for a period of two (2) years from the date of any Order revoking his license.

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 adopts the Hearing Examiner's findings of fact, but declines to adopt the Hearing Examiner's recommendations. The Commission is in agreement that providing false or misleading information on an insurance agent license application is a fraudulent practice which can result in the revocation of the applicant's license under § 38.2-1831 of the Code of Virginia. However, license revocation is not a mandatory penalty, but rather the maximum penalty prescribed under the statute.

In order to determine an appropriate penalty, the Commission must consider all relevant facts and circumstances for each individual case. Here, the evidence shows that the underlying offense occurred five (5) years before Defendant applied for his insurance licenses, and the charge against Defendant was taken under advisement as a deferred adjudication and later dismissed on the good behavior of Defendant. Furthermore, the nature of the charge does not relate to Defendant's fitness to engage in the business of insurance. Based on these factors, the Commission is of the opinion that the appropriate disposition of this case is to suspend Defendant's licenses for a period of sixty (60) days.

IT IS THEREFORE ORDERED THAT:

(1) The licenses of Defendant to transact the business of insurance as an insurance agent in the Commonwealth of Virginia be, and they are hereby, SUSPENDED, for a period of sixty (60) days beginning from the date of this Order;

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

(3) 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

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

CASE NO. INS010055
AUGUST 6, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
GERALD A. AMANDLA,
Defendant

FINAL ORDER

On March 22, 2001, a Rule to Show Cause was entered by the Commission alleging that on or about July 24, 1998, Defendant submitted an insurance license application to the Commission in which he falsely swore before a notary public that he had never been charged with a misdemeanor or felony, or convicted of a violation of law, other than a minor traffic violation.

The Chief 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 25, 2001. Defendant appeared at the hearing pro se. The Chief Hearing Examiner filed her report on April 25, 2001, making the following findings of facts and recommendations:

1. In 1978, Defendant was charged with a felony larceny, which was later reduced and led to his conviction on one count of misdemeanor larceny.

2. On July 24, 1998, Defendant submitted an application for a property and casualty insurance agent license, in which he knowingly and falsely stated that he had never been charged with a misdemeanor or felony, or convicted of a violation of law other than a minor traffic violation. The application was signed under oath and notarized.

3. Defendant did not deny the allegation that he falsely swore on an insurance application that he had never been charged or convicted of a violation of law. Instead, Defendant argued that he did not include this information on his application because the conviction occurred when he was a teenager, and he was under the impression that it would not be a part of his permanent record.

4. Defendant was, however, over the age of eighteen when he was convicted and was well aware of the conviction at the time he completed the application. The failure to provide this information on the application was therefore a clear dishonest practice.

5. Defendant should have his insurance agent licenses revoked pursuant to § 38.2-1831 of the Code of Virginia for committing a fraudulent or dishonest practice.

6. The Commission should allow Defendant to reapply for a license after one year from the date of any Order revoking his license.

UPON CONSIDERATION of the Rule to Show Cause, the evidence presented at the hearing, and the Chief Hearing Examiner's Report, the Commission adopts the Chief Hearing Examiner's findings of fact, but declines to adopt the Chief Hearing Examiner's recommendations. The Commission is in agreement that providing false or misleading information on an insurance agent license application is a fraudulent practice which can result in the revocation of the applicant's license under § 38.2-1831 of the Code of Virginia. It should be noted, however, that license revocation is not a mandatory penalty, but rather the maximum penalty prescribed under the statute.

In order to determine an appropriate penalty, the Commission must consider all relevant facts and circumstances for each individual case. Here, the conviction occurred in 1978, Defendant was only eighteen (18) years old when the conviction occurred, and full restitution was made. Furthermore, Defendant has been licensed by the Commission as an insurance agent since 1986, with no complaints of misconduct. Based on these factors, the Commission is of the opinion that the appropriate disposition of this case is to suspend Defendant's licenses for a period of sixty (60) days.

IT IS THEREFORE ORDERED THAT:

(1) The licenses of Defendant to transact the business of insurance as an insurance agent in the Commonwealth of Virginia be, and they are hereby, SUSPENDED, for a period of sixty (60) days beginning from the date of this Order;

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

(3) 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

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

CASE NO. INS010056
MARCH 20, 2001

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

IMPAIRMENT ORDER

WHEREAS, Frontier Insurance Company, a foreign corporation domiciled in the State of New York and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia ("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 Annual Statement of Defendant, dated December 1, 2000, and filed with the Commission's Bureau of Insurance, indicates capital of $5,000,000, and surplus of $11,050,335;

WHEREAS, Defendant reported a permitted practice of nontabular discounting loss and loss expense reserves in the amount of $8,479,000;

WHEREAS, such discounting is not permitted under Virginia law; and

WHEREAS, Defendant's reported surplus therefore should be adjusted in the amount of such $8,479,000, resulting in an adjusted surplus amount at December 31, 2000, of $2,571,335;

IT IS ORDERED THAT, on or before June 18, 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. INS010056
APRIL 2, 2001

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

CORRECTING ORDER

In the Impairment Order entered herein March 28, 2001, in line 2 of the third paragraph, set forth on page 1 of the order, there is a reference to "December 1, 2000." The correct reference, however, should be December 31, 2000;

THEREFORE, IT IS ORDERED THAT:

(1) The reference in line 2 of the third paragraph, set forth on page 1 of the Impairment Order entered March 28, 2001, shall be corrected to read "December 31, 2000"; and

(2) All other provisions of the Impairment Order entered March 28, 2001, shall remain in full force and effect.

CASE NO. INS010056
JUNE 22, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FRONTIER 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, 2001, 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 18, 2001; and

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to July 5, 2001, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before July 5, 2001, 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. INS010056
JULY 12, 2001

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein June 22, 2001, Defendant was ordered to take notice that the Commission would enter an order subsequent to July 5, 2001, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before July 5, 2001, 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. INS010057
JULY 12, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
JAMES P. LAWSON, 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 § 38.2-1813 of the Code of Virginia by failing to pay funds in the ordinary course of business to an insured or his assignee, insurer, insurance premium finance company or agent entitled to the payment;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and to suspend or revoke Defendant's license upon a finding by the Commission, after notice and 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 letters dated March 15, 2001 and May 30, 2001, respectively, and mailed to the Defendant's address shown in the records of the Bureau of Insurance;

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

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

THE COMMISSION is of the opinion and finds that Defendant has violated § 38.2-1813 of the Code of Virginia by failing to pay funds in the ordinary course of business to an insured or his assignee, insurer, insurance premium finance company or agent entitled to the payment;

THEREFORE, IT IS ORDERED THAT:

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

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

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

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

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

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

CASE NO. INS010057
JULY 31, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
JAMES P. LAWSON, SR.,
Defendant

VACATING ORDER

GOOD CAUSE having been shown, the Order Revoking License entered herein July 12, 2001, is hereby vacated.

CASE NO. INS010058
DECEMBER 14, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
TOMMY K. HILL
and
U.S. VESSEL SERVICES, INC.,
Defendants

FINAL ORDER

On March 30, 2001, a Rule to Show Cause was entered by the Commission alleging that Defendants Tommy K. Hill and U.S. Vessel Services, Inc., in certain instances, violated §§ 38.2-512, 38.2-1802, 38.2-1809, 38.2-1812, and 38.2-1822 of the Code 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 June 25, 2001. Defendant Tommy K. Hill appeared at the hearing pro se. The Hearing Examiner filed his report on September 25, 2001. The Hearing Examiner subsequently filed a ruling on December 4, 2001, making certain technical corrections to the original report. In his report and subsequent ruling, the Hearing Examiner made the following findings of fact and recommendations:

1. U.S. Vessel Services, Inc., violated § 38.2-512 of the Code of Virginia by making false statements or false representations relative to applications for at least twelve insurance policies. However, there was no evidence that Tommy K. Hill, who was president of U.S. Vessel Services, Inc., was personally responsible for the false statements or false representations that appeared on or relative to the applications for those twelve policies. Therefore, the Bureau failed to prove that Mr. Hill violated § 38.2-512 of the Code of Virginia.

2. The evidence presented at the hearing demonstrated that both Defendants acted as an agent on behalf of an unlicensed ocean marine insurer. However, § 38.2-1802 of the Code of Virginia allows a person to act as an agent on behalf of an unlicensed ocean marine insurer as long as a licensed agent either solicits, negotiates, procures, or effects the ocean marine insurance policies. Because the evidence demonstrated that a licensed agent did in fact solicit and negotiate the ocean marine insurance policies at issue, neither U.S. Vessel Services, Inc., nor Tommy K. Hill violated § 38.2-1802 of the Code of Virginia.

3. U.S. Vessel Services, Inc., violated § 38.2-1809 of the Code of Virginia by failing to maintain certain insurance records related to its insurance transactions, including bank statements tracing the flow of funds it collected. However, there was no evidence that Tommy K. Hill failed to maintain any insurance records related to his activities in locating and procuring ocean marine insurance. Therefore, the Bureau failed to prove that Mr. Hill violated § 38.2-1809 of the Code of Virginia.

4. The evidence presented at the hearing failed to demonstrate that either Defendant received any commissions from an insurer for services as an agent prior to becoming licensed and appointed. Therefore, the Bureau failed to prove that Defendants violated § 38.2-1812 of the Code of Virginia.

5. Based on its violations of §§ 38.2-512 and 38.2-1809, U.S. Vessel Services, Inc., should be assessed a monetary penalty of thirteen thousand dollars ($13,000) and permanently enjoined from transacting the business of insurance in the Commonwealth of Virginia. However, no punitive action should be taken against Tommy K. Hill.

UPON CONSIDERATION of the Rule to Show Cause, the evidence presented at the hearing, and the Hearing Examiner's Report and Ruling, the Commission is of the opinion that the Hearing Examiner's findings of fact and recommendations should be adopted.

THEREFORE, IT IS ORDERED THAT:

1. The Hearing Examiner's findings of fact and recommendations be, and the same are hereby, adopted;

2. Defendant U.S. Vessel Services, Inc., be, and it is hereby, penalized in the amount of thirteen thousand dollars ($13,000) for its violations of §§ 38 2-512 and 38.2-1809 of the Code of Virginia;

3. Defendant U.S. Vessel Services, Inc., be, and it is hereby, permanently enjoined from transacting the business of insurance in the Commonwealth of Virginia; and

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

CASE NO. INS010059
DECEMBER 13, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
L.I.C. LIBERTY INSURANCE COMPANY A.V.V.,
Defendant

FINAL ORDER

On March 30, 2001, a Rule to Show Cause was entered by the Commission alleging that Defendant, in certain instances, violated § 38.2-1024 of the Code of Virginia by transacting the business of insurance in the Commonwealth of Virginia without obtaining an insurance license from the Commission.

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 June 25, 2001. Defendant failed to make an appearance at the hearing. The Hearing Examiner filed his report on September 25, 2001. The Hearing Examiner subsequently filed a ruling on December 4, 2001, making certain technical corrections to his original report. In his report and subsequent ruling, the Hearing Examiner made the following findings of fact and recommendations:

1. Defendant, despite having been properly served, failed to file an Answer or other responsive pleading to the Rule to Show Cause. Furthermore, Defendant failed to make an appearance at the hearing.

2. Based on the evidence presented at the hearing, Defendant should be fined a total of thirteen thousand dollars ($13,000) and permanently enjoined from transacting the business of insurance in Virginia.

UPON CONSIDERATION of the Rule to Show Cause, the evidence presented at the hearing, and the Hearing Examiner's Report and Ruling, the Commission is of the opinion that the Hearing Examiner's findings of fact and recommendations should be adopted.

THEREFORE, IT IS ORDERED THAT:

1. The Hearing Examiner's findings of fact and recommendations be, and the same are hereby, adopted;

2. Defendant, be, and it is hereby, penalized in the amount of thirteen thousand dollars ($13,000);

3. Defendant be, and it is hereby, permanently enjoined from transacting the business of insurance in the Commonwealth of Virginia; and

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

CASE NO. INS010061
DECEMBER 13, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
INTERNATIONAL FINANCIAL CORPORATION OF SOUTH FLORIDA,
Defendant

FINAL ORDER

On March 30, 2001, a Rule to Show Cause was entered by the Commission alleging that Defendant, in certain instances, violated § 38.2-1859 B of the Code of Virginia by acting in the capacity of a managing general agent representing an alien insurer without being licensed.

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 June 25, 2001. Defendant failed to make an appearance at the hearing. The Hearing Examiner filed his report on September 25, 2001. The Hearing Examiner subsequently filed a ruling on December 4, 2001, making certain technical corrections to his original report. In his report and subsequent ruling, the Hearing Examiner made the following findings of fact and recommendations:

1. Defendant, despite having been properly served, failed to file an Answer or other responsive pleading to the Rule to Show Cause. Furthermore, Defendant failed to make an appearance at the hearing.

2. Based on the evidence presented at the hearing, Defendant should be fined a total of thirteen thousand dollars ($13,000) and permanently enjoined from transacting the business of insurance in Virginia.

UPON CONSIDERATION of the Rule to Show Cause, the evidence presented at the hearing, and the Hearing Examiner's Report and Ruling, the Commission is of the opinion that the Hearing Examiner's findings of fact and recommendations should be adopted.

THEREFORE, IT IS ORDERED THAT:

1. The Hearing Examiner's findings of fact and recommendations be, and the same are hereby, adopted;

2. Defendant, be, and it is hereby, penalized in the amount of thirteen thousand dollars ($13,000);

3. Defendant be, and it is hereby, permanently enjoined from transacting the business of insurance in the Commonwealth of Virginia; and

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

CASE NO. INS010062
AUGUST 8, 2001

PETITION OF
ROBERT WEINGARTEN, GERRY R. GINSBERG
and
LEONARD GUBAR

For issuance of temporary restraining order, preliminary injunction and other relief

FINAL ORDER

On March 21, 2001, the Petitioners filed their "Petition for Payment and Declaration of Priority Status" seeking an order requiring payment from the Receivership Estate of Fidelity Bankers Insurance Company (Fidelity Bankers) of the sum of $3.5 million as an administrative expense having priority status under § 38.2-1509, Code of Virginia. The Petition also requested a finding that the Plan Dividend provision of the Rehabilitation Plan approved by this Commission in 1992 be now declared an "interest" payment to a class of policyholders and thus subordinated to the claims of all other creditors. Petitioners simultaneously filed a Motion for a Temporary Restraining Order to enjoin the Deputy Receiver from making payments from the Receivership Estate to the extent that there would be insufficient funds to fully satisfy their $3.5 million claim.

The Deputy Receiver's response included a Motion to Dismiss and an extensive memorandum to which Petitioners responded at length, filing as well a Brief in Support of Motion for Temporary Restraining Order and Preliminary Injunction. Finally, the Deputy Receiver filed a Reply.

Petitioners have requested an early hearing on their Petition and Motion for Temporary Restraining Order.

The Petitioners' claim is based on a $3.5 million Stipulated Judgment entered against the Deputy Receiver by the U.S. District Court for the Eastern District of Virginia on January 19, 2001. The Judgment is the result of Petitioners' Counterclaim for indemnification of expenses of litigation incurred as former directors of Fidelity Bankers Life Insurance Company. It stands as a determination by a court of competent jurisdiction that the Petitioners are due from the Receivership Estate the amount in controversy, a determination which was reached with the express concurrence of the Deputy Receiver. Under these circumstances, we find that payment of the Judgment and its priority among creditors is in no way affected by the Receivership Appeal Procedure as argued by the Deputy Receiver.

The single issue of fact presented in this proceeding concerns a sharp disagreement between counsel for the parties over the content of their communications taking place at the time they were negotiating the agreement leading to the Stipulated Judgment. Petitioners contend that counsel for the Deputy Receiver advised that appeal under the Receivership Appeal Procedure was unnecessary in view of the parties' settlement agreement. Counsel for the Deputy Receiver emphatically disagrees.

Our finding that the Receivership Appeal Procedure is not applicable under the undisputed facts of this case renders an evidentiary hearing unnecessary.

The Final Judgment of the U.S. District Court specifically reserved for this Commission's determination the priority among creditors to be accorded the Judgment. The priority issue has been extensively briefed by the parties and numerous case decisions have been cited and discussed.

If the Federal Court Judgment is to be paid as an administrative expense, as the Petitioners contend, it would have a superior payment priority over policyholders and other creditors. Petitioners' request for injunctive relief seeks to forestall any further payments to policyholders until the $3.5 million is reserved and paid in satisfaction of the Judgment. If this issue is decided as the Petitioners contend, the Deputy Receiver would be directed to satisfy the Judgment as an expense of administration, a result which would be the equivalent of an injunction. (The Deputy Receiver advises that no distribution of planned dividend payments has been made since the filing of this Petition.)

However, if it is decided that the payment of the Judgment occupies a priority status common to claims of general creditors, the Petitioners then urge, in effect, that our Final Order entered September 29, 1992, approving a Plan Dividend as a part of a Rehabilitation Plan should be altered so that the Petitioners' Judgment, if not all general creditors, be satisfied before any further payments on account of the Plan Dividend are made.

This Commission has no authority to modify a Final Order after 21 days following its entry, much less almost nine years thereafter. Even if we had such authority, we would decline to impose such an extremely unfair and chaotic result on the many policyholders who made the choice to opt in to the Rehabilitation Plan understanding that it provided the possibility of enhanced payments to compensate for the loss of interest and liquidity during the Receivership. If the Plan Dividend may not be paid under "governing law" as asserted by the Petitioners, and thus unlawful at the time of implementation, it is difficult to comprehend just how the Deputy Receiver is to go about recovering from policyholders or their estates the amounts already distributed.

The numerous cases cited by the parties bearing on the issue of whether the Petitioners' claim is an expense of administration of the Receivership arise for the most part out of federal bankruptcy proceedings. As such, they might provide helpful guidance, but we find no clear weight of authority as

suggested by the Petitioners. Instead, the cases reach different results, sometimes due to factual distinctions that seem to bear on the relative equities of the contending parties. A number of the cited cases simply appear to be in irreconcilable conflict concerning the issue of classifying directors' indemnification claims as administrative expenses.

There is no suggestion that the action brought against the Petitioners alleging various counts of misconduct was frivolous litigation instigated by the Deputy Receiver. It does not appear that his action was inconsistent with his duty to recover assets belonging to the Receivership Estate. The Petitioners' right to indemnification arises by virtue of their service as directors of Fidelity Insurance Company prior to the Receivership, not because of services benefiting the Estate thereafter. Under these circumstances the Petitioners are judgment creditors equal in status with other creditors, but not creditors to be paid as part of the expense of administration of the Receivership.

We find that the Petitioner's Judgment should be paid as an obligation due a general or "other" creditor in accordance with § 38.2-1509(B)1(v).

It is therefore ORDERED that:

1. The Petitioners' requests for injunctive relief and hearing be, and the same are hereby, DENIED.

2. The Deputy Receiver's Motion to Dismiss be, and the same is hereby, DENIED.

3. The Petitioners' $3.5 million claim is to be, and is hereby assigned, the priority status of other creditors as set forth in § 38.2-1509(B)1(v).

4. The papers herein shall be placed in the file for ended cases.

CASE NO. INS010064
MARCH 28, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
LUMBER MUTUAL 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, or has violated its charter or exceeded its corporate powers;

WHEREAS, Defendant, a Massachusetts-domiciled insurer, was initially licensed to transact the business of insurance in the Commonwealth of Virginia on October 4, 1921;

WHEREAS, pursuant to Section 38.2-1300 of the Code of Virginia, Defendant was required to file its 2000 annual statement with the Bureau on or before March 1, 2001;

WHEREAS, as of the date hereof, Defendant has not filed its 2000 annual statement with the Bureau; and

WHEREAS, the Bureau of Insurance has recommended that Defendant's license 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 9, 2001, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before April 9, 2001, 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. INS010064
APRIL 19, 2001

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein March 28, 2001, Defendant was ordered to take notice that the Commission would enter an order subsequent to April 9, 2001, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia

unless on or before April 9, 2001, 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, by letter dated April 5, 2001, and filed with the Clerk of the Commission on April 9, 2001, J. David Leslie, Special Assistant Attorney General and Special Counsel to Linda L. Ruthardt, Massachusetts Commissioner of Insurance and the Receiver of Defendant (the "Receiver"), notified the Commission that the Receiver does not object to the entry of an order suspending the license of Defendant and waives her right to a hearing;

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. INS010065
MARCH 28, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
NORTH AMERICAN LUMBER 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, Defendant, a Massachusetts-domiciled insurer, was initially licensed to transact the business of insurance in the Commonwealth of Virginia on November 27, 1984;

WHEREAS, pursuant to Section 38.2-1300 of the Code of Virginia, Defendant was required to file its 2000 annual statement with the Bureau on or before March 1, 2001; and

WHEREAS, as of the date hereof, Defendant has not filed its 2000 annual statement with the Bureau; and

WHEREAS, the Bureau of Insurance has recommended that Defendant's license 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 9, 2001, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before April 9, 2001, 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. INS010065
APRIL 2, 2001

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

VACATING ORDER

GOOD CAUSE having been shown, the Order To Take Notice entered herein March 28, 2001, is hereby vacated.

CASE NO. INS010065
APRIL 2, 2001

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

AMENDED 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, or has violated its charter or exceeded its corporate powers;

WHEREAS, Defendant, a Massachusetts-domiciled insurer, was initially licensed to transact the business of insurance in the Commonwealth of Virginia on November 27, 1984;

WHEREAS, pursuant to Section 38.2-1300 of the Code of Virginia, Defendant was required to file its 2000 annual statement with the Bureau on or before March 1, 2001;

WHEREAS, as of the date hereof, Defendant has not filed its 2000 annual statement with the Bureau; and

WHEREAS, the Bureau of Insurance has recommended that Defendant's license 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 11, 2001, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before April 11, 2001, 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. INS010065
APRIL 19, 2001

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein April 2, 2001, Defendant was ordered to take notice that the Commission would enter an order subsequent to April 11, 2001, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before April 11, 2001, 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, by letter dated April 5, 2001, and filed with the Clerk of the Commission on April 9, 2001, J. David Leslie, Special Assistant Attorney General and Special Counsel to Linda L. Ruthardt, Massachusetts Commissioner of Insurance and the Receiver of Defendant (the "Receiver"), notified the Commission that the Receiver does not object to the entry of an order suspending the license of Defendant and waives her right to a hearing;

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. INS010071
APRIL 19, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
TONYA S. BROWN
and
SETTLEMENT SERVICES OF VIRGINIA, 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 an insurance agent, in certain instances, violated §§ 6.1-2.21 and 38.2-1826 of the Code of Virginia by failing to provide the Commission with a copy of Defendants' audit report of its escrow account, and by failing to report within thirty days to the Commission and to every insurer for which they are appointed any change in their residence or name;

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 to suspend or revoke Defendants' licenses upon a finding by the Commission, after notice and opportunity to be heard, that Defendants have committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendants have been notified of Defendants' right to a hearing before the Commission in this matter by certified letters dated February 27, 2001, and March 12, 2001, 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 an insurance agent; and

THE COMMISSION is of the opinion and finds that Defendants have violated §§ 6.1-2.21 and 38.2-1826 of the Code of Virginia by failing to provide the Commission with a copy of Defendants' audit report of its escrow account, and by failing to report within thirty days to the Commission and to every insurer for which they are appointed any change in their residence or name;

THEREFORE, IT IS ORDERED THAT:

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

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

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

(4) Defendants 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 Defendants hold 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. INS010072
APRIL 19, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
TERRANCE L. JONES,
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 or its employees, 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 to suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been notified of Defendant's right to a hearing before the Commission in this matter by certified letter dated March 27, 2001, 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 and 38.2-1826 of the Code of Virginia by failing to make records available promptly upon request for examination by the Commission or its employees, 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. INS010072
MAY 3, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
TERRANCE L. JONES,
Defendant

VACATING ORDER

GOOD CAUSE having been shown, the Order Revoking License entered herein April 19, 2001, is hereby vacated.

CASE NO. INS010078
APRIL 17, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
PENN TREATY NETWORK AMERICA INSURANCE COMPANY,
Defendant

CONSENT ORDER

WHEREAS, by letter filed herein, Penn Treaty Network America Insurance Company ("Defendant"), a foreign corporation domiciled in the State of Pennsylvania and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, consented to the issuance of an order in which Defendant agrees, effective as of the date hereof, and continuing until further order of the Commission, not to solicit or issue any new insurance policies or contracts in Virginia;

THEREFORE IT IS ORDERED THAT Defendant shall not issue any new contracts or policies of insurance in the Commonwealth of Virginia until further order of the Commission.

CASE NO. INS010079
APRIL 17, 2001

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

CONSENT ORDER

WHEREAS, by letter filed herein, American Network Insurance Company ("Defendant"), a foreign corporation domiciled in the State of Pennsylvania and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, consented to the issuance of an order in which Defendant agrees, effective as of the date hereof, and continuing until further order of the Commission, not to solicit or issue any new insurance policies or contracts in Virginia;

THEREFORE IT IS ORDERED THAT Defendant shall not issue any new contracts or policies of insurance in the Commonwealth of Virginia until further order of the Commission.

CASE NO. INS010083
MAY 22, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Revisions to the Rules Governing Minimum Standards for Medicare Supplement Policies

ORDER TO TAKE NOTICE

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

WHEREAS, the 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 170 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Minimum Standards for Medicare Supplement Policies," which amend the rules at 14 VAC 5-170-20, 14 VAC 5-170-30, 14 VAC 5-170-70, 14 VAC 5-170-90, 14 VAC 5-170-105, 14 VAC 5-170-120, 14 VAC 5-170-130, 14 VAC 5-170-150, and 14 VAC 5-170-180;

WHEREAS, the proposed revisions reflect changes required by federal law pursuant to the Ticket to Work and Work Incentives Improvement Act of 1999 and the Balanced Budget Refinement Act of 1999;

WHEREAS, the proposed revisions also include changes which provide additional requirements for attained age rated policies, further describe the approval process for Medicare Select policies, and specify that actuarial certifications may be required in the review of proposed rate changes; and

WHEREAS, the Commission is of the opinion that the proposed revisions should be considered for adoption with a proposed effective date of September 1, 2001;

THEREFORE, IT IS ORDERED THAT:

(1) The proposed revisions to the "Rules Governing Minimum Standards for Medicare Supplement Policies," which amend the rules at 14 VAC 5-170-20, 14 VAC 5-170-30, 14 VAC 5-170-70, 14 VAC 5-170-90, 14 VAC 5-170-105, 14 VAC 5-170-120, 14 VAC 5-170-130, 14 VAC 5-170-150, and 14 VAC 5-170-180 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 June 26, 2001, in writing with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218 and shall refer to Case No. INS010083;

(3) If no written request for a hearing on the proposed revisions is filed on or before June 26, 2001, 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, 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 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, health services plans, and health maintenance organizations licensed to write Medicare supplement insurance in the Commonwealth of Virginia; and by forwarding a copy of this Order, together with a draft of the proposed revisions, to the Virginia Registrar of Regulations for appropriate publication in the Virginia Register of Regulations; 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 Attachment A entitled "Chapter 170. Rules Governing Minimum Standards for Medicare Supplement Policies" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS010083
JULY 23, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Revisions to the Rules Governing Minimum Standards for Medicare Supplement Policies

ORDER ADOPTING REVISIONS TO RULES

WHEREAS, by order entered herein May 22, 2001, all interested persons were ordered to take notice that the Commission would consider the entry of an order subsequent to June 26, 2001, adopting revisions proposed by the Bureau of Insurance to the Commission's Rules Governing Minimum Standards for Medicare Supplement Policies, unless on or before June 26, 2001, 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 22, 2001, Order also required all interested persons to file their comments in support of or in opposition to the proposed revisions on or before June 26, 2001;

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

WHEREAS, comments were filed timely with the Clerk of the Commission by Trigon Blue Cross Blue Shield and Golden Rule Insurance Company;

WHEREAS, in response to the filed comments, the Bureau has recommended certain changes to the proposed revisions; and

THE COMMISSION, having considered the proposed revisions, the filed comments, and the Bureau's response and recommendation, is of the opinion that the attached proposed revisions, as amended, should be adopted;

THEREFORE, IT IS ORDERED THAT:

(1) The revisions to Chapter 170 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Minimum Standards for Medicare Supplement Policies," which amend the rules at 14 VAC 5-170-20, 14 VAC 5-170-30, 14 VAC 5-170-70, 14 VAC 5-170-90, 14 VAC 5-170-105, 14 VAC 5-170-120, 14 VAC 5-170-130, 14 VAC 5-170-150, and 14 VAC 5-170-180, and which are attached hereto and made a part hereof, should be, and they are hereby, ADOPTED to be effective September 1, 2001;

(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, including a copy of the attached revised rule, to all insurers, health services plans, and health maintenance organizations licensed to write Medicare supplement insurance in the Commonwealth of Virginia; and by forwarding a copy of this Order, including a copy of the attached revised rules, to the Virginia Registrar of Regulations for appropriate publication in the Virginia Register of Regulations; and

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

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

CASE NO. INS010084
APRIL 27, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Revisions to the Rules Governing Credit for Reinsurance

ORDER TO TAKE NOTICE

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

WHEREAS, the rules and regulations issued by the Commission pursuant to § 38.2-223 of the Code of Virginia are set forth in Title 14 of the Virginia Administrative Code;

WHEREAS, the Bureau of Insurance has submitted to the Commission proposed revisions to Chapter 300 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Credit for Reinsurance," which amend the rule at 14 VAC 5-300-90;

WHEREAS, the proposed revisions reflect technical revisions to correspond with § 38.2-1316.2 A 4 of the Code of Virginia and to describe more accurately the annual certifications expected of assuming entities; and

WHEREAS, the Commission is of the opinion that the proposed revisions should be considered for adoption with a proposed effective date of August 1, 2001.

THEREFORE, IT IS ORDERED THAT:

(1) The proposed revisions to the "Rules Governing Credit for Reinsurance," which amend the rule at 14 VAC 5-300-90, 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 June 11, 2001, in writing with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218 and shall refer to Case No. INS010084;

(3) If no written request for a hearing on the proposed revisions is filed on or before June 11, 2001, 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, 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 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, joint underwriting associations, group self-insurance pools, group self-insurance associations, and reinsurers licensed by or otherwise registered with the Commission, and subject to Article 3.1 of Chapter 13 of Title 38.2 of the Code of Virginia or otherwise authorized by Title 38.2 to reinsure risks; and by forwarding a copy of this Order, together with a draft of the proposed revisions, to the Virginia Registrar of Regulations for appropriate publication in the Virginia Register of Regulations; 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 300. Rules Governing Credit for Reinsurance" 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. INS010084
JUNE 19, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Revisions to the Rules Governing Credit for Reinsurance

ORDER ADOPTING REVISIONS TO RULES

WHEREAS, by order entered herein April 27, 2001, all interested persons were ordered to take notice that the Commission would consider the entry of an order subsequent to June 11, 2001, adopting revisions proposed by the Bureau of Insurance to the Commission's Rules Governing Credit for Reinsurance, unless on or before June 11, 2001, any person objecting to the adoption of the proposed revisions filed a request for a hearing with the Clerk of the Commission;

WHEREAS, the April 27, 2001, Order also required all interested persons to file their comments in support of or in opposition to the proposed revisions on or before June 11, 2001;

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;

WHEREAS, the Bureau has recommended that the proposed revisions be adopted; and

THE COMMISSION, having considered the proposed revisions 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 300 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Credit for Reinsurance," which amend the rule at 14 VAC 5-300-90, and which are attached hereto and made a part hereof, should be, and they are hereby, ADOPTED to be effective August 1, 2001;

(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 rule by mailing a copy of this Order, including a copy of the attached revised rule, to all insurers, joint underwriting associations, group self-insurance pools, group self-insurance associations, and reinsurers licensed by or otherwise registered with the Commission, and subject to Article 3.1 of Chapter 13 of Title 38.2 of the Code of Virginia or otherwise authorized by

Title 38.2 to reinsure risks; and by forwarding a copy of this Order, including a copy of the attached revised rule, to the Virginia Registrar of Regulations for appropriate publication in the Virginia Register of Regulations; and

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

NOTE: A copy of Attachment A entitled "Chapter 300. Rules Governing Credit for Reinsurance" 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. INS010086
MAY 31, 2001

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

SETTLEMENT ORDER

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

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged 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 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 § 38.2-610 of the Code of Virginia; and

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

CASE NO. INS010087
MAY 4, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
BENEFIT PLANS OF AMERICA, INC.,
Defendant

CONSENT ORDER

WHEREAS, by affidavit dated February 26, 2001, and filed herein on April 30, 2001, Benefit Plans of America, Inc., a Mississippi-domiciled dental services plan operating in the Commonwealth of Virginia ("Defendant"), agreed until further order of the Commission, to: (i) cease and desist immediately from enrolling any new participants, except for newborn children or newly acquired dependents of existing participants; (ii) continue to provide dental services to existing participants in Virginia and pay all covered claims incurred by such participants, provided however, that Defendant shall wind down its dental services business in Virginia on or before April 30, 2002; (iii) submit an affidavit to the Bureau of Insurance on or before June 15, 2002, confirming that Defendant has paid all claims, its dental services business in Virginia has been terminated, and Defendant is no longer operating a dental services plan in Virginia; and (iv) the issuance of a consent order in which Defendant agrees to the foregoing terms and which requires Defendant to notify Virginia participants of the wind down of Defendant's business in accordance with such consent order and provide them a copy of the consent order;

THEREFORE, IT IS ORDERED THAT:

(1) Defendant shall cease and desist from enrolling any new participants who are residents of the Commonwealth of Virginia, except for newborn children or newly acquired dependents of existing participants;

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

(3) Defendant shall notify all Virginia participants of the wind-down of its dental services plan business in a letter, the form of which shall be approved by the Bureau of Insurance, and shall provide them a copy of this Consent Order on or before May 15, 2001;

(4) Defendant shall wind down its dental services plan business in Virginia on or before April 30, 2002; and

(5) Defendant shall submit an affidavit to the Bureau of Insurance on or before June 15, 2002, confirming that Defendant has paid all claims, Defendant's dental services business in Virginia has been terminated, and Defendant is no longer operating a dental services plan in Virginia.

CASE NO. INS010089
NOVEMBER 5, 2001

PETITION OF
JAMES E. W. CROSSE

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

ORDER

On October 14, 1994, the Circuit Court of the City of Richmond, Virginia, entered an order appointing the Virginia State Corporation Commission ("Commission") the receiver of the HOW Insurance Company ("HOWIC"), Home Warranty Corporation ("HWC") and Home Owners Warranty Corporation ("HOW") (collectively "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 and challenges to decisions rendered by the receiver or the receiver's duly authorized representatives.

On April 23, 2001, James E.W. Crosse ("Petitioner") filed a Petition for Review ("Petition") with the Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 1376050-C denying the Petitioner's claim for Major Structural Defect Coverage under his homeowners warranty insurance policy relating to settlement problems associated with his residence located at 6758 Beaver Court, Midland, Georgia.

By Order dated May 2, 2001, 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 15, 2001.

On June 15, 2001, the Deputy Receiver, by counsel, filed a Motion to Dismiss and Answer to the Petition and Memorandum in Support of Motion to Dismiss. In its Motion to Dismiss, the Deputy Receiver contends, inter alia, that Petitioner fails to assert a claim on which relief under the HOW Program may be granted and should be dismissed based on the following: (i) Petitioner's current claim was received by the Companies on September 26, 2000, more than six years after the expiration of all HOW Program coverage; and (ii) Petitioner is barred from making a claim with respect to the alleged defect inasmuch as Petitioner executed a release and accepted a settlement payment.

On July 12, 2001, Petitioner, by counsel, filed a Response in Opposition to Respondent's Motion to Dismiss Petition for Review. Therein, Petitioner asserts, among other things, that: (i) Petitioner's claim for defects described in his Petition for Review was properly submitted to HOW in 1990, four years before the expiration of the insurance warranty coverage; and (ii) Petitioner's execution of the 1992 release/settlement did not extinguish his current claim for coverage for structural damage to the right rear of his dwelling.

After reviewing the filings presented in the case and the applicable law, the Hearing Examiner's Report was issued on August 21, 2001. Therein the Examiner made the following findings and recommendations:

1. Section VIII (B) of the HOW Insurance/Warranty Documents governs whether the Motion to Dismiss should be granted. This section requires that a purchaser notify the insurer in writing of any builder default or major structural default no later than thirty days after the expiration of the applicable coverage term. Claims reported more than thirty days after the expiration of the applicable coverage term are not covered.

2. Section VII of the HOW Insurance/Warranty Documents provides that Major Structural Defects to a home are covered during years three through ten.

3. Petitioner's home was enrolled in the HOW Program on or about June 6, 1984, and therefore all coverage, including the thirty day grace period, expired on July 6, 1994.

4. Petitioner's claim that is the subject of this appeal was received by HOW on September 26, 2000, more than six years after the expiration of all HOW Program coverage.

5. Petitioner's foundation settling problem, which is the subject of this appeal, was not reported with the initial claim made in 1990.

6. Petitioner signed a full and unconditional release of all rights and causes of action with respect to the 1990 claim. The HOW Companies made payment to Petitioner on the claim, and accord and satisfaction was reached.

7. The Commission should enter an order affirming the Deputy Receiver's Determination of Appeal and dismissing the Petition of James E. W. Crosse with prejudice.

Upon consideration of the filings submitted, the Report of the Hearing Examiner and the Comments thereto, the Commission is of the opinion and so finds that the Hearing Examiner's findings and recommendations should be adopted for the reasons set forth below.

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.[1] "When ruling on a motion to dismiss for failure to state a claim upon which relief may 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 is claim which would entitle him to relief.'"[2]

At issue in this case is whether Petitioner's claim for Major Structural Defect coverage to the right side of his house is time-barred. In 1990, Petitioner filed a request for warranty performance with HOW. Upon investigating and processing that claim, HOW became aware of damage to the right side of the foundation wall. HOW received a repair estimate for four anchors to the right side of Petitioner's home in 1992 and the engineering report received by HOW in 1994 suggests there was slippage to the right side of the residence.[3] However, the HOW Companies took the position that a Major Structural Defect, as defined by the HOW Insurance/Warranty Documents, was located only on the left side of the foundation of the Petitioner's residence. Accordingly, HOW chose to repair only the left side of the house.[4]

In April of 1992, Petitioner signed a full and unconditional release of all rights and causes of action with respect to the claim.[5] The release stated that if further damage was discovered, Petitioner could make a new claim. No new claim was made during the repair process.

In 1994, after the repairs for the Major Structural Defect were completed, Petitioner unsuccessfully requested that Fleet Construction Company ("Fleet") perform further repairs under the terms of the two-year warranty for work done to the residence in 1992. At this time, Petitioner submitted a notice of the problems to HOW.[6] With the assistance of HOW, Fleet addressed the continuing settlement problem by adding additional support to the previously repaired areas of the foundation.[7] Throughout the claims process, HOW maintained that any damage from a defect in the right foundation wall did not satisfy the definition of a Major Structural Defect under the terms of the policy (i.e., the damage did not render Petitioner's residence unsafe, unsanitary, or unlivable).[8]

Petitioner has not alleged that he made any claim, or gave notice of such a claim, to HOW following the completion of the repair work in 1994. Rather, Petitioner contends that his claim to HOW in October of 1991,[9] in which HOW subsequently recognized a Major Structural Defect to his residence,[10] combined with the work performed in 1992 and 1994, was sufficient to put the HOW Companies on notice of an existing defect which extended the time for the filing of a claim. However, the HOW Companies closed their file on Petitioner's claim on February 1, 1994.[11] There was no further contact between Petitioner and the HOW Companies until the present claim was filed on September 26, 2000, some six years after the policy's expiration date.

Essentially, Petitioner is asking this Commission to rule that knowledge by HOW of a defect, such as the one described by Petitioner,[12] should result in the term of the policy being extended indefinitely. This we decline to do. The language of the HOW Insurance/Warranty Documents governs the claim notification parameters, and provides:

> Should a Builder Default or a Major Structural Defect occur during the applicable coverage term, the Purchaser must notify the Insurer. This notice must be in writing on forms provided by the Insurer or its authorized representative. The notice fully describing the defect must be given within a reasonable time after the defect arises, and in any event no later than 30 days after the expiration of the applicable coverage term. Claims

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[1] 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, 166 F.2d 865, 870 (4th Cir. 1941)).

[2] Id.

[3] Exhibit J-1 and Exhibit M of Deputy Receiver's Motion to Dismiss.

[4] Exhibit J-1, Motion to Dismiss.

[5] Exhibit K, Motion to Dismiss.

[6] Exhibit 9, Petitioner's Petition for Review.

[7] Exhibit N, Motion to Dismiss.

[8] Exhibit J-1 and Exhibit M, Motion to Dismiss.

[9] Exhibit 3, Petition for Review.

[10] Exhibit 5, Petition for Review.

[11] Exhibit N, Motion to Dismiss.

[12] Where there is existing damage to a structure caused by a defect, but the damage has not risen to the level of a major structural defect, and only major structural defect coverage is in effect.

reported after an unreasonable delay of more than 30 days after the expiration of the applicable coverage term are not covered.[13]

Absent either fraud or an express agreement between the HOW Companies and Petitioner, neither of which is alleged, Petitioner would have had to file another claim within thirty days of the expiration date of the policy. Even when viewing the factual claims of the Petition in the light most favorable to Petitioner, and assuming there is evidence indicating that the defect on the right side of the home was causing such damage as to qualify as a Major Structural Defect in 1994, Petitioner would have had to submit another claim to the HOW Companies within the policy term plus thirty days. Any other interpretation would have the effect of keeping open the possibility of future claims indefinitely under any policy where a claim for Major Structural Defect was filed timely and subsequently denied.

Accordingly, IT IS ORDERED THAT:

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

(2) The Petition for Review for Review of James E. W. Crosse be, and it is hereby, DENIED;

(3) The Determination of Appeal issued by the Deputy Receiver in Claim No. 1376050-C on March 23, 2001 be, and it is, AFFIRMED;

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

[13] Exhibit Q, Motion to Dismiss.

CASE NO. INS010090
AUGUST 2, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
OPTIMUM CHOICE, 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, to have violated Subsection 1 of § 38.2-502 and §§ 38.2-316 A, 38.2-316 B, 38.2-316 C, 38.2-322 E, 38.2-503, 38.2-510 A 5, 38.2-511, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A 1, 38.2-1834 C, 38.2-3405 B, 38.2-3407.4 A, 38.2-3407.11, 38.2-3431 C 6, 38.2-3432.2 A 1, 38.2-4306 A 2, 38.2-4306 B 1, 38.2-4306.1, 38.2-4312 A, and 38.2-4313 of the Code of Virginia, as well as 14 VAC 5-90-50 A, 14 VAC 5-90-60 A, 14 VAC 5-90-90 A, 14 VAC 5-90-130 A, 14 VAC 5-90-170, 14 VAC 5-210-110 A, and 14 VAC 5-210-110 B;

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

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of forty-nine thousand dollars ($49,000), 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, 38.2-322 E, 38.2-503, 38.2-510 A 5, 38.2-511, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A 1, 38.2-1834 C, 38.2-3405 B, 38.2-3407.4 A, 38.2-3407.11, 38.2-3431 C 6, 38.2-3432.2 A 1, 38.2-4306 A 2, 38.2-4306 B 1, 38.2-4306.1, 38.2-4312 A, or 38.2-4313 of the Code of Virginia, or 14 VAC 5-90-50 A, 14 VAC 5-90-60 A, 14 VAC 5-90-90 A, 14 VAC 5-90-130 A, 14 VAC 5-90-170, 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. INS010091
MAY 31, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
LEONILA L. VILLANUEVA,
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 §§ 38.2-1822 and 38.2-1826 of the Code of Virginia by knowingly permitting a person to act as an insurance agent without such person first obtaining a license in a manner and form prescribed by the Commission, and by failing to report within thirty days to the Commission and to every insurer for which she is appointed a change in her residence address;

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 letters dated February 20, 2001 and April 30, 2001, respectively, 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 §§ 38.2-1822 and 38.2-1826 of the Code of Virginia by knowingly permitting a person to act as an insurance agent without such person first obtaining a license in a manner and form prescribed by the Commission, and by failing to report within thirty days to the Commission and to every insurer for which she is appointed a change in her residence address;

THEREFORE, IT IS ORDERED THAT:

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

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

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

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

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

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

CASE NO. INS010102
AUGUST 22, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CHARLES G. SHOMO,
Defendant

FINAL ORDER

WHEREAS, by motion filed herein August 17, 2001, the Bureau of Insurance requested that the above-captioned matter be dismissed since Defendant had voluntarily surrendered his insurance agent's licenses in lieu of a hearing before the Commission;

WHEREAS, by ruling entered herein August 21, 2001, the Commission's Hearing Examiner granted the Bureau's Motion to Dismiss and recommended that the Commission enter an Order dismissing the Rule to Show Cause and passing the papers to the file for ended causes; and

THE COMMISSION, having considered the Hearing Examiner's ruling and recommendation, is of the opinion that the Rule to Show Cause entered herein should be dismissed and that the papers herein should be passed to the file for ended causes;

THEREFORE, IT IS ORDERED THAT:

(1) The Rule to Show Cause entered herein be, and it hereby, DISMISSED; and

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

CASE NO. INS010105
MAY 24, 2001

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

ORDER TO TAKE NOTICE

WHEREAS, § 38.2-1038 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 in a condition that any further transaction of business in this Commonwealth is hazardous to its policyholders, creditors, and public in this Commonwealth;

WHEREAS, Amwest Surety Insurance Company, a foreign corporation domiciled in the State of Nebraska ("Defendant"), is licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia;

WHEREAS, by Order of Supervision and List of Requirements to Abate Supervision entered May 8, 2001, by the Nebraska Department of Insurance, Case No. C-1242, the Chief Financial Examiner of the Nebraska Department of Insurance was appointed as Supervisor and directed to oversee the operations of Defendant for the purposes of conservation, management, and rehabilitation;

WHEREAS, the Bureau of Insurance has recommended that the license of Defendant to transact the business of insurance in the Commonwealth of Virginia be suspended for the reason that the foregoing indicates 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 June 22, 2001, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before June 22, 2001, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, a request for hearing before the Commission with respect to the proposed suspension of Defendant's license.

CASE NO. INS010105
JUNE 26, 2001

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein May 24, 2001, Defendant was ordered to take notice that the Commission would enter an order subsequent to June 22, 2001, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before June 22, 2001, 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. INS010106
MAY 24, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
RELIANCE 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, or has violated its charter or exceeded its corporate powers;

WHEREAS, Defendant, a Pennsylvania-domiciled insurer, was initially licensed to transact the business of insurance in the Commonwealth of Virginia on September 28, 1990;

WHEREAS, pursuant to Section 38.2-1300 of the Code of Virginia, Defendant was required to file its 2000 annual statement with the Bureau on or before March 1, 2001;

WHEREAS, as of the date hereof, Defendant has not filed its 2000 annual statement with the Bureau; and

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to June 4, 2001, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before June 4, 2001, 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. INS010106
JUNE 13, 2001

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein May 24, 2001, Defendant was ordered to take notice that the Commission would enter an order subsequent to June 4, 2001, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before June 4, 2001, 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. INS010109
JULY 25, 2001

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated § 38.2-1906 of the Code of Virginia by failing to timely file with the Commission notice of the company's intent to amend a previously approved policy effective date, which resulted in the company using rules and forms not on file with 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 six thousand dollars ($6,000), waived its right to a hearing, and agreed to the entry by the Commission of a cease and desist order; and

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

IT IS ORDERED THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of § 38.2-1906 of the Code of Virginia; and

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

CASE NO. INS010111
JULY 5, 2001

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-512 A, 38.2-604 B, 38.2-2210, and 38.2-2220 of the Code of Virginia, as well as the Cease and Desist Order entered by the Commission in Case No. INS000261, by making false or fraudulent statements or representations on or relative to an application or any document or communication relating to the business of insurance for the purpose of obtaining a fee, commission, money, or other benefit, by failing to provide certain information required by § 38.2-604 B in its notice of insurance information practices, by failing to include in its applications the proper notice concerning Defendant's right to cancel a motor vehicle insurance policy covering liability, and by 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 eight thousand five hundred dollars ($8,500), 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 §§ 38.2-512 A, 38.2-604 B, 38.2-2210, or 38.2-2220 of the Code of Virginia; and

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

CASE NO. INS010112
JUNE 12, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ACCURATE TITLE & ESCROW INSURANCE AGENCY, 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, in a certain instance, violated § 6.1-2.21 of the Code of Virginia by failing to provide the Commission with a copy of Defendant's escrow account audit report;

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 violation 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 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 May 9, 2001, 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 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; and

THE COMMISSION is of the opinion and finds that Defendant has violated § 6.1-2.21 of the Code of Virginia by failing to provide the Commission with a copy of Defendant's escrow account audit report;

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 an attested 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. INS010113
JUNE 27, 2001

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Subsection 1 of § 38.2-502 and §§ 38.2-503, 38.2-510 A 2, 38.2-510 A 5, 38.2-511, 38.2-610, 38.2-1834 C, and 38.2-3115 B of the Code of Virginia, as well as 14 VAC 5-40-40 A 4, 14 VAC 5-40-40 A 6, 14 VAC 5-40-40 F 1, 14 VAC 5-40-60 B, 14 VAC 5-90-90 A, 14 VAC 5-90-130 A, 14 VAC 5-90-170 A, 14 VAC 5-400-50 A, 14 VAC 5-400-50 B, 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 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. INS010126
AUGUST 3, 2001

APPLICATION OF
REASSURE AMERICA LIFE INSURANCE COMPANY
and
CONSUMERS LIFE INSURANCE COMPANY

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

ORDER APPROVING APPLICATION

WHEREAS, by application filed with the Commission on June 29, 2001, Reassure America Life Insurance Company, an Illinois-domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia ("Reassure America"), and Consumers Life Insurance Company, a Delaware-domiciled insurer ("Consumers"), requested approval of an assumption reinsurance and novation agreement pursuant to § 38.2-136 C of the Code of Virginia, whereby Reassure America would assume certain universal life insurance policies and annuity obligations of Consumers;

WHEREAS, Consumers formerly was licensed to transact the business of insurance in the Commonwealth of Virginia; however, such license was suspended by Order Suspending License entered herein on August 2, 1999, in Case No. INS990181;

WHEREAS, the Delaware Department of Insurance, the domiciliary regulator of Consumers, has approved the assumption reinsurance and novation agreement, as evidenced by the letter of the authorized designee of the Delaware Commissioner of Insurance dated April 25, 2001, and filed with the Commission as part of the application;

WHEREAS, the Illinois Commissioner of Insurance, the domiciliary regulator of Reassure America, was not required to approve the transaction, including the assumption reinsurance and novation agreement;

WHEREAS, supplemental information to the application was filed with the Commission on July 13, 2001;

WHEREAS, Consumers has waived its right to a hearing pursuant to § 38.2-136 C of the Code of Virginia, as evidenced by the Waiver of Hearing of Consumers, dated July 12, 2001, and filed with the Commission on July 16, 2001;

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

CASE NO. INS010126
AUGUST 10, 2001

APPLICATION OF
REASSURE AMERICA LIFE INSURANCE COMPANY
and
CONSUMERS LIFE INSURANCE COMPANY

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

CORRECTING ORDER

In the Order Approving Application entered herein August 3, 2001, in line 2 of the second complete paragraph set forth on page 3 of the order, there is a reference to the name "R. Fredric Hullinger." The correct name, however, should be R. Fredric Zullinger;

THEREFORE, IT IS ORDERED THAT:

(1) The name in line 2 of the second complete paragraph set forth on page 3 of the Order Approving Application entered August 3, 2001, shall be corrected to read "R. Fredric Zullinger";

(2) All other provisions of the Order Approving Application entered August 3, 2001, shall remain in full force and effect.

CASE NO. INS010127
OCTOBER 5, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
JEFFERSON PILOT 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, and §§ 38.2-316 B, 38.2-316 C, 38.2-503, 38.2-510, 38.2-511, 38.2-604 A 1, 38.2-610, 38.2-1318 C, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A, 38.2-1834 C, 38.2-3115, 38.2-3407.1, 38.2-3407.4 A, 38.2-5801 C 3, 38.2-5803 A, 38.2-5804 A, and 38.2-5805 A of the Code of Virginia, as well as 14 VAC 5-30-60 2 b, 14 VAC 5-40-40 A 1, 14 VAC 5-40-40 A 3, 14 VAC 5-40-40 A 4, 14 VAC 5-40-40 A 6, 14 VAC 5-40-40 C 2, 14 VAC 5-40-40 D 3, 14 VAC 5-40-40 D 17, 14 VAC 5-40-40 E 1, 14 VAC 5-40-40 E 2, 14 VAC 5-40-40 F 1, 14 VAC 5-40-40 F 3, 14 VAC 5-40-60 B, 14 VAC 5-90-170 A, 14 VAC 5-400-30, 14 VAC 5-400-50 A, 14 VAC 5-400-60 A, 14 VAC 5-400-60 B, and 14 VAC 5-400-70 B;

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

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of forty-two thousand dollars ($42,000) 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. INS010130
AUGUST 23, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ALEXANDER UNDERWRITERS GENERAL AGENCY, 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 as a surplus lines broker in the Commonwealth of Virginia, 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 first quarter of 2001;

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 certified letter dated July 23, 2001, 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 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 § 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 first quarter of 2001;

THEREFORE, IT IS ORDERED THAT:

(1) The licenses of Defendant to transact the business of insurance as an insurance 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. INS010131
AUGUST 23, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
RENTAL INDUSTRY SERVICES,
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 as a surplus lines broker in the Commonwealth of Virginia, 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 first quarter of 2001;

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 certified letter dated July 23, 2001, 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 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 § 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 first quarter of 2001;

THEREFORE, IT IS ORDERED THAT:

(1) The licenses of Defendant to transact the business of insurance as an insurance 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. INS010132
JULY 27, 2001

APPLICATION OF
NATIONAL COUNCIL ON COMPENSATION INSURANCE, INC.

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

ORDER DISMISSING APPLICATION

On July 20, 2001, the Applicant National Council on Compensation Insurance, Inc. (NCCI), by letter of its counsel filed with the Clerk of the Commission, withdrew NCCI's application, direct testimony and exhibits filed herein on June 29, 2001.

THEREFORE, IT IS ORDERED that the application filed herein be, and the same is hereby, DISMISSED from the Commission's docket and that the papers herein be placed in the file for ended causes.

CASE NO. INS010133
AUGUST 9, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
JAMES A. WHITE, SR.,
Defendant

FINAL ORDER

WHEREAS, by motion filed herein August 3, 2001, the Bureau of Insurance requested that the above-captioned matter be dismissed since Defendant had voluntarily surrendered his insurance agent's licenses in lieu of a hearing before the Commission;

WHEREAS, by ruling entered herein August 8, 2001, the Commission's Hearing Examiner granted the Bureau's Motion to Dismiss and recommended that the Commission enter an Order dismissing the Rule to Show Cause and passing the papers to the file for ended causes; and

THE COMMISSION, having considered the Hearing Examiner's ruling and recommendation, is of the opinion that the Rule to Show Cause entered herein should be dismissed and that the papers herein should be passed to the file for ended causes;

THEREFORE, IT IS ORDERED THAT:

(1) The Rule to Show Cause entered herein be, and it is hereby, DISMISSED; and

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

CASE NO. INS010141
AUGUST 21, 2001

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Subsection 1 of § 38.2-502 and § 38.2-503 of the Code of Virginia, as well as 14 VAC 5-40-40 A 4, 14 VAC 5-40-40 E 2, 14 VAC 5-40-40 F 1, 14 VAC 5-40-40 F 4, 14 VAC 5-90-40, 14 VAC 5-90-60 A 1, 14 VAC 5-90-60 A 2, 14 VAC 5-90-60 A 7, 14 VAC 5-90-60 B 1, 14 VAC 5-90-90 A, 14 VAC 5-90-90 C, 14 VAC 5-90-100 A, 14 VAC 5-90-120 B, 14 VAC 5-90-130 A, 14 VAC 5-90-160, and 14 VAC 5-90-170 A;

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

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of nineteen thousand dollars ($19,000), 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 § 38.2-503 of the Code of Virginia, or 14 VAC 5-40-40 A 4, 14 VAC 5-40-40 E 2, 14 VAC 5-40-40 F 1, 14 VAC 5-40-40 F 4, 14 VAC 5-90-40, 14 VAC 5-90-60 A 1, 14 VAC 5-90-60 A 2, 14 VAC 5-90-60 A 7, 14 VAC 5-90-60 B 1, 14 VAC 5-90-90 A, 14 VAC 5-90-90 C, 14 VAC 5-90-100 A, 14 VAC 5-90-120 B, 14 VAC 5-90-130 A, 14 VAC 5-90-160 or 14 VAC 5-90-170 A; and

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

CASE NO INS010146
OCTOBER 29, 2001

PETITION OF
AYESHA AND MOHAMMAD MORSHED

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 Virginia State Corporation Commission ("Commission") the receiver of HOW Insurance Company ("HOWIC"), Home Warranty Corporation ("HWC"), and Home Owners Warranty Corporation ("HOW") (collectively, "HOW Companies" or "HOW"). The receivership order granted the Commission the authority to proceed with the rehabilitation or liquidation of the HOW Companies and established a Receivership Appeal Procedure ("RAP") to govern appeals and challenges to decisions rendered by the receiver or the receiver's duly authorized representatives.

On June 22, 2001, Ayesha and Mohammad Morshed ("Petitioners") filed a Petition for Review ("Petition") with the Clerk of the Commission for review of the Deputy Receiver's Determination of Appeal in Claim No. 3683307-A denying the Petitioners' claim for coverage under their homeowners warranty insurance policy relating to a cracking foundation and mold formation at 2202 Canterbury Drive, League City, Texas.

By order dated July 23, 2001, 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 31, 2001.

On August 31, 2001, the Deputy Receiver, by counsel, filed a Motion to Dismiss and Answer to Petition for Review, and Memorandum in Support of Motion to Dismiss. In its Motion to Dismiss, the Deputy Receiver contends, inter alia, that: (i) Petitioners' claims are untimely under the Receivership Appeal Procedure, and (ii) Petitioners' allegations are insufficient to support a claim for major structural defect damage to their home.

After reviewing the filings presented in the case, the Hearing Examiner's Report was issued on September 19, 2001. Therein, the Examiner made, among other things, the following findings and recommendations:

(1) The Deputy Receiver issued his Determination of Appeal on March 23, 2001.

(2) The appeal was received by the Deputy Receiver on April 27, 2001.

(3) The Deputy Receiver notified Petitioners on April 27, 2001, that their Petition was untimely.

(4) Petitioners filed their appeal with the Commission on June 22, 2001.

(5) Petitioners failed to comply with the terms of the Receivership Appeal Procedure and their claim is time-barred.

(6) The Commission should enter an order: (i) granting the Deputy Receiver's Motion to Dismiss; (ii) dismissing the Petition of Ayesha and Mohammad Morshed; and (iii) affirming the Deputy Receiver's Determination of Appeal.

Upon consideration of the filings submitted and the Report of the Hearing Examiner, the Commission is of the opinion and so finds that the recommendations of the Hearing Examiner should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The Motion to Dismiss submitted by the Deputy Receiver be, and the same is hereby, GRANTED;

(2) The Petition for Review filed by Petitioners, Ayesha and Mohammad Morshed be, and the same is hereby, DENIED;

(3) The Determination of Appeal issued by the Deputy Receiver in Claim No. 3683307-A, on March 23, 2001, be, and the same is hereby, AFFIRMED; and

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

CASE NO. INS010149
JULY 27, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FOUNDERS TITLE AGENCY, 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, in a certain instance, violated § 6.1-2.21 of the Code of Virginia by failing to provide the Commission with a copy of Defendant's analysis or audit report of its escrow account;

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 violation 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 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 June 5, 2001, 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 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; and

THE COMMISSION is of the opinion and finds that Defendant has violated § 6.1-2.21 of the Code of Virginia by failing to provide the Commission with a copy of Defendant's analysis or audit report of its escrow account;

THEREFORE, IT IS ORDERED THAT:

(1) The licenses of Defendant to transact the business of insurance 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;

(4) Defendant shall not apply to the Commission to be licensed 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. INS010150
JULY 27, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
PETER URAN,
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 B of the Code of Virginia by failing to report within thirty days to the Commission the facts and circumstances regarding his conviction of a felony;

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 June 20, 2001, 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 B of the Code of Virginia by failing to report within thirty days to the Commission the facts and circumstances regarding his conviction of a felony;

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. INS010151
AUGUST 21, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CANDACE A. BLOODSWORTH,
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 as an insurance agent in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-512, 38.2-1804, and 38.2-1822 A of the Code of Virginia by making false statements or representations on or relative to an application for an insurance policy for the purpose of obtaining a fee or commission; by signing or allowing an applicant to sign an incomplete or blank form pertaining to insurance; and by soliciting, negotiating, procuring or effecting contracts of insurance in this Commonwealth without first obtaining a license to transact the business of insurance in this Commonwealth;

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 July 16, 2001, 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 her right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau of Insurance;

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

THE COMMISSION is of the opinion and finds that Defendant has violated §§ 38.2-512, 38.2-1804, and 38.2-1822 A of the Code of Virginia by making false statements or representations on or relative to an application for an insurance policy for the purpose of obtaining a fee or commission; by signing or allowing an applicant to sign an incomplete or blank form pertaining to insurance; and by soliciting, negotiating, procuring or effecting contracts of insurance in this Commonwealth without first obtaining a license to transact the business of insurance in this Commonwealth;

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. INS010152
AUGUST 20, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AMERICAN INTERSTATE 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 §§ 38.2-512, 38.2-1812, and 38.2-1822 of the Code of Virginia, as well as the Cease and Desist Order entered by the Commission in Case No. INS950150, 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, by paying a commission to a person for services as an agent when that person was not properly licensed and appointed, and by knowingly permitting a person to act as an agent without first obtaining a license in a manner and 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 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 §§ 38.2-512, 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. INS010154
AUGUST 2, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Repealing the regulation entitled Reporting of Salvage and Subrogation Recoveries

ORDER TO TAKE NOTICE

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

WHEREAS, the rules and regulations issued by the Commission pursuant to § 38.2-223 of the Code of Virginia are set forth in Title 14 of the Virginia Administrative Code;

WHEREAS, the Bureau of Insurance has recommended that Chapter 330 of Title 14 of the Virginia Administrative Code entitled "Reporting of Salvage and Subrogation Recoveries" and specifically designated as 14 VAC 5-330-10 be repealed;

WHEREAS, the Bureau's recommendation to repeal 14 VAC 5-330-10 results from the Bureau's adoption of the requirement that the reporting of salvage and subrogation be in accordance with the National Association of Insurance Commissioners Accounting Practices and Procedures Manual as provided by §§ 38.2-1300 and 38.2-1306.2 of the Code of Virginia; and

WHEREAS, the Commission is of the opinion that the proposed repeal of 14 VAC 5-330-110 should be considered with a proposed effective date of December 31, 2001; thus, annual statements for the year ending December 31, 2001, and any other documents prepared on, after or as of December 31, 2001 shall be governed by the National Association of Insurance Commissioners Accounting Practices and Procedures Manual as to reporting, disclosing or accounting for salvage and subrogation;

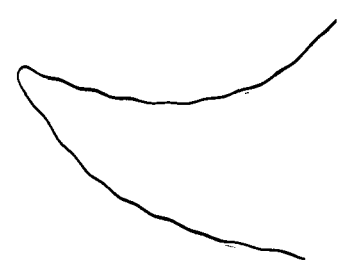
THEREFORE, IT IS ORDERED THAT:

(1) All interested persons who desire to comment in support of or in opposition to, or to request a hearing to oppose the repeal of, 14 VAC 5-330-10 shall file such comments or hearing request on or before September 17, 2001, in writing with the Clerk of the Commission, Document Control Center, Post Office Box 2118, Richmond, Virginia 23218 and shall refer to Case No. INS010154.

(2) If no written request for a hearing on the proposed repeal is filed on or before September 17, 2001, the Commission, upon consideration of any comments submitted in support of or in opposition to the proposed repeal, shall consider the repeal of 14 VAC 5-330-10 as recommended by the Bureau of Insurance;

(3) 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 proposed repeal of 14 VAC 5-330-10 by mailing a copy of this Order to all insurers licensed to write property and casualty insurance in the Commonwealth of Virginia, including any entity licensed to write policies providing a class of insurance defined in §§ 38.2-110 through 38.2-134 of the Code of Virginia or licensed and subject to regulation as an insurer pursuant to Chapters 11, 12, 25, 26, 46, or 51 of Title 38.2 of the Code of Virginia, and interested persons; and by forwarding a copy of this Order to the Virginia Registrar of Regulations for appropriate publication in the Virginia Register of Regulations; and

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



CASE NO. INS010154
SEPTEMBER 26, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Repealing the regulation entitled Reporting of Salvage and Subrogation Recoveries

ORDER REPEALING REGULATION

WHEREAS, by order entered herein August 2, 2001, all interested persons were ordered to take notice that the Commission would consider the entry of an order subsequent to September 17, 2001, repealing 14 VAC 5-330-10, as proposed by the Bureau of Insurance, unless on or before September 17, 2001, any person objecting to the proposed repeal filed a request for a hearing with the Clerk of the Commission;

WHEREAS, the August 2, 2001, Order also required all interested persons to file their comments in support of or in opposition to the proposed repeal on or before September 17, 2001;

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;

WHEREAS, the Bureau has recommended that 14 VAC 5-330-10 be repealed; and

THE COMMISSION, having considered 14 VAC 5-330-10 and the Bureau's recommendation, is of the opinion that 14 VAC 5-330-10 should be repealed;

THEREFORE, IT IS ORDERED THAT:

(1) Chapter 330 of Title 14 of the Virginia Administrative Code entitled "Reporting of Salvage and Subrogation Recoveries" and specifically designated as 14 VAC 5-330-10, should be, and it is hereby, REPEALED to be effective December 31, 2001;

(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 repeal of 14 VAC 5-330-10 by mailing a copy of this Order to all insurers licensed to write property and casualty insurance in the Commonwealth of Virginia, including any entity licensed to write policies providing a class of insurance defined in §§ 38.2-110 through 38.134 of the Code of Virginia, or licensed and subject to regulation as an insurer pursuant to Chapters 11, 12, 25, 26, 46 or 51 of Title 38.2 of the Code of Virginia, and interested persons; and by forwarding a copy of this Order to the Virginia Registrar of Regulations for appropriate publication in the Virginia Register of Regulations; and

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

CASE NO. INS010155
SEPTEMBER 4, 2001

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-231, 38.2-317, 38.2-510 A 1, 38.2-510 A 10, 38.2-604 B, 38.2-610 A, 38.2-1812, 38.2-1822, 38.2-1833, 38.2-1905 A, 38.2-1906 D, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2118, 38.2-2202 A, 38.2-2202 B, 38.2-2208, 38.2-2210, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-40 A, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D;

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

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of thirty-nine thousand dollars ($39,000), 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 §§ 38.2-231, 38.2-317, 38.2-510 A 1, 38.2-510 A 10, 38.2-604 B, 38.2-610 A, 38.2-1812, 38.2-1822, 38.2-1833, 38.2-1905 A, 38.2-1906 D, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2118, 38.2-2202 A, 38.2-2202 B, 38.2-2208, 38.2-2210, or 38.2-2220 of the Code of Virginia, or 14 VAC 5-400-40 A, 14 VAC 5-400-70 D, or 14 VAC 5-400-80 D; and

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

CASE NO. INS010160
AUGUST 9, 2001

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in a certain instance, violated § 38.2-1300 of the Code of Virginia by failing to file timely with the Commission its 2000 annual statement of financial condition;

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

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of five thousand dollars ($5,000) 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. INS010161
AUGUST 9, 2001

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in a certain instance, violated § 38.2-1300 of the Code of Virginia by failing to file timely with the Commission its 2000 annual statement of financial condition;

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

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of five thousand dollars ($5,000) 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. INS010194
SEPTEMBER 5, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
HEALTHKEEPERS, 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 Subsection 1 of § 38.2-502 and §§ 38.2-316 B, 38.2-316 C, 38.2-503, 38.2-510 A 4, 38.2-510 A 5, 38.2-510 A 6, 38.2-510 A 14, 38.2-511, 38.2-1812 A, 38.2-1833 A, 38.2-3407.4 A, 38.2-4306 A, 38.2-5803 A 3, 38.2-5803 A 4, 38.2-5804 A, 38.2-5804 A 1, 38.2-5804 B, 38.2-5804 C, and 38.2-5805 of the Code of Virginia, as well as 14 VAC 5-90-50 A, 14 VAC 5-90-50 B, 14 VAC 5-90-90 A, 14 VAC 5-90-130 A, 14 VAC 5-90-160, 14 VAC 5-210-60 H 1, 14 VAC 5-210-70 B 2, 14 VAC 5-210-70 C 3, 14 VAC 5-210-70 H 3, and 14 VAC 5-210-100 B 7;

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-seven thousand dollars ($47,000), 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 4, 38.2-510 A 5, 38.2-510 A 6, 38.2-510 A 14, 38.2-511, 38.2-1812 A, 38.2-1833 A, 38.2-3407.4 A, 38.2-4306 A, 38.2-5803 A 3, 38.2-5803 A 4, 38.2-5804 A, 38.2-5804 A 1, 38.2-5804 B, 38.2-5804 C, or 38.2-5805 of the Code of Virginia, or 14 VAC 5-90-50 A, 14 VAC 5-90-50 B, 14 VAC 5-90-90 A, 14 VAC 5-90-130 A, 14 VAC 5-90-160, 14 VAC 5-210-60 H 1, 14 VAC 5-210-70 B 2, 14 VAC 5-210-70 C 3, 14 VAC 5-210-70 H 3, or 14 VAC 5-210-100 B 7; and

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

CASE NO. INS010194
SEPTEMBER 10, 2001

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

VACATING ORDER

GOOD CAUSE having been shown, the Settlement Order entered herein September 5, 2001, is hereby vacated.

CASE NO. INS010194
SEPTEMBER 13, 2001

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

AMENDED SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of 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 4, 38.2-510 A 5, 38.2-510 A 6, 38.2-510 A 14, 38.2-511, 38.2-1812 A, 38.2-1833 A, 38.2-3407.4 A, 38.2-4306 A, 38.2-5803 A 3, 38.2-5803 A 4, 38.2-5804 A, 38.2-5804 A 1, 38.2-5804 B, 38.2-5804 C, and 38.2-5805 C of the Code of Virginia, as well as 14 VAC 5-90-50 A, 14 VAC 5-90-50 B, 14 VAC 5-90-90 A, 14 VAC 5-90-130 A, 14 VAC 5-90-160, 14 VAC 5-210-60 H 1, 14 VAC 5-210-70 B 2, 14 VAC 5-210-70 C 3, 14 VAC 5-210-70 H 3, and 14 VAC 5-210-100 B 7;

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-seven thousand dollars ($47,000), 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 4, 38.2-510 A 5, 38.2-510 A 6, 38.2-510 A 14, 38.2-511, 38.2-1812 A, 38.2-1833 A, 38.2-3407.4 A, 38.2-4306 A, 38.2-5803 A 3, 38.2-5803 A 4, 38.2-5804 A, 38.2-5804 A 1, 38.2-5804 B, 38.2-5804 C, or 38.2-5805 C of the Code of Virginia, or 14 VAC 5-90-50 A, 14 VAC 5-90-50 B, 14 VAC 5-90-90 A, 14 VAC 5-90-130 A, 14 VAC 5-90-160, 14 VAC 5-210-60 H 1, 14 VAC 5-210-70 B 2, 14 VAC 5-210-70 C 3, 14 VAC 5-210-70 H 3, or 14 VAC 5-210-100 B 7; and

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

CASE NO. INS010195
SEPTEMBER 10, 2001

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

SETTLEMENT ORDER

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

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

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, 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 § 38.2-610 of the Code of Virginia; and

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

CASE NO. INS010196
AUGUST 28, 2001

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

ORDER TO TAKE NOTICE

WHEREAS, § 38.2-1038 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 in a condition that any further transaction of business in this Commonwealth is hazardous to its policyholders, creditors, and public in this Commonwealth;

WHEREAS, Pennsylvania Casualty 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, the Quarterly Statement of Defendant, dated June 30, 2001, and filed with the Commission's Bureau of Insurance, indicates surplus of negative $944,415;

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 the foregoing indicates 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 September 10, 2001, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before September 10, 2001, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, a request for hearing before the Commission with respect to the proposed suspension of Defendant's license.

CASE NO. INS010196
SEPTEMBER 14, 2001

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein August 28, 2001, Defendant was ordered to take notice that the Commission would enter an order subsequent to September 10, 2001, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before September 10, 2001, 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. INS010197
AUGUST 29, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
PHICO 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 Commonwealth Court of Pennsylvania, on August 16, 2001, the court found it to be in the best interest of Defendant, its policyholders, creditors, and the public, that Defendant be placed into rehabilitation, and the Insurance Commissioner of the Commonwealth of Pennsylvania was appointed the rehabilitator of Defendant for purposes of conservation, management, and rehabilitation; and

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to September 10, 2001, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before September 10, 2001, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23216, a request for a hearing before the Commission with respect to the proposed suspension of Defendant's license.

CASE NO. INS010197
SEPTEMBER 14, 2001

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

ORDER SUSPENDING LICENSE

WHEREAS, for the reasons stated in an order entered herein August 29, 2001, Defendant was ordered to take notice that the Commission would enter an order subsequent to September 10, 2001, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before September 10, 2001, 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. INS010230
OCTOBER 11, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
PROGRESSIVE AMERICAN INSURANCE COMPANY,
PROGRESSIVE CASUALTY INSURANCE COMPANY,
PROGRESSIVE CLASSIC INSURANCE COMPANY,
PROGRESSIVE NORTHERN INSURANCE COMPANY,
PROGRESSIVE NORTHWESTERN INSURANCE COMPANY,
and
PROGRESSIVE SPECIALTY 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 as follows: Progressive American Insurance Company violated §§ 38.2-510 A, 38.2-510 C, 38.2-512 A, 38.2-610 A, 38.2-1812, 38.2-1822, 38.2-1905 A, 38.2-1906 D, 38.2-2208, 38.2-2212, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D; Progressive Casualty Insurance Company violated §§ 38.2-510 A, 38.2-512 A, 38.2-1812, 38.2-1822, 38.2-1833, 38.2-1905 A, 38.2-1906 D, 38.2-2014, 38.2-2206 A, 38.2-2208, 38.2-2210, 38.2-2212, 38.2-2214, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D; Progressive Classic Insurance Company violated §§ 38.2-510 A 10, 38.2-512 A, 38.2-610 A, 38.2-1318, 38.2-1822, 38.2-1833, 38.2-2212, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D; Progressive Northern Insurance Company violated §§ 38.2-510 A 10, 38.2-510 C, 38.2-1905 A, 38.2-1906 D, 38.2-2208, 38.2-2212, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-40 A, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D; Progressive Northwestern Insurance Company violated §§ 38.2-510 A 10, 38.2-512 A, 38.2-1318, 38.2-1822, 38.2-1833, 38.2-1906 D, 38.2-2208, 38.2-2212, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-30, 14 VAC 5-400-40 A, and 14 VAC 5-400-70 D; Progressive Specialty Insurance Company violated §§ 38.2-510 A 10, 38.2-512 A, 38.2-1822, 38.2-1833, 38.2-1905 A, 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 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D;

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

IT FURTHER APPEARING that Defendants have been advised of their right to a hearing in this matter, whereupon Defendants, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein Defendants have tendered to the Commonwealth of Virginia the sum of twenty-three thousand dollars ($23,000), 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) Progressive American Insurance Company cease and desist from any conduct that constitutes a violation of §§ 38.2-510 A, 38.2-510 C, 38.2-512 A, 38.2-610 A, 38.2-1812, 38.2-1822, 38.2-1905 A, 38.2-1906 D, 38.2-2208, 38.2-2212, or 38.2-2220 of the Code of Virginia, or 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-70 D, or 14 VAC 5-400-80 D; Progressive Casualty Insurance Company cease and desist from any conduct that constitutes a violation of §§ 38.2-510 A, 38.2-512 A, 38.2-1812, 38.2-1822, 38.2-1833, 38.2-1905 A, 38.2-1906 D, 38.2-2014, 38.2-2206 A, 38.2-2208, 38.2-2210, 38.2-2212, 38.2-2214, or 38.2-2220 of the Code of Virginia, or 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-70 D, or 14 VAC 5-400-80 D; Progressive Classic Insurance Company cease and desist from any conduct that constitutes a violation of §§ 38.2-510 A 10, 38.2-512 A, 38.2-610 A, 38.2-1318, 38.2-1822, 38.2-1833, 38.2-2212, or 38.2-2220 of the Code of Virginia, or 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-70 D, or 14 VAC 5-400-80 D; Progressive Northern Insurance Company cease and desist from any conduct that constitutes a violation of §§ 38.2-510 A 10, 38.2-510 C, 38.2-1905 A, 38.2-1906 D, 38.2-2208, 38.2-2212, or 38.2-2220 of the Code of Virginia, or 14 VAC 5-400-40 A, 14 VAC 5-400-70 D, or 14 VAC 5-400-80 D; Progressive Northwestern Insurance Company cease and desist from any conduct that constitutes a violation of §§ 38.2-510 A 10, 38.2-512 A, 38.2-1318, 38.2-1822, 38.2-1833, 38.2-1906 D, 38.2-2208, 38.2-2212, or 38.2-2220 of the Code of Virginia, or 14 VAC 5-400-30, 14 VAC 5-400-40 A, or 14 VAC 5-400-70 D; Progressive Specialty Insurance Company cease and desist from any conduct that constitutes a violation of §§ 38.2-510 A 10, 38.2-

512 A, 38.2-1822, 38.2-1833, 38.2-1905 A, 38.2-1906 D, 38.2-2206 A, 38.2-2212, or 38.2-2220 of the Code of Virginia, or 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-70 D, or 14 VAC 5-400-80 D; and

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

CASE NO. INS010231
OCTOBER 24, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
HARTFORD FIRE INSURANCE COMPANY,
HARTFORD INSURANCE COMPANY OF THE MIDWEST,
HARTFORD UNDERWRITERS INSURANCE COMPANY,
and
TWIN CITY FIRE INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

IT APPEARING from a market conduct investigation 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 as follows: Hartford Fire Insurance Company violated §§ 38.2-305 A, 38.2-317 A, 38.2-510 A 1, 38.2-510 A 10, 38.2-604 A, 38.2-1906 D, 38.2-2014, 38.2-2113, 38.2-2120, 38.2-2208, 38.2-2212, 38.2-2220, and 38.2-2223 of the Code of Virginia; Hartford Insurance Company of the Midwest violated §§ 38.2-305 A, 38.2-510 A 1, 38.2-510 A 10, 38.2-604 A, 38.2-610 A, 38.2-1822, 38.2-1833, 38.2-1906 D, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2120, 38.2-2206 A, 38.2-2220, 38.2-2223, and 38.2-2230 of the Code of Virginia, as well as 14 VAC 5-400-30, 14 VAC 5-400-40 A, and 14 VAC 5-400-70 D; Hartford Underwriters Insurance Company violated §§ 38.2-305 A, 38.2-317 A, 38.2-510 A 1, 38.2-510 A 10, 38.2-604 A, 38.2-1318, 38.2-1812, 38.2-1822, 38.2-1833, 38.2-1906 D, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2120, 38.2-2208, 38.2-2212, 38.2-2220, and 38.2-2223 of the Code of Virginia, as well as 14 VAC 5-400-30, 14 VAC 5-400-40 A, and 14 VAC 5-400-70 D; and Twin City Fire Insurance Company violated §§ 38.2-305 A, 38.2-317 A, 38.2-510 A 1, 38.2-510 A 10, 38.2-510 C, 38.2-604 A, 38.2-610 A, 38.2-1812, 38.2-1833, 38.2-1906 D, 38.2-2014, 38.2-2113, 38.2-2120, 38.2-2208, 38.2-2212, 38.2-2220, and 38.2-2223 of the Code of Virginia, as well as 14 VAC 5-400-30 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 thirty thousand dollars ($30,000), 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) Hartford Fire Insurance Company cease and desist from any conduct which constitutes a violation of §§ 38.2-305 A, 38.2-317 A, 38.2-510 A 1, 38.2-510 A 10, 38.2-604 A, 38.2-1906 D, 38.2-2014, 38.2-2113, 38.2-2120, 38.2-2208, 38.2-2212, 38.2-2220, or 38.2-2223 of the Code of Virginia; Hartford Insurance Company of the Midwest 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, 38.2-604 A, 38.2-610 A, 38.2-1822, 38.2-1833, 38.2-1906 D, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2120, 38.2-2206 A, 38.2-2220, 38.2-2223, or 38.2-2230 of the Code of Virginia, or 14 VAC 5-400-30, 14 VAC 5-400-40 A, or 14 VAC 5-400-70 D; Hartford Underwriters Insurance Company cease and desist from any conduct which constitutes a violation of §§ 38.2-305 A, 38.2-317 A, 38.2-510 A 1, 38.2-510 A 10, 38.2-604 A, 38.2-1318, 38.2-1812, 38.2-1822, 38.2-1833, 38.2-1906 D, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2120, 38.2-2208, 38.2-2212, 38.2-2220, or 38.2-2223 of the Code of Virginia, or 14 VAC 5-400-30, 14 VAC 5-400-40 A, or 14 VAC 5-400-70 D; and Twin City Fire Insurance Company cease and desist from any conduct which constitutes a violation of §§ 38.2-305 A, 38.2-317 A, 38.2-510 A 1, 38.2-510 A 10, 38.2-510 C, 38.2-604 A, 38.2-610 A, 38.2-1812, 38.2-1833, 38.2-1906 D, 38.2-2014, 38.2-2113, 38.2-2120, 38.2-2208, 38.2-2212, 38.2-2220, or 38.2-2223 of the Code of Virginia, or 14 VAC 5-400-30 or 14 VAC 5-400-70 D; and

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

CASE NO. INS010233
SEPTEMBER 21, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
LISNER ESCROW AND TITLE, 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, in a certain instance, violated § 6.1-2.21 of the Code of Virginia by failing to provide the Commission with a copy of Defendant's analysis or audit report of its escrow account;

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 violation 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 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 August 7, 2001, 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 of the Code of Virginia by failing to provide the Commission with a copy of Defendant's analysis or audit report of its escrow 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 license 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. INS010247
SEPTEMBER 21, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
DIANA DURRAH,
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 § 38.2-1819 of the Code of Virginia by failing to make a written application to the Commission in the form and containing the information the Commission prescribes;

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 certified letter dated August 15, 2001, 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 § 38.2-1819 of the Code of Virginia by failing to make a written application to the Commission in the form and containing the information the Commission prescribes;

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. INS010248
SEPTEMBER 21, 2001

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 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, 14 VAC 5-200-30, 14 VAC 5-200-40, 14 VAC 5-200-70, 14 VAC 5-200-75, 14 VAC 5-200-80, 14 VAC 5-200-160, and 14 VAC 5-200-175, add new Forms A and E, and designate current Forms A, B, and C to be Forms B, C, and D, respectively, as well as amend the newly designated Form B;

WHEREAS, the proposed revisions reflect amendments which clarify disclosure requirements in connection with policy renewability, provide disclosure requirements in connection with rating practices, clarify that copies of advertisements must be provided to the Commission, and provide that the Bureau of Insurance may amend the forms attached to these Rules; and

WHEREAS, the Commission is of the opinion that the proposed revisions should be considered for adoption with a proposed effective date of February 1, 2002;

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, 14 VAC 5-200-30, 14 VAC 5-200-40, 14 VAC 5-200-70, 14 VAC 5-200-75, 14 VAC 5-200-80, 14 VAC 5-200-160, and 14 VAC 5-200-175, add new Forms A and E, and designate current Forms A, B, and C to be Forms B, C, and D, respectively, as well as amend the newly designated Form B, 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 October 31, 2001, in writing with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218 and shall refer to Case No. INS010248;

(3) If no written request for a hearing on the proposed revisions is filed on or before October 31, 2001, 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, 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 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 by forwarding a copy of this Order, together with a draft of the proposed revisions, to the Virginia Registrar of Regulations for appropriate publication in the Virginia Register of Regulations; 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 Attachment A entitled "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. INS010248
NOVEMBER 9, 2001

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 September 21, 2001, all interested persons were ordered to take notice that the Commission would consider the entry of an order subsequent to October 31, 2001, adopting revisions proposed by the Bureau of Insurance to the Commission's Rules Governing Long-Term Care Insurance, unless on or before October 31, 2001, any person objecting to the adoption of the proposed revisions filed a request for a hearing with the Clerk of the Commission;

WHEREAS, the September 21, 2001, Order also required all interested persons to file their comments in support of or in opposition to the proposed revisions on or before October 31, 2001;

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 October 31, 2001, by AARP, expressing its support for the proposed revisions, but noting that the renewability provisions under 14 VAC 5-200-70 A are required, not optional as indicated in the proposed revisions;

WHEREAS, a comment was filed with the Clerk of the Commission on November 1, 2001, by the Health Insurance Association of America ("HIAA"), recommending that the Commission fully adopt the Long-Term Care Insurance Model Regulation endorsed by the National Association of Insurance Commissioners, including the rate stabilization provisions, rather than only the consumer disclosure provisions of the Model as proposed by the Bureau of Insurance;

WHEREAS, the Bureau has reviewed the comment filed by AARP and has recommended an amendment to 14 VAC 5-200-70 A in response to AARP's comment;

WHEREAS, the Bureau has reviewed the comment filed by HIAA and has recommended that there be no amendment in response to HIAA's comment, and has further recommended that the proposed revisions, as amended pursuant to the immediately preceding paragraph, be adopted; and

THE COMMISSION, having considered the proposed revisions, the filed comments, and the Bureau's response and recommendations thereto, is of the opinion that the proposed revisions as amended 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, 14 VAC 5-200-30, 14 VAC 5-200-40, 14 VAC 5-200-70, 14 VAC 5-200-80, 14 VAC 5-200-160, and 14 VAC 5-200-175, add a new rule at 14 VAC 5-200-75, add new Forms A and E, and designate current Forms A, B, and C to be Forms B, C, and D, respectively, as well

as amend the newly designated Form B, and which are attached hereto and made a part hereof, should be, and they are hereby, ADOPTED to be effective February 1, 2002;

(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 by forwarding a copy of this Order, including a copy of the attached revised rules, to the Virginia Registrar of Regulations for appropriate publication in the Virginia Register of Regulations; and

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

NOTE: A copy of Attachment A entitled "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. INS010249
OCTOBER 24, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
GROUP HOSPITALIZATION & MEDICAL SERVICES, INC.,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a health services plan in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-3407.15 B 1, 38.2-3407.15 B 2, 38.2-3407.15 B 3, 38.2-3407.15 B 4, 38.2-3407.15 B 5, 38.2-3407.15 B 6, 38.2-3407.15 B 7, and 38.2-3407.15 B 9 of the Code of Virginia;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-4214 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 twelve thousand dollars ($12,000) 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. INS010250
OCTOBER 24, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CAREFIRST BLUECHOICE, 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 §§ 38.2-3407.15 B 1, 38.2-3407.15 B 2, 38.2-3407.15 B 3, 38.2-3407.15 B 4, 38.2-3407.15 B 5, 38.2-3407.15 B 6, 38.2-3407.15 B 7, and 38.2-3407.15 B 9 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 twelve thousand dollars ($12,000) 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. INS010251
NOVEMBER 7, 2001

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated subsection 1 of § 38.2-502, subsection 7 of § 38.2-606, subsection 8 of § 38.2-606, and §§ 38.2-316 B, 38.2-316 C, 38.2-503, 38.2-510 A 5, 38.2-510 A 14, 38.2-610, 38.2-1812 A, 38.2-1833 A, 38.2-1834 C, 38.2-3115 B, and 38.2-3407.4 of the Code of Virginia, as well as 14 VAC 5-40-40 A 4, 14 VAC 5-40-40 A 6, 14 VAC 5-400-30, 14 VAC 5-400-50 A, 14 VAC 5-400-60 A, 14 VAC 5-400-60 B, 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 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-one thousand dollars ($41,000), waived its right to a hearing, and agreed to the entry by the Commission of a cease and desist order; and

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

IT IS ORDERED THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of subsection 1 of § 38.2-502, subsection 7 of § 38.2-606, subsection 8 of § 38.2-606, or §§ 38.2-316 B, 38.2-316 C, 38.2-503, 38.2-510 A 5, 38.2-510 A 14, 38.2-610, 38.2-1812 A, 38.2-1833 A, 38.2-1834 C, 38.2-3115 B, or 38.2-3407.4 of the Code of Virginia, or 14 VAC 5-40-40 A 4, 14 VAC 5-40-40 A 6, 14 VAC 5-400-30, 14 VAC 5-400-50 A, 14 VAC 5-400-60 A, 14 VAC 5-400-60 B, 14 VAC 5-400-70 A, or 14 VAC 5-400-70 D of the Code of Virginia; and

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

CASE NO. INS010252
NOVEMBER 20, 2001

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated subsection 1 of § 38.2-502 and § 38.2-503 of the Code of Virginia, as well as 14 VAC 5-90-50 B, 14 VAC 5-90-60 A 2, 14 VAC 5-90-90 A, 14 VAC 5-90-160, and 14 VAC 5-200-160;

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) 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. INS010253
OCTOBER 19, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
GE LIFE AND ANNUITY ASSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated subsection 1 of § 38.2-502, subsection 2 of § 38.2-508, and §§ 38.2-316 B, 38.2-316 C, 38.2-503, 38.2-511, 38.2-610, and 38.2-1834 C of the Code of Virginia, as well as 14 VAC 5-30-60 2 b, 14 VAC 5-40-40 A 1, 14 VAC 5-40-40 A 3, 14 VAC 5-40-40 A 6, 14 VAC 5-40-40 B 6, 14 VAC 5-40-40 D 3, 14 VAC 5-40-40 E 2, 14 VAC 5-40-40 F 1, 14 VAC 5-40-40 F 3, 14 VAC 5-40-40 F 8, 14 VAC 5-70-110, 14 VAC 5-70-140, 14 VAC 5-90-70, 14 VAC 5-180-50 C 2, 14 VAC 5-180-50 C 3, 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 has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of twenty-four thousand dollars ($24,000), 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 2 of § 38.2-508, or §§ 38.2-316 B, 38.2-316 C, 38.2-503, 38.2-511, 38.2-610, or 38.2-1834 C of the Code of Virginia, or 14 VAC 5-30-60 2 b, 14 VAC 5-40-40 A 1, 14 VAC 5-40-40 A 3, 14 VAC 5-40-40 A 6, 14 VAC 5-40-40 B 6, 14 VAC 5-40-40 D 3, 14 VAC 5-40-40 E 2, 14 VAC 5-40-40 F 1, 14 VAC 5-40-40 F 3, 14 VAC 5-40-40 F 8, 14 VAC 5-70-110, 14 VAC 5-70-140, 14 VAC 5-90-70, 14 VAC 5-180-50 C 2, 14 VAC 5-180-50 C 3 or 14 VAC 5-400-60 B; and

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

CASE NO. INS010254
OCTOBER 24, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CONTINENTAL INSURANCE COMPANY
and
FIDELITY AND CASUALTY COMPANY OF NEW YORK,
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 as follows: Continental Insurance Company violated §§ 38.2-304, 38.2-305 A, 38.2-510 A 1, 38.2-510 A 14, 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, 38.2-2113, 38.2-2114, 38.2-2125, 38.2-2202 B, 38.2-2208, 38.2-2212, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-40 A, 14 VAC 5-400-70 A, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D; Fidelity and Casualty Company of New York violated §§ 38.2-510 A 1, 38.2-510 A 14, 38.2-510 C, 38.2-1906 D, 38.2-2113, 38.2-2114, 38.2-2125, 38.2-2208, 38.2-2212, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-40 A, 14 VAC 5-400-70 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 twenty-one thousand dollars ($21,000), waived their right to a hearing, and agreed to the entry by the Commission of a cease and desist order; and

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

IT IS ORDERED THAT:

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

(2) Continental Insurance Company cease and desist from any conduct which constitutes a violation of §§ 38.2-304, 38.2-305 A, 38.2-510 A 1, 38.2-510 A 14, 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, 38.2-2113, 38.2-2114, 38.2-2125, 38.2-2202 B, 38.2-2208, 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; Fidelity and Casualty Company of New York cease and desist from any conduct which constitutes a violation of §§ 38.2-510 A 1, 38.2-510 A 14, 38.2-510 C, 38.2-1906 D, 38.2-2113, 38.2-2114, 38.2-2125, 38.2-2208, 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; and

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

CASE NO. INS010255
OCTOBER 24, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
HARLEYSVILLE MUTUAL INSURANCE COMPANY
and
HURON 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 as follows: Harleysville Mutual Insurance Company violated §§ 38.2-305 A, 38.2-317, 38.2-510 A 10, 38.2-610 A, 38.2-1812, 38.2-1822, 38.2-1906 D, 38.2-2113, 38.2-2114, 38.2-2206 A, 38.2-2208, 38.2-2210, 38.2-2212, 38.2-2220, and 38.2-2223 of the Code of Virginia, as well as 14 VAC 5-400-40 A and 14 VAC 5-400-70 D; and Huron Insurance Company violated §§ 38.2-317, 38.2-510 A 10, 38.2-610 A, 38.2-1822, 38.2-1906 D, 38.2-2113, 38.2-2114, 38.2-2206 A, 38.2-2208, 38.2-2212, 38.2-2220, and 38.2-2223 of the Code of Virginia, as well as 14 VAC 5-400-40 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-one thousand dollars ($21,000) 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. INS010264
OCTOBER 9, 2001

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

ORDER TO TAKE NOTICE

WHEREAS, § 38.2-1038 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 in a condition that any further transaction of business in this Commonwealth is hazardous to its policyholders, creditors, and public in this Commonwealth;

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

WHEREAS, by order issued August 30, 2001, by the Insurance Commissioner of the State of Florida, certain payments totaling more than $35 million made by Defendant to its corporate parent, without the approval of the Florida Department of Insurance, were found to constitute "an immediate hazard to the policyholders and the public, and [demonstrate] a lack of fitness or trustworthiness to transact insurance";

WHEREAS, Defendant's surplus as regards policyholders declined from $29,598,500 at July 1, 2000, to $15,812,961 at June 30, 2001;

WHEREAS, Defendant sustained a net loss of $4,339,106 for the six months ended June 30, 2001, and net losses of $6,557,258, $19,232,186, and $8,121,830 for the calendar years ended December 31, 2000, 1999, and 1998, respectively; 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 the foregoing indicates 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 October 19, 2001, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before October 19, 2001, 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. INS010265
OCTOBER 5, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ADVANCE SETTLEMENTS AND TITLE SERVICES, LC,
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 § 6.1-2.21 of the Code of Virginia by failing to provide the Commission with a copy of Defendant's analysis or audit report of its escrow account;

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 violation 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 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 10, 2001, 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 of the Code of Virginia by failing to provide the Commission with a copy of Defendant's analysis or audit report of its escrow 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 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. INS010267
OCTOBER 31, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CARILION 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 §§ 38.2-316 A, 38.2-316 B, 38.2-316 C, 38.2-503, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A 1, 38.2-1834 C, 38.2-4306.1, 38.2-4306 B 1, and 38.2-4313 of the Code of Virginia, as well as 14 VAC 5-210-70 B 2, 14 VAC 5-210-70 C, 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 six thousand dollars ($6,000) 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. INS010270
OCTOBER 26, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Revisions to the Rules Governing Health Maintenance Organizations

ORDER TO TAKE NOTICE

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

WHEREAS, the rules and regulations issued by the Commission pursuant to § 38.2-223 of the Code of Virginia are set forth in Title 14 of the Virginia Administrative Code;

WHEREAS, the Bureau of Insurance has submitted to the Commission a proposed revision to Chapter 210 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Health Maintenance Organizations," which amends the rule at 14 VAC 5-210-70;

WHEREAS, the proposed revision clarifies that the provisions of subsection C of 14 VAC 5-210-70 do not apply to certain Family Access to Medical Insurance Security ("FAMIS") Plans that are underwritten by a health maintenance organization; and

WHEREAS, the Commission is of the opinion that the proposed revision should be considered for adoption with a proposed effective date of December 1, 2001;

THEREFORE, IT IS ORDERED THAT:

(1) The proposed revision to the "Rules Governing Health Maintenance Organizations," which amends the rule at 14 VAC 5-210-70, 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 revision shall file such comments or hearing request on or before November 26, 2001, in writing with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218 and shall refer to Case No. INS010270;

(3) If no written request for a hearing on the proposed revision is filed on or before November 26, 2001, the Commission, upon consideration of any comments submitted in support of or in opposition to the proposed revision, may adopt the revision proposed by the Bureau of Insurance;

(4) AN ATTESTED COPY hereof, together with a copy of the proposed revision, 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 proposed adoption of the revision to the rules by mailing a copy of this Order, together with a draft of the proposed revision, to all persons licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia; and by forwarding a copy of this Order, together with a draft of the proposed revision, to the Virginia Registrar of Regulations for appropriate publication in the Virginia Register of Regulations; 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 Attachment A entitled "Chapter 210. Rules Governing Health Maintenance Organizations" 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. INS010270
NOVEMBER 27, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Revisions to the Rules Governing Health Maintenance Organizations

ORDER ADOPTING REVISION TO RULES

WHEREAS, by order entered herein October 26, 2001, all interested persons were ordered to take notice that the Commission would consider the entry of an order subsequent to November 26, 2001, adopting a revision proposed by the Bureau of Insurance to the Commission's Rules Governing Health Maintenance Organizations, unless on or before November 26, 2001, any person objecting to the adoption of the proposed revision filed a request for a hearing with the Clerk of the Commission;

WHEREAS, the October 26, 2001, Order also required all interested persons to file their comments in support of or in opposition to the proposed revision on or before November 26, 2001;

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;

WHEREAS, the Bureau has recommended that the proposed revision be adopted; and

THE COMMISSION, having considered the proposed revision and the Bureau's recommendation, is of the opinion that the proposed revision should be adopted;

THEREFORE, IT IS ORDERED THAT:

(1) The revision to Chapter 210 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Health Maintenance Organizations," which amends the rule at 14 VAC 5-210-70, and which is attached hereto and made a part hereof, should be, and it is hereby, ADOPTED to be effective December 1, 2001;

(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 revision to the rules by mailing a copy of this Order, together with a clean copy of the revised rule, to all persons licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia; and by forwarding a copy of this Order, including a copy of the attached revised rule, to the Virginia Registrar of Regulations for appropriate publication in the Virginia Register of Regulations; and

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

NOTE: A copy of Attachment A entitled "Rules Governing Health Maintenance Organizations" 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. INS010271
NOVEMBER 20, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AMERITAS LIFE INSURANCE CORPORATION,
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 subsections 1 through 9 of § 38.2-3407.15 B of the Code of Virginia by failing to include in its provider contracts specific provisions requiring 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 9 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 nine thousand dollars ($9,000) 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. INS010275
DECEMBER 13, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
THE FIDELITY MUTUAL LIFE INSURANCE COMPANY, IN REHABILITATION,
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, has violated § 58.1-2501 of the Code of Virginia by underpaying certain of its taxes owed for the years 1992 through 2000 in connection with the transaction of its insurance business in the Commonwealth 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 one hundred sixty-three thousand one hundred forty-two dollars ($163,142) and waived its right to a hearing;

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission release and forever discharge Defendant, its successors and assigns, each of Defendant's past and present divisions, subsidiaries, parents, directors and officers, the Rehabilitator of Defendant, her predecessors and successors as Rehabilitator of Defendant, the Insurance Commissioner of the Commonwealth of Pennsylvania, her predecessors and successors in that office, the Insurance Department of the Commonwealth of Pennsylvania, and each of their past attorneys, consultants, agents, representatives and employees (collectively, the "Releasees"), from any and all liability, obligations, claims, demands, and causes of action whether asserted or unasserted, known or unknown, liquidated or unliquidated arising out of or related in any way to outstanding taxes of any kind owed by Defendant for the privilege of transacting its insurance business in the Commonwealth of Virginia for the years 1992 through 2000, and for any interest or penalty applicable to the quarterly estimated taxes for 2001 through the date of entry of this Settlement Order;

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission waive and not assert against Releasees any claims, demands, liabilities, obligations or causes of action on account of any interest, penalties, late charges, costs or attorneys' fees, or any other damages accruing on the above stated amount since the commencement of Defendant's rehabilitation;

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the above amount in full satisfaction of any liens, warrants, garnishments, and levies whether recorded or unrecorded, filed or unfiled, and has agreed to release and revoke any such liens, warrants, garnishments or levies related in any way to outstanding taxes of any kind owed by Defendant for the years 1992 through 2000 and for any interest or penalty applicable to the quarterly estimated taxes for 2001 through the date of entry of this Settlement Order;

IT FURTHER APPEARING that the Bureau of Insurance has recommended that upon approval of a plan for the rehabilitation of Defendant by the Commonwealth Court of Pennsylvania, which provides for the transfer of substantially all of Defendant's assets to its indirect subsidiary, Fidelity Life Insurance Company ("Fidelity Life"), Defendant shall be allowed to transfer to Fidelity Life any credits shown on the books and records of Defendant, as of the date of such transfer, which are based on assessments from the Virginia Life, Accident & Sickness Guaranty Association paid by Defendant, and that Fidelity Life shall be permitted to offset those transferred credits against its future tax liabilities as if the assessments had been paid by Fidelity Life; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant and the foregoing recommendations of the Bureau of Insurance 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 and the recommendations of the Bureau of Insurance in settlement of the matters set forth herein be, and they are hereby, accepted; and

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

CASE NO. INS010276
DECEMBER 18, 2001

APPLICATION OF
CONSUMERS LIFE INSURANCE COMPANY
and
AMERICAN REPUBLIC INSURANCE COMPANY

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

ORDER APPROVING APPLICATION

WHEREAS, by application filed with the Commission on November 6, 2001, Consumers Life Insurance Company, a Delaware-domiciled insurer ("Consumers") and American Republic Insurance Company, an Iowa-domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia ("American Republic"), requested approval of an assumption reinsurance and novation agreement pursuant to § 38.2-136 C of the Code of Virginia, whereby American Republic would assume certain credit insurance policies and certificates of Consumers;

WHEREAS, Consumers formerly was licensed to transact the business of insurance in the Commonwealth of Virginia; however, such license was suspended by Order Suspending License entered herein on August 2, 1999, in Case No. INS990181;

WHEREAS, the Delaware Department of Insurance, the domiciliary regulator of Consumers, has approved the assumption reinsurance and novation agreement, as evidenced by the letter of the authorized designee of the Delaware Commissioner of Insurance dated November 16, 2001, and filed with the Commission's Bureau of Insurance;

WHEREAS, the Iowa Commissioner of Insurance, the domiciliary regulator of American Republic, has approved the transaction, including the assumption reinsurance and novation agreement, as evidenced by the Order of the Insurance Commissioner and Attorney General for the State of Iowa dated November 13, 2001, and filed with the Commission's Bureau of Insurance;

WHEREAS, supplemental information to the application was filed with the Commission on November 27, 2001;

WHEREAS, Consumers has waived its right to a hearing pursuant to § 38.2-136 C of the Code of Virginia, as evidenced by the Waiver of Hearing of Consumers, dated November 21, 2001, and filed with the Commission on November 27, 2001;

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

CASE NO. INS010279
DECEMBER 18, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
NEW HAMPSHIRE INDEMNITY COMPANY, INC.,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-610 A, 38.2-1812, 38.2-1822, 38.2-1833, 38.2-1905 A, 38.2-1906 D, 38.2-2206 A, 38.2-2212, and 38.2-2214 of the Code of Virginia, as well as 14 VAC 5-400-40 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 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 eleven thousand dollars ($11,000), 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 §§ 38.2-610 A, 38.2-1812, 38.2-1822, 38.2-1833, 38.2-1905 A, 38.2-1906 D, 38.2-2206 A, 38.2-2212, or 38.2-2214 of the Code of Virginia, or 14 VAC 5-400-40 A or 14 VAC 5-400-70 D of the Code of Virginia; and

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

CASE NO. INS010280
DECEMBER 18, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Revisions to the Rules Governing Insurance Premium Finance Companies

ORDER TO TAKE NOTICE

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

WHEREAS, the rules and regulations issued by the Commission pursuant to § 38.2-223 of the Code of Virginia are set forth in Title 14 of the Virginia Administrative Code;

WHEREAS, the Bureau of Insurance has submitted to the Commission proposed revisions to Chapter 390 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Insurance Premium Finance Companies," which amend the rules at 14 VAC 5-390-20 through 14 VAC 5-390-40; and

WHEREAS, the Commission is of the opinion that the proposed revisions should be considered for adoption with a proposed effective date of February 1, 2002;

THEREFORE, IT IS ORDERED THAT:

(1) The proposed revisions to the "Rules Governing Insurance Premium Finance Companies," which amend the rules at 14 VAC 5-390-20 through 14 VAC 5-390-40, 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 January 20, 2002, in writing with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218 and shall refer to Case No. INS010280;

(3) If no written request for a hearing on the proposed revisions is filed on or before January 20, 2002, 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, shall be sent by the Clerk of the Commission to the Bureau of Insurance in care of Deputy Commissioner Mary M. Bannister, 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 persons licensed by the Commission to transact the business of an insurance premium finance company in the Commonwealth of Virginia and to all persons licensed by the Commission to transact the business of a property and casualty insurance company in the Commonwealth of Virginia; and by forwarding a copy of this Order, together with a draft of the proposed revisions, to the Virginia Registrar of Regulations for appropriate publication in the Virginia Register of Regulations; 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 Attachment A entitled "Chapter 390. Rules Governing Insurance Premium Finance Companies" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS010284
DECEMBER 14, 2001

APPLICATION OF
RELIANCE 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 November 15, 2001, Reliance Insurance Company, In Liquidation ("Reliance"), by its Liquidator, the Insurance Commissioner of the Commonwealth of Pennsylvania, filed with the Commission an application requesting approval of a certain settlement agreement dated October 29, 2001, pursuant to § 38.2-1136 C of the Code of Virginia, whereby Combined Insurance Company of America, a New York-domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia ("Combined") would assume certain policies of Reliance covering Virginia resident policyholders;

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 Reliance Insurance Company, In Liquidation, for approval of the assumption reinsurance as set forth in the settlement agreement pursuant to § 38.2-136 C of the Code of Virginia be, and it is hereby, APPROVED.

CASE NO. INS010286
DECEMBER 7, 2001

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in a certain instance, violated § 38.2-610 of the Code of Virginia, as well as the Cease and Desist Order entered by the Commission in Case No. INS970220, by failing to give to an applicant for insurance written notice of an adverse underwriting decision in the form approved by the Commission;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged 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 eighteen thousand dollars ($18,000), 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 § 38.2-610 of the Code of Virginia; and

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

DIVISION OF PUBLIC SERVICE TAXATION

CASE NO. PST990004
JULY 5, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
DELTA RESOURCES, INC.,
Complainant,
v.
VIRGINIA ELECTRIC AND POWER COMPANY,
Defendant

FINAL ORDER DISMISSING COMPLAINT

On December 6, 1999, Delta Resources, Inc. ("Delta") a Tennessee corporation owning coal reserves in Southwestern Virginia, filed with the State Corporation Commission ("Commission") a formal complaint against Virginia Electric and Power Company ("Virginia Power"), a Virginia public service company engaged in the business of furnishing electric power. Delta challenges Virginia Power's use of the Virginia Coal Employment and Production Incentive Tax Credit (the "Tax Credit")[1] in connection with purchases of Virginia-produced coal for resale.

The Tax Credit statute, § 58.1-2626.1 of the Code of Virginia, affords to "every corporation in the Commonwealth doing the business of furnishing water, heat, light or power . . ., whether by means of electricity, gas or steam . . . a credit against the tax imposed by § 58.1-2626 . . . ." Section 58.1-2626 presently imposes on such corporations an annual license tax based on their gross receipts. Section 58.1-2626.1 prescribes the amount of the credit, which is based on "each ton of coal contracted for and consumed by such corporation . . . ."[2]

Section 58.1-2626.1 was amended at the 2000 Session of the General Assembly. Prior to the 2000 amendment, the phrase "and consumed" did not appear in the Tax Credit statute. The Act, as amended, directs that the new provision "shall be effective for tax years beginning on and after January 1, 2001."[3] The Act further states that "[t]hese provisions shall not, however, be applicable to any contracts to purchase coal whose bid closing dates are before the introduction date of this bill."[4]

By Preliminary Order of December 15, 1999, the Commission docketed Delta's formal complaint pursuant to former Rule 5:6 of the Commission's Rules of Practice and Procedure[5] and, among other things, directed Virginia Power to file a response and assigned the matter to a Hearing Examiner to conduct all further proceedings.

The pleadings filed in this matter subsequent to Delta's initial formal complaint include: Virginia Power's motion to dismiss; Delta's reply to the motion to dismiss and an amended complaint filed by Delta on February 11, 2000; Virginia Power's motion to dismiss Delta's amended complaint; and Delta's reply to the motion to dismiss its amended complaint.

Delta asserts in its amended complaint that Virginia Power engages in the purchase of Virginia-produced coal for resale to out-of-state consumers at a profit and that Delta is aggrieved by these actions. Delta states that Virginia Power has utilized the Tax Credit described above with respect to purchases of coal for resale. Delta asserts that use of the tax credit has given Virginia Power an overwhelming advantage in the coal market against any other party attempting to sell Virginia coal to out-of-state consumers.

According to Delta, the Tax Credit was intended to act as an incentive to utilities in the Commonwealth to consume Virginia coal rather than coal produced in neighboring states; and the statute does not contemplate or intend for the Tax Credit to be used with respect to coal purchased for resale. Delta states that the legislative history of § 58.1-2626.1 of the Code of Virginia makes this point clear. Delta avers that Virginia Power's use of the Tax Credit in connection with coal purchases for resale is unlawful, has caused Delta to suffer substantial damages in the nature of lost royalties by artificially lowering market prices for Virginia coal, and has caused disruption in the markets for Virginia coal.

Delta's amended complaint argues that Virginia Power's use of the Tax Credit as described has violated the Virginia Antitrust Act,[6] the Commerce Clause[7] and Equal Protection Clause[8] of the United States Constitution and that it constitutes an abuse correctable by the Commission pursuant to our authority under §§ 56-35 and 12.1-12 of the Code of Virginia.

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[1] Va. Code § 58.1-2626.1.

[2] Id. (emphasis supplied.)

[3] 2000 Va. Acts ch. 929.

[4] Id. In addition, this Act amended other provisions of Title 58.1 to account for the change from the tax on gross receipts to an income tax for electric suppliers. See Va. Code §§ 58.1-400.2; 58.1-433.1. This change in taxation brought on by the Virginia Electric Utility Restructuring Act, Va. Code § 56-576 et seq., is not pertinent to this proceeding.

[5] The Commission's Rules of Practice and Procedure were amended effective June 1, 2001.

[6] Va. Code § 59.1-9.2 et seq.

[7] U.S. Const., art. I, § 8, cl. 3.

[8] U.S. Const., amend. 14, § 1.

Delta seeks from the Commission a declaration that Virginia Power's use of the Tax Credit for coal for resale is unlawful and a permanent injunction prohibiting such use, as well as a finding that Virginia Power be required to refund the amount of any Tax Credit claimed in connection with Virginia coal it purchased and resold.

Virginia Power moved to dismiss Delta's amended complaint. Virginia Power contends that Delta lacks standing to maintain its claims because it is not an "aggrieved party" qualified to bring a complaint to the Commission pursuant to Rule 5:6. Citing case law of the Virginia Supreme Court and the Commission, Virginia Power avers that Delta lacks the necessary personal, property, or pecuniary right or interest in the level of gross receipts paid by Virginia Power.

Virginia Power states that Delta's claim under the Virginia Antitrust Act fails for a myriad of reasons, including that the Commission lacks jurisdiction over such a claim.

Virginia Power responds to the claim that it has misused the Tax Credit by pointing to the actual language of § 58.1-2626.1.[9] It states that it clearly meets the statutory requirements for claiming the Tax Credit because it is a corporation in the Commonwealth furnishing heat, light, or power to the Commonwealth or its citizens by means of electricity. Moreover, Virginia Power notes that the 2000 amendment requiring consumption of the coal supports its actions because the bill included a "grandfather" provision, providing that the new "and consumed" language is not applicable to contracts to purchase coal whose bid closing dates are before the bill was introduced.

Virginia Power also cites to the October 28, 1999, letter response to Delta's informal complaint by the then Director of the Commission's Division of Public Service Taxation, Mr. A. L. O'Bryan. In the Division's response, Mr. O'Bryan opined that:

> the tax credit has been properly administered according to the provisions of § 58.1-2626.1 of the Code of Virginia. All Virginia Power purchases have been documented and certified as Virginia coal and have been purchased by an electric utility that is subject to the State gross receipts Tax (§ 58.1-2626) and eligible for the coal tax credit (§ 58.1-2626.1).

Finally, Virginia Power contends that Delta lacks standing to bring its constitutional claims, stating, among other things, that private parties are incapable of violating others' constitutional rights.

Delta filed a reply to Virginia Power's motion to dismiss the amended complaint. Claiming that Virginia Power has mischaracterized the basis of Delta's claims and the nature of the harm which Delta has suffered, Delta disputes Virginia Power's assertion that it lacks standing to bring an action before the Commission based upon Virginia Power's alleged misuse of the Tax Credit. Delta emphasizes its claims of disruption to the Virginia coal markets caused by Virginia Power's use of the Tax Credit and notes that it has not claimed any interest in the amount of tax revenues lost by the Commonwealth due to the level of gross tax receipts paid by Virginia Power.

Delta also argues that Virginia Power mischaracterizes its claim "under" the Antitrust Act. Delta states that its claim here is not derived from the Antitrust Act itself but rather that Virginia Power's violation of the Antitrust Act triggers the Commission jurisdiction pursuant to § 56-35 to correct abuses by public service companies such as Virginia Power.

Regarding the actual language of the Tax Credit statute, Delta responds that the only logical construction of the phrase "doing the business of furnishing . . . power to the Commonwealth," in the context of the statute, is that a corporation is entitled to the credit when directly engaged in furnishing or supplying power to the Commonwealth when the power that is supplied is the basis for the claim to the Tax Credit. Delta avers that any other construction would render the limitation to power producers pointless.

Delta contends that the 2000 amendment to the statute confirms its position that the Legislature did not intend to extend the Tax Credit to purchases of coal for resale when it enacted § 58.1-2626.1.

Finally, Delta reasserts its Constitutional claims. It argues that the Tax Credit, as interpreted by Virginia Power, burdens interstate commerce and results directly in it suffering economic damage. It also contends that Virginia Power has used the Tax Credit in a manner that violates the Equal Protection clause because Virginia Power's actions under the statute fail the "rational basis" test. Delta reiterates that both Constitutional claims raise concerns as to Virginia Power's performance of its public duties, warranting inquiry by the Commission pursuant to § 56-35.

Hearing Examiner Michael D. Thomas filed his Report on April 12, 2000, recommending that Delta's amended complaint be dismissed. The Examiner determined that Delta's entire case hinges on the threshold issue of whether Virginia Power was properly entitled to claim the Tax Credit provided by § 58.1-2626.1 of the Code of Virginia prior to its amendment which became effective for tax years beginning on and after January 1, 2001. He reasoned that if Virginia Power was entitled to take the Tax Credit, Delta's antitrust and constitutional claims are rendered moot for failing to state a claim for which relief can be granted. Thus, if there is no "misuse" of the Tax Credit by Virginia Power, there is no basis for these claims against the company.

The Examiner found that the plain language of the Tax Credit statute (prior to the 2000 amendment) does not prohibit the actions complained of in Delta's amended complaint. He observed that while the statute limits the class of corporations that may claim the Tax Credit, it did not limit what those companies must do with the coal they purchased. The Examiner found that § 58.1-2626.1 affords the Tax Credit to water companies even though coal is not consumed in the water production or delivery process. He surmised that in enacting the statute in 1986 the Legislature may have been motivated more to stimulate the production and sale of Virginia coal rather than to provide a tax credit for Virginia public utilities.

In the Hearing Examiner's opinion, the 2000 amendment to § 58.1-2626.1 bolsters Virginia Power's arguments. He noted that the General Assembly clearly evinced its intent that the amendments are to be applied prospectively and they were not intended to impair any existing contract rights.

[9] Virginia Power filed its motion to dismiss before enactment of the amendment to § 58.1-2626.1. However, House Bill 1135 amending the statute had been passed by the General Assembly and was awaiting signature by the Governor at the time of Virginia Power's filing. As will be noted, Virginia Power's motion to dismiss also addressed the implications of this amendment to the statute.

Thus, this eliminated any claim by Delta that Virginia Power "misused" the Tax Credit by reselling Virginia-produced coal for which it had claimed the credit. Without the threshold "misuse," the Examiner could find no basis to support any of Delta's Antitrust, Commerce Clause, or Equal Protection claims.

The parties filed comments on the Hearing Examiner's Report on May 3, 2000. Delta took issue with the Examiner's statutory construction analysis and interpretation of the 2000 amendment to § 58.1-2626.1. The company also reiterated its claim that Virginia Power's use of the Tax Credit constitutes an abuse subject to correction by the Commission pursuant to § 56-35 and that the Commission possesses the inherent regulatory authority to grant the relief Delta requested.

Virginia Power revisited the Tax Credit statutory language, including the amendment, and stated that the Examiner's analysis was correct. Virginia Power agreed the Examiner did not need to address the other claims given his resolution on the threshold issue. The company, however, offered additional arguments on the issue of standing and on the Antitrust Act and Constitutional claims in order to further support its motion to dismiss.

NOW THE COMMISSION, upon consideration of the parties' pleadings, the Hearing Examiner's Report and parties' comments filed thereto, and the applicable law, is of the opinion and finds that the Hearing Examiner's finding and recommendation should be adopted. We will grant Virginia Power's motion to dismiss Delta's complaint.

As § 58.1-2626.1 is written, Delta has pointed to no misuse of the Tax Credit by Virginia Power. Finding no misuse of the Tax Credit, we agree with the Examiner that our inquiry must come to an end. We recognize Delta's arguments that the Commission is charged with the express statutory duty to supervise, regulate, and control public service companies in all matters relating to the performance of their public duties, and to correct any abuses by such companies.[10] We may be obligated to exercise this authority even in instances where such abuses do not constitute acts that would otherwise support independent and discrete causes of action. In this case, however, we cannot find that conduct by Virginia Power that is consistent with a clear and unambiguous statute would warrant our taking such action.

Accordingly, IT IS ORDERED THAT:

(1) The recommendations of the April 12, 2000, Report of Hearing Examiner Michael D. Thomas are adopted.

(2) The motion of Virginia Electric and Power Company to dismiss the amended complaint of Delta Resources, Inc., is granted.

(3) The amended complaint of Delta Resources, Inc., is dismissed, and this matter is stricken from the Commission's docket of active cases.

[10] Va. Code § 56-35.

CASE NO. PST000001
FEBRUARY 22, 2001

APPLICATION OF
APPALACHIAN POWER COMPANY d/b/a AMERICAN ELECTRIC POWER

For correction of assessment of gross receipts taxes and for a refund - Tax Year 2000

ORDER GRANTING REFUND

On November 22, 2000, Appalachian Power Company d/b/a American Electric Power ("Appalachian" or "Company") filed with the State Corporation Commission ("Commission") its Petition for Correction and Application for Refund (hereinafter "Petition") pursuant to § 58.1-2030 of the Code of Virginia. According to its Petition, the Company overstated its reported gross receipts for taxable year 1999, and it is entitled to a refund of state license tax in the amount of $1,007,318.66 and to a refund of special regulatory revenue tax in the amount of $54,539.58 for tax year 2000.

By Order for Docketing and for Notice of December 15, 2000, the Commission docketed this matter and directed Appalachian to give notice of its application to the Attorney General, the Comptroller of the Commonwealth, and the Tax Commissioner. The Company filed proof of service on January 3, 2001. In response to the notice, the Tax Commissioner advised the Commission on January 19, 2001, that the Department of Taxation would not participate in any proceeding.

On February 2, 2001, Appalachian and the Commission Staff filed a joint Motion for Approval of Stipulation. In the Motion, the Company and the Staff noted that notice had been given and that no official would participate in the proceeding. The Company and Staff asked the Commission to accept a stipulation of facts, which would support a refund of overpayments of license and special tax.

Upon review of the record, the Commission finds that proper notice of the application for correction of assessments and for refund has been given. No officials have expressed an intention to participate in this proceeding, and Appalachian has moved for disposition of its application based on the joint stipulation of facts and without a hearing. Accordingly, the Commission finds that a hearing on this matter is not required.

The Commission will grant the joint motion to accept a stipulation, and we accept the accompanying stipulation of agreed facts. According to the stipulation, the Company overstated its gross receipts reported to the Commission as a result of errors in accounting for refunds mandated by this Commission and the Federal Energy Regulatory Commission. The Staff and Appalachian reached agreement on the correct amount of taxable gross receipts and the correct tax assessments. The Commission accepts these computations. Accordingly, the Commission finds that:

(1) For tax year 2000, the Company reported gross receipts of $710,849,207 subject to the state license tax and the special regulatory revenue tax.

(2) The Commission assessed state license tax of $6,887,042.14 and special regulatory revenue tax of $1,279,528.57 for tax year 2000, which the Company paid.

(3) The Company overstated the gross receipts subject to the state license tax and the special regulatory revenue tax; the Company should have reported gross receipts of $660,483,274.

(4) Using the corrected gross receipts, the Company is liable for state license tax of $5,879,723.48 and special regulatory revenue tax of $1,224,988.99 for tax year 2000.

(5) A refund of state license tax for tax year 2000 of $1,007,318.66 and a refund of special regulatory revenue tax for tax year 2000 of $54,539.58 should be made.

ACCORDINGLY, IT IS ORDERED THAT:

(1) As provided by § 58.1-2032 of the Code of Virginia, Appalachian's application for review and correction of assessments for tax year 2000 and for a refund is granted.

(2) Appalachian's assessment of state license tax for tax year 2000 is corrected to $5,879,723.48.

(3) Appalachian's assessment of special regulatory revenue tax for tax year 2000 is corrected to $1,224,988.99.

(4) As provided by § 58.1-2032, a refund of the overpayment of state license tax of $1,007,318.66 is certified to the Comptroller of the Commonwealth.

(5) As provided by § 58.1-2032, a refund of the overpayment of special regulatory revenue tax of $54,539.58 is certified to the Comptroller of the Commonwealth.

(6) The refunds certified in (4) and (5) are without interest.

(7) The Commission's Public Service Taxation Division and Office of Comptroller shall promptly prepare required documents and provide necessary information to the Comptroller of the Commonwealth for payment of the refunds certified in (4) and (5). The refunds shall be made to Appalachian Power Company, Taxpayer Identification No. E-540124790, and sent to Raymond K. Totten, Appalachian Power Company, P.O. Box 2021, Roanoke, Virginia 24022-2121.

(8) This case is dismissed from the Commission's docket.

CASE NO. PST010002
MAY 25, 2001

APPLICATION OF
NEWTON BUS SERVICE, INC.

For correction of special regulatory revenue tax assessment and refund for tax year 2000

ORDER GRANTING APPLICATION

Before the State Corporation Commission ("Commission") is the application of Newton Bus Service, Inc. ("Newton"), for correction of its tax year 2000 assessment of special regulatory revenue tax and for refund of overpayment of special tax. According to Newton, it erroneously reported revenues not subject to the special tax levied pursuant to §§ 58.1-2660 and 58.1-2662 of the Code of Virginia. Newton requests that the Commission correct the assessment and refund the overpayment of $3,475.82 in special tax.

Commission records show that Newton reported $3,033,412 in gross receipts for tax year 2000. The Commission assessed $5,460.14 in special tax for tax year 2000, and issued a bill payable by June 1, 2000. Newton paid the tax on May 17, 2000. Upon review of records and discussions with Newton, it appeared to the Commission's Public Service Taxation Division that gross receipts had been overreported by $1,931,014.26 in revenues from business conducted outside Virginia and that special tax in the amount of $3,475.82 had been incorrectly assessed. Newton filed on May 9, 2001, an application for correction of the assessment and refund of the overpayment.

The Commission finds that, as required by § 58.1-2030 of the Code of Virginia, Newton properly applied for correction of an assessment of tax and refund of tax paid within one year of payment. The Commission further finds that the assessment and refund of special tax does not affect other agencies or jurisdictions. Accordingly, we will act on this application without requiring further notice.

Upon consideration of the application, Commission records, and the results of the Public Service Taxation Division's review, the Commission will grant the application. We find that the taxable gross receipts were overstated and that the assessment should be corrected. The overpayment of the special tax paid should also be refunded.

Accordingly, IT IS ORDERED THAT:

(1) As provided by § 58.1-2030 of the Code of Virginia, Newton's application for correction of special tax assessment and for a refund shall be docketed as Case No. PST010002 and all associated papers shall be filed therein.

(2) Newton's application is granted.

(3) Newton's special tax assessment of $5,460.14 for tax year 2000 is corrected to $1,984.32.

(4) A refund of $3,475.82 in special tax paid for tax year 2000 shall be paid to Newton.

(5) The refund ordered in (4) above shall be paid without interest.

(6) The Commission's Public Service Taxation Division and Office of the Comptroller/Administrative Services shall prepare the appropriate documents and provide necessary information to the Comptroller of the Commonwealth for payment of the refund ordered in (4). Refunds shall be made to Newton Bus Service, Inc., Federal Tax Identification No. E-540808044, and shall be sent to Warren Newton, President, Newton Bus Service, Inc., 6838 Belroi Road, Gloucester, Virginia 23061.

(7) This case be dismissed from the Commission's docket.

DIVISION OF PUBLIC UTILITY ACCOUNTING

CASE NO. PUA000079
MARCH 27, 2001

JOINT PETITION OF
NUI CORPORATION,
VGC ACQUISITION, INC.,
and
VIRGINIA GAS COMPANY

For approval of agreement and plan of merger under Chapter 5 of Title 56 of the Code of Virginia

FINAL ORDER

On September 28, 2000, NUI Corporation ("NUI"), VGC Acquisition, Inc. ("Acquisition"), and Virginia Gas Company ("VGC") (collectively, "Petitioners") filed with the State Corporation Commission ("Commission") a joint petition pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Utility Transfers Act," § 56-88 et seq.) requesting approval of a proposed transaction that would result in the transfer of VGC's ownership and control in each of the following Virginia public service companies regulated by the Commission: Virginia Gas Pipeline Company ("VGPC"), Virginia Gas Storage Company ("VGSC"), and Virginia Gas Distribution Company ("VGDC") (collectively, the "public service companies").

NUI is a multi-state energy sales, services, and distribution company incorporated in New Jersey. It distributes natural gas through regulated operating utilities in New York, New Jersey, Pennsylvania, Maryland, North Carolina, and Florida. NUI also provides, through unregulated subsidiaries, retail gas sales, wholesale energy brokerage, customer information systems, environmental project development, and telecommunications products and services.

Acquisition is a wholly owned subsidiary of NUI incorporated in Delaware and formed for the sole purpose of effecting the proposed merger.

VGC is a Delaware corporation organized in 1987. Either directly or through its subsidiaries and affiliated companies, VGC is primarily engaged in the storage, marketing, distribution, gathering, exploration, and production of natural gas, and the distribution of propane gas. Its principal assets are located in Southwest Virginia.

VGPC is a wholly owned subsidiary of VGC. VGPC provides intrastate natural gas transmission services in the counties of Smyth, Pulaski, and Wythe, and is certificated by the Commission to expand its pipeline service into the counties of Roanoke, Montgomery, and Franklin. VGC owns fifty percent of VGSC, with the remaining fifty percent held by a private investor. VGSC operates an underground storage facility for natural gas in the counties of Scott and Washington. VGC also owns fifty percent of VGDC, with the remaining fifty percent held by a private investor. VGDC provides natural gas distribution services to approximately 300 industrial, commercial, and residential customers in the counties of Russell and Buchanan.

NUI, Acquisition, and VGC entered into an Agreement and Plan of Organization dated June 13, 2000 ("Merger Agreement"). The Merger Agreement provides two possible scenarios for the merger.

The first scenario provides for the merger of VGC into Acquisition with the surviving combined company being VGC, which would then be a wholly owned subsidiary of NUI. After the merger, VGC would retain an identical percentage of ownership interest in the public service companies.

The second possible scenario has NUI reorganizing to a holding company structure. Under this scenario, NUI common stock would be exchanged for common stock of a new entity called NUI Holding Company. VGC would be merged with and into Acquisition, and Acquisition would be the surviving entity as a wholly owned subsidiary of NUI Holding Company.[1] Acquisition would retain an identical percentage of ownership in all of VGC's subsidiary and affiliated companies, including the three Virginia public service companies. This is Petitioners' preferred merger scenario, but is contingent upon the NUI Holding Company reorganization being completed prior to the completion of the merger.

On October 10, 2000, the Commission entered an Order for Notice and Comment wherein, among other things, we directed Petitioners to give notice of the joint petition, and provided the public an opportunity to comment and request hearing on the proposed merger. The order also directed the Commission Staff to file a report on or before November 17, 2000.[2]

The Commission received over two dozen comments and requests for hearing. The following members of the General Assembly filed comments in support of the merger: Senator Phillip P. Puckett, Senator William C. Wampler Jr., Delegate Terry G. Kilgore, Delegate Joseph P. Johnson Jr., and Delegate James M. Shuler. United States Representative Rick Boucher also filed a letter expressing support for the merger. Delegate Clifton A. Woodrum requested a hearing. Roanoke Gas Company filed comments in support of the merger, stating that adequate service to the public at just and reasonable rates may be hindered if the transfer is not approved. Comments were also filed by the boards of supervisors of Montgomery and Roanoke counties, and by the City of Roanoke.

The County of Montgomery expressed concern based on its belief that approval of the merger would result in the ownership and control of VGC being held by a non-regulated holding company as opposed to being controlled by a regulated utility, and that NUI's unregulated business interests may compromise or interfere with the provision of adequate service to the public at just and reasonable rates. The County and City of Roanoke filed similar

[1] NUI Holding Company would eventually assume the name of NUI Corporation, and Acquisition would assume the name of Virginia Gas Company.

[2] The filing date for the Staff Report was subsequently extended to November 22, 2000, by Commission order of November 15, 2000.

comments, both requesting that the Commission include in its evaluation of the joint petition a consideration of environmental and pipeline easement collocation issues arising out of a prior Commission proceeding in which we granted VGPC a certificate of public necessity and convenience to own and operate a natural gas transmission system and related facilities.[3] The vast majority of comments and requests for hearing from individuals also sought the opportunity to address in this case issues concerning the VGPC pipeline project.

The Commission's Staff filed its report on November 22, 2000, wherein it recommended approval of the proposed merger, subject to certain conditions and/or commitments by Petitioners.

Citing certain financial difficulties of VGC, the Staff noted that the company has been unable to attract capital necessary to expand its operations. The Staff agreed with Petitioners' claim that the merger will enhance the operations of VGC's public service companies by affording them more favorable and affordable access to financing. Staff believes this should benefit ratepayers of the public service companies since most of VGC's debt is passed down to its regulated subsidiaries and affiliates, and those companies should directly benefit from lower interest costs. The Staff Report also noted that the financial strength of NUI would be instrumental in enabling VGDC to extend natural gas service in those areas of the Commonwealth where it has been certificated to serve, but does not yet provide service, namely, in parts of Russell, Buchanan, Dickenson, and Tazewell counties, and in the Town of Saltville. The Staff further states that the superior resources of NUI would enable VGPC to complete construction of the P-25 pipeline, which would facilitate access to and use of VGPC's and VGSC's storage facilities. This in turn would benefit the distribution system of Roanoke Gas Company and could possibly spur development of a natural gas distribution system in Rocky Mount.

The Staff contacted the public utility commissions in the six states where NUI operates natural gas distribution companies to investigate the competency of NUI's personnel and operations. The Staff received generally favorable comments about NUI from those state regulators.

The Staff Report concluded that, pursuant to § 56-90 of the Code of Virginia, the proposed merger will not impair or jeopardize the provision of adequate service to the public at just and reasonable rates, and should therefore be approved. The Staff recommended that Petitioners should be required to track costs and savings related to the merger, with such costs and savings that are allocated to VGPC, VGSC, and VGDC being identified; that prior Commission approval be required should VGC's public service companies not continue to operate as separate companies due to corporate structure changes; and that any affiliate financing involving VGPC be subject to separate application and review under Chapters 3 and 4 of Title 56 of the Code of Virginia.

In response to the comments and requests for hearing, we entered an order on November 29, 2000, that scheduled a public hearing for January 16, 2001, in Roanoke County, assigned the case to a Hearing Examiner, and established further procedures for consideration of the joint petition. We extended the time within which we may act on the joint petition to March 27, 2001, the maximum 180-day period permitted under Virginia law.[4]

We noted in our November 29, 2000, order that many of the comments and requests for hearing seek the opportunity to address in this case the Commission's granting to VGPC in Case No. PUE990167 on December 6, 1999, a certificate of public convenience and necessity to extend its pipeline facilities; and we recited the events subsequent to that case which culminated in another order pertaining to the pipeline matter on November 14, 2000.[5] We explained that the Commission cannot as a matter of law now revisit the issuance of VGPC's pipeline certificate in Petitioners' merger proceeding, and we instructed in our November 29 order that any testimony or legal argument offered at the hearing on January 16, 2001, must be limited to the issues now properly before the Commission pursuant to the Utility Transfers Act.

On December 15, 2000, Petitioners pre-filed the direct testimony of Mr. A. Mark Abramovic, Senior Vice President, Chief Operating Officer and Chief Financial Officer of NUI and Acquisition, and the testimony of Mr. Michael L. Edwards, President and Chief Executive Officer of VGC and President of the public service companies. Mr. Abramovic provided an overview of NUI's operations, explained the company's interest in acquiring VGC, and addressed potential cost savings associated with the merger. Mr. Edwards stated that NUI's access to capital markets will benefit VGC and its affiliates and subsidiaries, and that resulting expansion of infrastructure, especially underground natural gas storage facilities, will benefit ratepayers in several respects. Mr. Edwards also agreed to comply with the recommendations of the Staff Report regarding the tracking of costs and savings, and acknowledged that additional filings with the Commission may be necessary should the merger be approved.

Pursuant to the November 29, 2000, order, Mr. Andrew Gentiluomo filed on January 5, 2001, to participate as a Protestant. His filing focused almost exclusively on issues of easements and eminent domain associated with the VGPC pipeline. Mr. Lawrence Mason also made filings on January 6, 8, and 10, 2001, and was afforded status as a Protestant by the Hearing Examiner. Mr. Mason stated that his "primary reasons for filing as a formal protestant stem from desires to understand better the nature, status, and 'health' of the proposed merger agreement of . . . Petitioners . . . which cannot be deduced from the testimonies and proxy materials filed with the Commission by counsel for petitioners." Mr. Gentiluomo and Mr. Mason did not prefile any direct testimony.

On January 10, 2001, Petitioners filed rebuttal testimony in which Messrs. Edwards and Abramovic addressed the protest of Mr. Gentiluomo and the comments of Roanoke Gas Company and the Board of Supervisors of Montgomery County.

The matter came for hearing on January 16, 2001, at the Roanoke County Courthouse in Salem before Hearing Examiner Alexander F. Skirpan Jr., JoAnne L. Nolte, Esquire, and W. Bradford Stallard, Esquire, appeared on behalf of the Petitioners. C. Meade Browder Jr., Esquire, represented the Commission Staff. Mr. Gentiluomo and Mr. Mason appeared pro se.

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[3] In Case No. PUE990167, the Commission granted VGPC authority to expand its existing P-25 natural gas pipeline facility that runs from Chilhowie to Radford. The approved extension is from Radford into Roanoke County, and includes laterals to Rocky Mount and the City of Roanoke. See Application of Virginia Gas Pipeline Co., For Certification of a Natural Gas Transmission Line under the Utility Facilities Act, Case No. PUE990167, Final Order, Dec. 6, 1999.

[4] See § 56-88.1 of the Code of Virginia.

[5] Commonwealth of Virginia ex rel. Snyder v. Virginia Gas Pipeline Co., 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 Co. a certificate, Case No. PUE000586, Order, Nov. 14, 2000.

The Examiner heard testimony from fifteen public witnesses, Messrs. Edwards and Abramovic for Petitioners, Messrs. Mason and Gentiluomo, and from Staff witnesses Mr. Robert C. Dalton, Mr. Marc A. Tufaro, and Mr. Farris M. Maddox; and heard oral argument from the pro se Protestants and from counsel for Petitioners and the Staff.

The Hearing Examiner submitted his Report to the Commission on February 21, 2001.

The Examiner relates that generally, the public witnesses did not oppose the merger, but questioned the practices and procedures to be employed after the merger by VGPC to construct the Radford to Roanoke P-25 natural gas transmission pipeline. Most who appeared at the hearing urged the Commission to require VGPC to collocate its new pipeline within an existing easement for a pipeline owned by Duke Energy's East Tennessee Natural Gas Company ("ETNG").

The Protestants echoed the positions of the public witnesses. Mr. Mason stated that he wanted the Commission to condition approval of the merger on "a rigorous investigation into the financial feasibility of collocation."[6] Mr. Gentiluomo acknowledged that his objection to the merger pertains to the location of the VGPC Radford to Roanoke pipeline corridor. He expressed the view that one cannot separate the pipeline location from "the financial impact."[7] He further acknowledged that he did not have any evidence that the merger would impair adequate service to the public and just and reasonable rates.[8]

Mr. Edwards testified that his company's analysis of collocating the VGPC pipeline within ETNG's easement indicated it might cost as much as double the overall cost of construction in many places on the project.[9] In response to cross-examination by Mr. Mason on this point, the Examiner directed VGC (over the objection of Petitioners) to submit as a late-filed exhibit any evidence quantifying the additional cost of collocating the VGPC pipeline within the ETNG easement.[10] This collocation analysis conducted by VGPC was filed by Petitioners February 7, 2001.[11] VGPC's analysis indicates that collocation of the pipeline would increase the project cost by approximately $10.5 million, increase safety risk to construction crews and to ETNG's existing pipeline integrity, and would delay the project, reducing its overall feasibility.[12] While the Hearing Examiner found the analysis helpful, he concluded that VGPC had not considered all possible combinations of collocation.[13]

The Hearing Examiner's Report cites the applicable legal standard of Virginia Code § 56-90 for merger petitions filed pursuant to the Utility Transfers Act:

> If and when the Commission . . . shall be satisfied that adequate service to the public at just and reasonable rates will not be impaired or jeopardized by granting the prayer of the petition, the Commission shall make such order in the premises as it may deem proper and the circumstances require . . . .

The Report also cites to past Commission merger proceedings in which we exercised our authority to place conditions on merger approvals in order to assure that "adequate service to the public and just and reasonable rates will not be impaired or jeopardized."[14]

The Examiner stated at page 14 of his Report as follows:

> The testimony of the Petitioners, Protestants, and public witnesses demonstrates there are many factors that must be considered in deciding whether to collocate pipelines. Some of these factors, such as costs to purchase the easement, clearing and excavating, and the type of equipment and construction techniques may have a direct bearing on costs and, eventually, rates. Other environmental and economic related factors may have an indirect but, long-term effect on rates. Therefore, I find that the question of collocation falls squarely with the statutory requirement and inquiry of the Utility Transfers Act.

The Examiner then concluded[15] that "the proposed merger should be conditioned to require Petitioners to consider collocation of [VGPC's] gas transmission pipeline prior to purchasing any new easement and to collocate within its existing certificated corridor where it is feasible and more economically efficient."[16]

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[6] Tr. at 131.

[7] Tr. at 148. (It is not clear whether Mr. Gentiluomo is referring specifically to the financial impact of the merger or of the pipeline.)

[8] Tr. at 153.

[9] Tr. at 82.

[10] Tr. at 83-85

[11] Doc. Control No. 010210234, Ex. MLE-6.

[12] Ex. MLE-6.

[13] Hearing Examiner's Report at 15.

[14] Id. at 12-13, citing Joint Petition of Bell Atlantic Corp. and GTE Corp., Case No. PUC9901000, 1999 SCC Ann. Rep. 321; Joint Petition of Dominion Resources, Inc. and Consolidated Natural Gas Co., Case No. PUA990020, SCC Ann. Rep. 169; and Petition of Washington Gas Light Co. and Shenandoah Gas Co., PUA990071, 1999 SCC Ann. Rep. 216.

[15] In addition to the quoted language from page 14 of the Report, the Hearing Examiner also discussed § 56-259 of the Code of Virginia.

[16] Id. at 15.

The Hearing Examiner's Report recommends that the Merger Agreement be approved, subject to the conditions that Petitioners:

(a) quantify all merger related costs and savings assigned to the public service companies;

(b) continue to operate the public service companies as separate companies unless otherwise approved by the Commission;

(c) seek approval under Chapters 3 and 4 of Title 56 of the Code of Virginia for any affiliate financing or guarantees related to the public service companies; and

(d) prior to purchasing any new easements related to the construction VGPC's new gas transmission pipeline, Petitioners will consider collocating within its existing certificated corridor where it is feasible and more economically efficient. Petitioners would give special consideration for collocating where a new easement would have significant impact on a scenic or environmentally sensitive area, and where the easements cross property with existing easements.

Comments on the Hearing Examiner's Report were filed by Petitioners, the two Protestants, Montgomery County, Delegate Woodrum, and State Senator John S. Edwards.[17]

Petitioners first note as a preliminary matter in their comments that the New Jersey Board of Public Utilities issued an "Order Authorizing Formation of NUI Holding Company" on February 20, 2001. This permits Petitioners to proceed under the second merger scenario. Petitioners advise that they will provide the Commission with a restated and amended agreement and plan of reorganization reflecting the holding company structure.

Petitioners' comments on the Report assert that the Hearing Examiner incorrectly intimates that VGPC has not considered collocation as a viable option. Petitioners recite the history of VGPC's evaluation of the pipeline project, and call attention to their collocation analysis and the report commissioned by Roanoke County as confirmation that the pipeline corridor selected by VGPC is the best of the alternatives and that collocation is not a viable option. Petitioners contend there is no evidence in the record that the standard of § 56-90 has not been satisfied.

Mr. Mason urges the Commission not simply to direct Petitioners to consider collocation, but, in fact, to require collocation within the existing certificated corridor where it is feasible and more economically efficient, and additionally where a new easement would have a significant impact on a scenic or environmentally sensitive area and where the easement crosses property with existing easements.

Mr. Gentiluomo asserts that the issue of collocation of the VGPC pipeline will substantially impact rates to consumers. Like Mr. Mason, Mr. Gentiluomo states that collocation should be a required condition of the merger. Mr. Gentiluomo criticizes VGPC's business practices in conjunction with the route selection planning and acquisition of easements for its new pipeline.

Mr. William Modica, a public witness at the hearing, asserts that NUI will pass through to Virginia ratepayers significant costs of the merger. He contends that the merger will not result in helping the supply of natural gas in the Roanoke area; he raises questions concerning federal versus state regulatory jurisdiction over NUI and VGC, and states that the Commission will be unable to regulate a New Jersey company; he raises questions about the recent increase in natural gas prices and whether the merger would stabilize or reduce rates to retail gas customers; and he states that collocation of the VGPC pipeline in ETNG's easement should be required where financially and geographically possible.

Another public witness, Ms. Stacy A. Snyder, contends in her comments that the merger should be denied because VGC has violated warranties and covenants of the Merger Agreement.

The Montgomery County Board of Supervisors filed comments supporting the Hearing Examiner's recommendation conditioning approval of the merger on the Petitioners considering collocation, but they support such collocation only where safety concerns can be properly addressed and where existing residential and commercial users will not be adversely impacted.

Finally, Delegate Woodrum's and Senator Edwards' comments support the recommendations of the Hearing Examiner and they urge us to adopt the Examiner's recommended condition concerning collocation.

NOW THE COMMISSION, upon consideration of the joint petition and evidentiary record compiled herein, the arguments elicited at the hearing, the Hearing Examiner's Report and comments thereto, and the applicable law, is of the opinion and finds that the Examiner's recommendation to approve the joint petition shall be adopted in part, and rejected in part. We approve the joint petition as set out below.

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[17] Filed with Mr. Mason's comments were the comments of public witness Ms. Stacy A. Snyder. Mr. Mason's filing also includes a copy of the comments separately filed by Montgomery County. Mr. Gentiluomo asserts in his comments that he represents not only himself, but also the County of Roanoke, and many concerned citizens. His comments, filed March 8, 2001, and further supplemented on March 12, 2001, include the separate comments of public witness Mr. William J. Modica, as well as a "report" of Mr. Modica's that "constitutes the evidence that has been lacking in considering the case for collocation." Also filed with Mr. Gentiluomo's comments is a "critique" of VGPC's collocation analysis prepared by Dr. Robert F. Stauffer, an economics professor at Roanoke College. The Commission has considered all comments to the extent such comments respond to the Hearing Examiners Report and rely upon evidence in the record of this case and the relevant law.

The County of Roanoke also made filings after the hearing in this case. On February 9, 2001, it submitted a February 7, 2001, "project overview" of the VGPC pipeline project prepared by the engineering firm of Hayes, Seay, Mattern and Mattern. This report found that collocation of the VGPC pipeline in the existing ETNG easement is not an option in the opinion of the authors. By letter filed February 22, 2001, Roanoke County requested that this report be withdrawn. We will not consider the February 7 report inasmuch as the evidentiary record in this proceeding was left open only for receipt of the Petitioner's collocation analysis requested by the Hearing Examiner. The County filed on March 19, 2001, a resolution passed by the Board of Supervisors on March 13, 2001, requesting that the Commission consider the utilization of existing easements whenever feasible in the merger of NUI and VGC.

The issue before us is whether the requirements of § 56-90 of the Code of Virginia have been met. We find that they have. Specifically, we are satisfied that adequate service to the public at just and reasonable rates will not be impaired or jeopardized by granting the requested approval of the merger. We will adopt the recommendation to approve the agreement and plan of merger, and we will attach the first three conditions enumerated by the Examiner concerning merger related costs and savings, operation of VGPC, VGSC, and VGDC as separate companies, and Chapter 3 and 4 approvals for affiliate financing or guarantees. We will not adopt the recommendation of the Hearing Examiner that approval of the merger be conditioned on VGPC's further consideration of collocation within the certificated corridor.

As noted above, the Hearing Examiner concluded that whether the pipeline is collocated on existing rights-of-way may have an impact on rates, and thus was a factor to be addressed in the merger proceeding. Based on this finding,[18] the Examiner recommended the proposed condition. While the location of the line within the certificated corridor may affect rates, there was no showing in the Report that the proposed merger would impact where the line would be located. Simply put, we cannot find the nexus between the condition proposed by the Hearing Examiner and the application of the statutory standard to the proposed merger. In this and other merger cases, conditions that are and have been imposed relate to the statutory standards applied to the merger. The proposed condition at issue does not.

Certain citizens expressed concerns in this case relating to the VGPC pipeline project, particularly the specific location of the pipeline and certain actions taken by VGPC with respect to easement acquisition. As explained above, we have found that the location of the VGPC pipeline is not a basis for imposition of the proposed condition on the merger under § 56-90. Nevertheless, it should be understood that VGPC has been, and will continue to be, a Virginia public service company subject to this Commission's jurisdiction in the construction and operation of the pipeline. Section 56-35 of the Code of Virginia confers upon the Commission the duty and the authority to supervise, regulate, and control public service companies in all matters relating to the performance of their duties, and requires that we correct any abuses by public service companies. The Commission stands ready to exercise authority over VGPC, in an appropriate proceeding, should there be a showing of abuse by VGPC in the performance of its public service duties.

Accordingly, IT IS ORDERED:

(1) The recommendations of the Hearing Examiner's Report of February 21, 2001, are adopted in part, and rejected in part.

(2) The joint petition is approved subject to the conditions established herein.

(3) Petitioners shall track and maintain records of all costs and savings related to the merger allocated to VGPC, VGSC, and VGDC for a period of five years from date of consummation of the merger.

(4) Prior approval of the Commission is required should VGPC, VGSC, or VGDC not continue to operate as separate public service companies.

(5) Prior approval of the Commission is required under Chapters 3 and 4 of Title 56 of the Code of Virginia for any affiliate financing or guarantees related to VGPC, VGSC and VGDC.

(6) Petitioners shall submit to the Commission's Division of Public Utility Accounting the restated and amended Agreement and Plan of Reorganization reflecting the new NUI Holding Company structure immediately upon its execution. Such amended and restated agreement shall be substantially identical to the current Merger Agreement outlining the merger under the second scenario.

(7) There being nothing further to come before the Commission, this matter is dismissed.

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[18] As stated in note 15, supra, the Hearing Examiner also addressed § 56-259 of the Code of Virginia. Section 56-259 does not change the standard of § 56-90.

CASE NO. PUA000082
JANUARY 30, 2001

APPLICATION OF
APPALACHIAN POWER COMPANY,
Applicant
and
AMERICAN ELECTRIC POWER SERVICE CORPORATION,
Affiliate

For authority to enter into an affiliate transaction under Chapter 4, Title 56, Code of Virginia

ORDER ON RECONSIDERATION

On October 10, 2000, Appalachian Power Company ("Appalachian" or "Company") and American Electric Power Service Corporation ("AEPSC") (collectively, the "Applicants") filed an application pursuant to Chapter 4 of Title 56 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, Applicants filed a petition for reconsideration and clarification ("Petition") of that Order. Applicants state that most of the conditions were not necessary based on changes in the new service agreement and that the record did not support the imposition of such conditions. Applicants specifically request that the pricing provisions in Ordering Paragraphs 4-8 be deleted because, they assert, these provisions are contrary to the

evidentiary record made in Case No. PUA980020[1] on that pricing issue and, as such, would, in their view, constitute a collateral attack on the record in the proceeding. Applicants also request that Ordering Paragraphs 11 and 12 be deleted because they contain certain limitations and restrictions on the ability of Appalachian and its affiliates to assert certain arguments concerning federal preemption of state law. Additionally, Applicants request clarification of Ordering Paragraphs 6, 10, 13-15, 18, and 19 and, absent such clarification, request the Commission to delete those Ordering Paragraphs. On December 8, 2000, we granted the Petition in order to permit us the time to consider fully the issues raised by the Applicants.

NOW THE COMMISSION, having considered the above-referenced petition, our November 17 Order, and the applicable statutes and rules, is of the opinion that Applicants' request to modify that Order should be granted in part.

We will vacate Ordering Paragraphs 4-8 and 19 of the November 17 Order and allow Applicants to use the pricing proposed in their new service agreement for booking purposes. Although we are not persuaded by the arguments raised in the Petition that it would be improper to include these paragraphs, we find that it is unnecessary for us to decide the ratemaking effect of the pricing of services provided pursuant to the new service agreement at this time, as these Ordering Paragraphs did. Instead, we will reserve our decision as to the proper pricing for such services for ratemaking purposes to any rate application in which such pricing is at issue. The Applicants are reminded that, regardless of our vacation of these provisions, they continue to bear the burden to prove the reasonableness of any affiliate expenditures in any such proceeding. They will be expected, in this regard, to obtain, preserve, and offer appropriate information regarding both the cost and market pricing of services when they request recovery of such expenditures in rates.

We have further concluded that Ordering Paragraphs 9 and 14-16 are not needed, given our statutory authority under § 56-36 of the Code of Virginia to require the provision of reports from public utilities whenever necessary. Accordingly, we will vacate these paragraphs as well. The obligations imposed by Ordering Paragraphs 11-12 and 17 are similar to conditions that the Staff and parties proposed and that we found necessary to adopt for Dominion Resources, Inc., and Consolidated Natural Gas Company in order to permit their merger in Case No. PUA990020.[2] In that case, the companies upon merger would become a registered holding company under the Public Utility Holding Company Act of 1935 ("1935 Act"). The measures at question were designed to maintain to the fullest extent possible state law jurisdiction over pricing of various services, which, due to the 1935 Act, would also be subject to federal jurisdiction. The Applicants here are not proposing any similar structural change that would affect our jurisdiction. The provisions of Ordering Paragraphs 11-12 and 17 will be stricken.

We will not vacate Ordering Paragraphs 13 and 18, as requested. Any concerns about the confidentially of documents and reports required in Ordering Paragraph 18 may be addressed when such materials are submitted to the Commission's Division of Public Utility Accounting. At that time, Applicants should note whether the Securities and Exchange Commission ("SEC") has afforded such materials confidential treatment. We will, therefore, consistent with the above-referenced discussion, vacate and amend our November 17 Order as detailed below.

Accordingly, IT IS ORDERED THAT:

(1) Ordering Paragraphs 4-9, 11-12, 14-17, and 19 of our November 17, 2000, Order in this proceeding are vacated.

(2) The remaining directives in our November 17, 2000, Order are amended or restated as detailed herein.

(3) Pursuant to § 56-77 of the Code of Virginia, the new Service Agreement is approved as filed and is effective upon the closing of the merger between AEPSC and Central and South West Services, Inc.

(4) No changes in the terms and conditions of the new Service Agreement shall be made without prior Commission approval.

(5) The approval granted herein for the new Service Agreement shall not preclude the Commission from exercising its authority hereafter under the provisions of §§ 56-78 through 56-80 of the Code of Virginia. 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 of Virginia.

(6) The approvals granted herein shall have no ratemaking implications.

(7) Ordering Paragraph 10 of our November 17, 2000, Order is amended to read as follows:

> The Commission reserves the right to examine the books and records of any affiliate in connection with the authority granted herein whether or not the Commission regulates that affiliate.

(8) 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 no later than May 1 of each year.

(9) 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.

(10) This matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

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[1] Commonwealth of Virginia, ex rel. State Corporation Commission Ex Parte: In the matter of adopting rules governing the filing of applications for approval pursuant to Chapter 4 of Title 5 of the Code of Virginia, PUA980020, is currently pending before the Commission.

[2] Joint Petition of Dominion Resources, Inc., and Consolidated Natural Gas Company, For approval of agreement and plan of merger under Chapter 5 of the Code of Virginia, Case No. PUA990020, 1999 SCC Ann. Rept. 169, at 171 (Final Order, September 17, 1999).

CASE NO. PUA000090
MARCH 20, 2001

APPLICATION OF
VARTEC TELECOM, INC.

For approval to purchase convertible notes to be issued by Lightyear Holdings, Inc., on behalf of itself and Lightyear Communications, Inc., and Lightyear Telecommunications, LLC

ORDER GRANTING APPROVAL

On October 31, 2000, VarTec Telecom, Inc. ("VarTec," "Applicant"), filed an application with the Commission under the Utility Transfers Act requesting approval to purchase convertible notes to be issued by Lightyear Holdings, Inc. ("Lightyear Holdings"), on behalf of itself and Lightyear Communications, Inc. ("LCI"), and Lightyear Telecommunications, LLC ("LTC") (collectively, "the Lightyear Companies").

VarTec has its principal offices in Dallas, Texas, and is authorized to conduct business in the Commonwealth of Virginia and to provide resold intrastate long distance services in Virginia.[1] Lightyear Holdings has its principal offices in Kentucky and is an investment company that holds no regulatory licenses. LCI and LTC are both wholly owned subsidiaries of Lightyear Holdings and are authorized to conduct business in Virginia. LCI and LTC provide resold intrastate interexchange telecommunications services in Virginia.[2] Lightyear Communications of Virginia, Inc. ("LCV"), holds a CPCN to provide local exchange telecommunications services in Virginia but currently does not provide such services.

VarTec requests approval to purchase a series of subordinated convertible promissory notes (the "Notes") pursuant to a Note Purchase Agreement whereby VarTec will purchase up to $60 million of the notes issued by Lightyear Holdings. The proceeds of the sale of the Notes will be used for capital expenditures associated with the development and deployment of LCI's and LTC's network, for working capital, and for other general corporate purposes.

In the event VarTec converts the Notes to shares of stock, VarTec will hold, on a fully diluted basis, approximately 37%[3] of the common stock of Lightyear Holdings. Thus, the conversion will result in VarTec acquiring indirect control of Lightyear Holdings' subsidiaries. VarTec states that, under the transactions, VarTec will at no time hold more than 50% of the shares of Lightyear Holdings.

VarTec represents that the proposed transaction will not result in a change in management of the Lightyear Companies. The Lightyear Companies will continue to be led by the same team of officers and managers. Applicant represents that there will be no adverse impact on rates and services in Virginia. LCV does not currently provide telecommunications services in Virginia.[4]

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described transaction will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved. We note, however, that the conversion under the above-referenced transactions will result in VarTec acquiring indirect control of several subsidiaries. Section 56-88.1 requires us only to approve the acquisition of control of LCV. We note that LCV currently is not providing telecommunications services in Virginia and, therefore, the above-referenced transaction will not affect rates or services.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, VarTec is hereby granted approval of the purchase of up to $60 million in subordinated convertible notes to be issued by Lightyear Holdings as described herein.

2) There appearing nothing further to be done in this matter, it hereby is dismissed.

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[1] VarTec does not hold a certificate of public convenience and necessity ("CPCN") to provide interexchange telecommunications services in Virginia.

[2] Neither LCI nor LTC holds a CPCN in Virginia.

[3] The 37% is derived from a previous stock purchase of 14.98% with the remainder from the conversion of the convertible notes and accrued interest.

[4] LCV currently does not have accepted tariffs on file with the Commission.

CASE NO. PUA000096
JANUARY 31, 2001

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY
and
DOMINION TELECOM, INC., f/k/a VPS COMMUNICATIONS, INC.

For approval of affiliate transaction pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On November 27, 2000, Virginia Electric and Power Company ("Virginia Power") and its affiliate, Dominion Telecom, Inc. ("DTI"), f/k/a VPS Communications, Inc. (collectively referred to as "the Companies"), filed an application with the Commission under the Public Utilities Affiliates Act requesting that the Commission: (1) approve the Pole Attachment Agreement ("the Agreement") entered into between the Companies and proposed to

become effective on January 1, 2001; and (2) grant an exemption from the filing and prior approval requirement for prospective changes to the Agreement or future pole attachment agreements between the Companies.

The Agreement governs the use by DTI of Virginia Power's electric distribution poles for the attachment of DTI's cables, appliances, and wires. The initial term of the Agreement is through December 31, 2003. As compensation, DTI will pay to Virginia Power an annual rental for each pole attachment as follows: $38.00 for the year 2001; $39.00 for the year 2002; and $40.00 for the year 2003. Following the initial term, the Agreement will continue in force for successive one-year terms unless one party provides at least sixty (60) days' written notice of termination. The application states that the services provided by Virginia Power pursuant to the Agreement will enable DTI to install its own fiber-optic network and, thus, to provide facilities-based interexchange and local exchange telecommunications services to customers residing within the Commonwealth of Virginia.

Virginia Power states that the terms and conditions included in the Agreement do not discriminate in favor of DTI nor do they confer on DTI any competitive advantage. Virginia Power states that, to the contrary, the rates, terms, and conditions of the Agreement are either identical with the rates, terms, and conditions of all other pole attachment agreements of similar scope, magnitude, and time period or, indeed, are less favorable to DTI than agreements executed between Virginia Power and non-affiliated third parties. Virginia Power also states that the Agreement will not adversely affect Virginia Power's customers and that the revenues from the Agreement will benefit its electric customers just as those customers benefit from the revenues generated by pole attachment agreements with non-affiliated entities. Virginia Power believes that the Agreement is consistent with and advances the objectives of the Telecommunications Act of 1996.

On December 13, 2000, the Virginia Cable Telecommunications Association ("VCTA") filed a Protest in this case wherein it requests a hearing on the application. VCTA expresses concerns regarding the Companies' requested exemption. VCTA believes that such exemption is not in the public interest and requests that the Commission withhold its approval of such exemption. VCTA also believes that the Affiliates Act, in conjunction with 47 U.S.C. § 224[1], requires Virginia Power and DTI to disclose all joint use and sharing arrangements involving Virginia Power's rights-of-way, conduits, and ducts, not just its pole attachment agreements. VCTA and its members request that the Commission require Virginia Power and DTI to supplement or amend the application to disclose all such arrangements and to prevent discrimination by Virginia Power in favor of DTI.

On December 20, 2000, Virginia Power filed a Motion for Interim Authority to continue operating under the existing Pole Attachment Agreement approved in Case No. PUA990055 until such time as a final order is issued in this proceeding. On December 21, 2000, the Commission entered an Order Granting Motion for Interim Authority.

On December 29, 2000, Cavalier Telephone, LLC ("Cavalier"), filed a Notice of Protest. In that Notice, Cavalier notes that on November 30, 1999, it filed a Complaint for Denial of Access against Virginia Power at the Federal Communications Commission ("FCC"). In the Matter of Cavalier Telephone Company, LLC v. Virginia Electric & Power Company, 15 F.C.C.R. 9563 (2000). Cavalier states that it continues to encounter discriminatory treatment from Virginia Power and that Virginia Power has not complied with the FCC's June 7, 2000, Order, to halt lengthy delays, excessive charges, unfair practices, and to make certain refunds to Cavalier. Cavalier asserts that "flaws" in the proposed Agreement may raise substantial issues for other companies wishing to attach to Virginia Power's poles. Cavalier points to the proposed rental rates and states that, if it had to pay the same rates, it would pay $210,000 per year instead of approximately $27,000 under the FCC-ordered rate. Cavalier contends that the higher pole attachment rate would also translate into higher penalties for unauthorized attachments and that the Agreement requires arbitration of any disputes. Cavalier states that, because of the non-discriminatory access requirement under 47 U.C.C. § 224(f)(1), other attachers, i.e., non-affiliates, would bear the brunt of any excessive pole rental rates, excessive unauthorized penalties, mandatory arbitration, and any other problems in the Agreement.

On January 23, 2001, the Companies filed a motion requesting that the Commission issue an order limiting the scope of this proceeding; denying the request for hearing; approving the Agreement pursuant to the Affiliates Act; and granting the requested exemption. In support of their request, the Companies state that the proposed pole attachment agreement is a successor to an Agreement that had already been approved by the Commission, without a hearing, and after similar participation by Cavalier. They also state that the requests of VCTA and Cavalier for disclosure of all joint use and sharing arrangements are beyond the scope of the Affiliates Act. The Companies commit that they will not argue, in future proceedings before the Commission or elsewhere, that the rates, terms, and conditions of the Agreement are binding precedent with Cavalier or any other telecommunications service providers. They also assert that the Commission is not the proper forum to address the complaints of VCTA and Cavalier.[2]

In further support of their position, the Companies note that neither Cavalier nor VCTA have presented any credible evidence that approval of the application is contrary to the public interest. Instead, they assert that VCTA and Cavalier seek to use the proceeding to address and to inquire into a host of unrelated and unfounded concerns. The Companies specifically reference their concern that this proceeding not be allowed to leverage VCTA's position in separate contract negotiations.

NOW THE COMMISSION, upon consideration of the application, the representations of the Companies, the pleadings of the parties, and applicable law, is of the opinion and finds that the above-described Agreement is in the public interest. We will approve the Agreement subject to the conditions detailed herein. Section 56-77 of the Code of Virginia requires Virginia Power to file and to obtain prior approval for all agreements and arrangements between itself and its affiliates for the purchase, sale, lease, or exchange of rights-of-way, conduits, ducts, as well as pole attachments. We will, therefore, require Virginia Power to make filings of such contracts and arrangements not specifically approved in prior filings. In addition, we believe that granting the requested exemption for prospective changes to the Agreement approved herein or future pole attachment agreements between the Companies is not in the public interest at this time. These requirements do not extend to non-affiliate agreements or arrangements.

We note VCTA's and Cavalier's assertions of discriminatory treatment by Virginia Power in favor of its affiliate. We believe that Virginia Power must offer pole attachment service to non-affiliates on terms and conditions that are at least as favorable as those offered to DTI. This should not, however, be interpreted to mean that Virginia Power must charge non-affiliates the same rates it charges DTI.

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[1] Section 224 of the United States Code defines "pole attachment" for purposes of FCC regulation as "any attachment by a cable television system to a pole, duct, conduit, or right of way owned and controlled by a utility.

[2] The Companies state that Virginia Power has filed Applications of Review of the FCC's Cable Services Bureau June 7, 2000, and September 18, 2000, Orders in File No. PA 99-005. 15 F.C.C.R. 17962 (2000).

Cavalier has a concern regarding the precedential effect of rental rates and matters relating to such rates in the proposed Agreement. This Agreement does not establish a precedent for the terms, rates, and/or conditions to be charged by Virginia Power to other telecommunications carriers as this Agreement was negotiated between only the two parties and, therefore, is binding only on Virginia Power and DTI. Moreover, the Companies, in their January 23, 2001, Motion represent that they will not argue, in future proceedings, that such terms, rates, and/or conditions are binding precedent with Cavalier or any other telecommunications provider.

We note Cavalier's alleged grievances regarding the Agreement. Section 224 of the Telecommunications Act of 1996 provides for the FCC to regulate pole attachments of utilities used by telecommunications carriers, as well as cable television systems, when a state does not currently regulate pole attachments. Any telecommunications carrier that is unable to negotiate an agreement with a utility may file a complaint with the FCC. Cavalier acknowledges that it filed a complaint regarding Virginia Power's pole attachment practices in Case No. PA 99-005. Virginia Power states that review of issues associated with that matter are currently before the FCC. It appears, therefore, that Virginia Power and Cavalier acknowledge that the FCC is the proper forum for such complaints.

We will not grant VCTA's request for hearing as the issues are sufficiently discussed in the pleadings detailed herein.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Virginia Power is hereby granted prospective approval of the Pole Attachment Agreement with its affiliate, Dominion Telecom, Inc., through December 31, 2003, under the terms and conditions and for the purposes described herein, subject to the pricing provisions detailed below.

2) Virginia Power shall charge DTI the higher of fully distributed cost or market rates for pole attachments.

3) Virginia Power's request for an exemption from the filing and prior approval requirement for future changes in the Agreement and future pole attachment agreements is hereby denied.

4) Virginia Power shall request approval of any joint use and sharing arrangements with its affiliate that involve Virginia Power's rights-of-way, conduits, and ducts that have not been specifically approved by the Commission.

5) The approval granted herein and approval of the proposed pole attachment rates does not in any way indicate that the rate charged to DTI must be charged to non-affiliates, who are free to negotiate a different rate.

6) Should Virginia Power wish to continue operating under the Agreement beyond December 31, 2003, Commission approval shall be required.

7) Virginia Power, if requested by non-affiliates, shall offer and provide service to its poles on terms and conditions that are at least as favorable as those offered or provided to DTI. Virginia Power shall not discriminate in favor of DTI in the application for such services or the implementation of any agreements.

8) Virginia Power shall, for each application for pole attachment permits submitted by telecommunications companies in Virginia, including affiliates, maintain in its records the following information to be provided to Staff upon request:

   (a) the date Virginia Power received the application;

   (b) the current status of the application;

   (c) the total amount and description of all application and processing fees;

   (d) the total amount and description of all engineering, survey, and related charges to include calculations and number of attachments involved;

   (e) the total amount and description of all make-ready charges, the calculation of such charges, and the number of attachments involved;

   (f) the total amount and description of any other charges or costs to include calculations and number of attachments involved;

   (g) the date when Virginia Power accepted or denied the application, or requested a new re-routed application, if applicable; and

   (h) any other information requested by Staff regarding such applications.

9) The approval granted herein shall have no ratemaking implications.

10) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia.

11) 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.

12) Virginia Power shall include the Pole Attachment Agreement in its Annual Report of Affiliate Transactions filed with the Director of Public Utility Accounting of the Commission.

13) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA000103
FEBRUARY 15, 2001

JOINT PETITION OF
DOMINION RESOURCES, INC.,
DOMINION TELECOM, INC.,
DT SERVICES, INC.,
and
DOMINION FIBER VENTURES, LLC

For approval of transactions pursuant to Chapter 5 of Title 56 of the Code of Virginia for the transfer of Dominion Telecom, Inc., to Dominion Fiber Ventures, LLC

ORDER GRANTING APPROVAL

On December 22, 2000, Dominion Resources, Inc. ("DRI"), Dominion Telecom, Inc. ("DTI"), DT Services, Inc. ("DTSI"), and Dominion Fiber Ventures, LLC ("DFVLLC"), (collectively, the "Petitioners") filed a joint petition under the Utility Transfers Act requesting approval of a series of transactions ("the Transactions") that are part of a financing initiative under which control of DTI will be transferred by DRI, DTI's current sole shareholder, to DFVLLC, an indirect subsidiary of DRI.

Petitioners represent that the series of transactions is designed to provide the financing necessary to further DTI's competitive business objectives of increasing both its service area and its service offerings. The Transactions will result in a change in control of DTI and make possible a financing arrangement that will raise approximately $750 million to support DTI's current operations as well as provide support for its expanded operations in Virginia and elsewhere.

DTSI is a newly formed Virginia general business corporation. DFVLLC is a newly formed Delaware limited liability company. When initially organized, DFVLLC will be a single member limited liability company. Its sole member will be DTSI. DTSI will also be its sole manager.

DTI is a Virginia public service corporation certificated to provide local telecommunications exchange services[1] and intrastate interexchange telecommunications services throughout Virginia. DTI currently provides intrastate interexchange services to wholesale customers from Northern Virginia to Norfolk. It also provides interstate interexchange services in other jurisdictions. DTI is an "exempt telecommunications company" for purposes of the Public Utility Holding Company Act of 1935 ("the 1935 Act").

DTI is currently a direct wholly owned subsidiary of DRI. Following the First and Second Transactions, DTI will be an indirect wholly owned subsidiary of DRI. After the Third Transaction, DTI will be a direct wholly owned subsidiary of DFVLLC and an indirect partially owned subsidiary of DRI.

In the First Transaction, DRI will contribute all of the outstanding capital stock of DTI to DTSI. DTSI will become a wholly owned subsidiary of DRI, and DTI will become a wholly owned subsidiary of DTSI. The contribution will take place pursuant to a Subscription Agreement. The Petitioners represent that following the First Transaction, DTI will not be affected other than that it will be an indirect rather than direct, wholly owned subsidiary of DRI.

In the Second Transaction, DTSI will contribute all of the outstanding capital stock of DTI to DFVLLC in exchange for member interests in DFVLLC. As a result of this transaction, DTI will become a wholly owned subsidiary of DFVLLC. The Second Transaction will result in a change in control of DTI. However, DTI will continue to be an indirect wholly owned subsidiary of DRI. As stated by the Petitioners, the role of DFVLLC in the transaction structure is to serve as a holding company for DTI. It will be the vehicle through which third party cash investments will be obtained to benefit DTI.

In the Third Transaction, certain third parties, through an investment entity, will make a contribution to the capital of DFVLLC in exchange for membership interests in that company. Those membership interests will provide third party investors with consent rights over certain significant actions that DFVLLC and DTI may perform, and, therefore, result in a change in control with respect to DTI. The Third Transaction will occur concurrently with DFVLLC's issuance of securities in the structured financing arrangement.

The Petitioners represent that none of the Transactions will have an adverse impact on the provision of adequate service to the public at just and reasonable rates. Rates will not change, and the Transactions will be transparent to DTI's customers. The Petitioners also represent that the Transactions will not in any way diminish the financial, technical, and managerial fitness of DTI to provide local exchange and intrastate interexchange telecommunications services. Although DTI will technically be a subsidiary of DFVLLC after the Third Transaction, there will be no change in DTI's daily operations. DTI will continue to own and lease assets as it does currently, and it will continue to abide by its approved tariffs and contracts.

THE COMMISSION, upon consideration of the joint petition and representations of the Petitioners and having been advised by its Staff, is of the opinion and finds that the above-described 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, approval is hereby granted for the First, Second, and Third Transactions resulting in a change in control of DTI from DRI to DFVLLC as described herein.

2) There appearing nothing further to be done in this matter, it hereby is dismissed.

[1] DTI currently does not provide any local exchange telecommunications services in Virginia.

CASE NO. PUA010002
MARCH 22, 2001

PETITION OF
MPOWER COMMUNICATIONS OF VIRGINIA, INC.,
and
MPOWER COMMUNICATIONS CORP., f/k/a MGC COMMUNICATIONS, INC.

For approval of a reorganization

ORDER GRANTING APPROVAL

On December 28, 2000, Mpower Communications of Virginia, Inc. ("Mpower-VA"), and Mpower Communications Corp., f/k/a MGC Communications, Inc. ("Mpower"), filed a petition with the Commission under the Utility Transfers Act requesting approval of a reorganization under which Mpower's wholly owned subsidiary, Mpower Holding Corporation ("MHC"), a Delaware corporation, will become the parent corporation of Mpower and Mpower-VA.

Mpower is a publicly held corporation incorporated in the State of Nevada. Mpower is currently the parent company of MHC. MHC is a privately held corporation incorporated in the State of Delaware. MHC does not provide any telecommunications services in Virginia or any other state. Mpower-VA is a privately held corporation incorporated in Virginia and is a wholly owned direct subsidiary of Mpower.[1]

As part of the reorganization, Mpower will transfer some or all of its ownership interest in some or all of its equipment and other operating assets that it would use to provide telecommunications services in Virginia to Mpower Lease Corporation ("MLC"). Mpower will then lease back such operating assets from MLC. Mpower will also transfer some or all of its debt and ownership interests in its non-operating assets to Mpower Management Corp. ("Mpower Management"). Upon completion of the merger, Mpower will distribute the capital stock of all of its direct wholly owned subsidiaries to MHC. As a result, MHC will directly own all of the capital stock of Mpower, Mpower-VA, and other subsidiaries previously owned by Mpower.

The Petitioners represent that the reorganization will not involve any actual change in control of Mpower-VA's operations. Mpower-VA will continue to hold its certificate and provide services to its customers.

The Petitioners represent that the proposed reorganization does not involve any change in the management, operations, or directors of Mpower-VA, or any change in the telecommunications services to be provided to Mpower-VA's customers in Virginia. The reorganization will have no immediate impact on customers' rates.[2] Mpower-VA has indicated that it would offer the same services at the same rates after the reorganization as it proposes in its pending tariffs.

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 reorganization will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, Mpower and Mpower-VA are hereby granted approval for the above-described reorganization under which Mpower's wholly owned subsidiary, MHC, will become the parent corporation of Mpower and Mpower-VA as described herein.

(2) There appearing nothing further to be done in this matter, it hereby is dismissed.

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[1] On July 24, 2000, in Case No. PUC000055, the Commission issued a certificate to Mpower-VA to provide local exchange telecommunications services.

[2] Mpower-VA's tariffs are pending acceptance by the Division of Communications, and, therefore, Mpower-VA should not be providing local exchange telecommunications services in Virginia.

CASE NO. PUA010003
APRIL 9, 2001

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY
and
CONECTIV ENERGY SUPPLY, INC.

For approval of transactions under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On January 9, 2001, Delmarva Power & Light Company ("Delmarva") and Conectiv Energy Supply, Inc. ("CESI"), a Delmarva affiliate (collectively referenced as "the Applicants"), filed an application with the State Corporation Commission pursuant to Chapter 4 of Title 56 of the Code of Virginia. Subsequently, by letter filed on March 30, 2001, Delmarva and CESI amended their application.

Delmarva is a Delaware and Virginia corporation that provides electric service to approximately 21,500 retail customers and one wholesale customer in Virginia's two Eastern Shore counties. Approximately 445,000 additional electric service customers are located in Delaware and Maryland. Delmarva also provides natural gas service to approximately 106,000 customers in Delaware. Delmarva is a wholly owned subsidiary of Conectiv, which is incorporated in Delaware and is a registered holding company under the federal Public Utility Holding Company Act of 1935.

CESI is a Delaware corporation that is a wholly owned subsidiary of Conectiv Energy Holding, Inc. ("CEH"), which is, in turn, a wholly owned subsidiary of Conectiv. CEH owns Conectiv Delmarva Generation, Inc. (CDG"), which owns certain power plant units previously owned by Delmarva but transferred to CDG on July 1, 2000, consistent with the Commission's June 29, 2000, Order in Case Nos. PUE000086 and PUA000032.

In their amended application, Applicants request approval of or exemption from the filing and prior requirements of the Affiliates Act for the following transactions:

1. the temporary sale by Delmarva to CESI of the capacity and energy produced at the generating units that are currently owned by Delmarva pending the sale of such units to an unaffiliated third party, NRG Energy (as detailed in the Delmarva to CESI Transaction and the Delmarva to CESI Service Agreement); and

2. the transfer from Delmarva to CESI of the rights and obligations under certain wholesale power purchase agreements (as detailed in the Assignment and Assumption Agreement).

Applicants not that the above referenced transactions are also subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC").

Applicants also note that, through these actions and arrangements Delmarva would completely exit the power supply business and obtain all of its power through CESI and/or a master power supply contract. Applicants believe such actions are consistent with the divestiture and sales by Delmarva of its generating plants as approved by the Commission in its June 29, 2000, Order, Case Nos. PUE000086 and PUA000032. In this realignment of corporate responsibilities, CESI will conduct Conectiv's wholesale and retail competitive marketing functions while Delmarva will be the provider of regulated utility services.

Because of delays in regulatory approval in New Jersey for the sale of some of its generating plants to NRG Energy, Delmarva wishes to sell the output of those generating plants to its affiliate CESI at market-based rates until consummation of the sale, which is expected to occur in 2001. Delmarva also wishes to assign its three existing power PPAs to CESI.

Assignment of the three PPAs from Delmarva to CESI has been approved by FERC. The Delmarva to CESI Service Agreement has also been approved by FERC.

Pursuant to the Commission's June 29, 2000, Order is Case Nos. PUE000086 (approving Delmarva's functional separation plan, or "the Plan") and PUA000032 (approving certain transactions under the Affiliates Act and Utility Transfers Act), Delmarva's Virginia retail customers receive electric service under capped rates until at least January 1, 2004, or, in the absence of an effectively competitive retail electric sale market, until July 1, 2007[1]. After July 1, 2007, the rates of Virginia customers will reflect market prices, except that the rates for default service will be set by the proxy mechanism agreed to and approved in Case No. PUE000086.

Delmarva refers to customers served under capped or frozen rates as its "Continuing Retail Sales Load". Delmarva represents that, because the prices for the Continuing Retail Load are either frozen or capped, Delmarva is exposed to risks associated with fluctuating market prices and load lost due to retail competition, Delmarva, therefore proposed to implement a plan to limit this risk ("a Risk Limitation Plan").

Under the Risk Limitation Plan, Delmarva will enter into one or more contracts to establish a "Long Term Supply Arrangement" under which third party suppliers will be responsible for coordinating and supplying the power needed by Delmarva to meet its Continuing Retail Sales Load Requirements. All third party suppliers will be required to be members of Pennsylvania, Jersey, Maryland ("PJM") and obligated to demonstrate that they have sufficient capacity and energy and demonstrated transmission capacity from source to load to meet their load obligations within PJM.

Delmarva contemplates entering into the Long Term Supply Arrangement either through bilateral negotiations or through a competitive bid solicitation process. If bilateral negotiations are used, the supplier will be a non-affiliate.

Delmarva requests approval to assign its rights and obligations of three existing PPAs to CESI. The transfer of the PPAs will be through an Assignment and Assumption Agreement. The three PPAs terminate on December 31, 2005, May 31, 2006, and May 31, 2006, respectively. Once Delmarva receives capacity and energy under the Long Term Supply Arrangement, it will no longer have a need for the power provided from the PPAs. These contracts assigned pursuant to the three PPAs are described below:

- The sale from Dynegy to Delmarva of 100 MWH/hr firm energy for the period of January 1, 1998, through December 31, 2005.

- The sale from PECO to Delmarva of increasing amounts of capacity and energy (beginning with 206 MWH/hr of energy and 243 MW of unforced capacity) for the period of November 3, 1999, through May 31, 2006.

- The sale of capacity and energy from PECO to Delmarva dated February 29, 2000.

Delmarva requests approval to sell capacity and energy from the Temporarily Retained Plants to CESI until such Plants are sold to NRG. The Plants involved are the Indian River facility located in Delaware and the Vienna facility located in Maryland.

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[1] Delmarva provides retail electric service to customers in Maryland and Delaware under frozen rates until 2003.

The sales from Delmarva to CESI will be pursuant to a transaction entered into under the Delmarva to CESI Service Agreement that provides that Delmarva will sell, and CESI will purchase, capacity and energy produced at the Temporarily Retained Plants at prices equal to the PJM established daily market clearing price for capacity and the PJM Delmarva zone market-based locational market price ("LMP") for energy. Once Delmarva receives capacity and energy under the Long Term Supply Arrangement, it will no longer have a need for the power supply from these plants.

Applicants represent that the transactions will benefit the public interest as the utility will shift the risk associated with fluctuating market prices and that such transactions will not affect customers capped rates. In addition, reliability to Virginia customers will be unaffected since a third party supplier of Delmarva will be contractually obligated and subject to PJM requirements. Finally, Applicants believe that there will be long term benefits for Virginia customers since the contemplated transactions create the start of a transition under which there will be vigorous competition among third party suppliers.

THE COMMISSION, upon consideration of the application and representations of Delmarva and CESI and having been advised by Staff, is of the opinion and finds that it is not in the public interest to grant an exemption for the above-referenced transactions. We believe, however, that it is in the public interest for such transactions to be approved pursuant to the Affiliates Act.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, the Applicants are hereby granted approval of the Delmarva to CESI Transaction, the Delmarva to CESI Service Agreement and the Assignment and Assumption Agreement.

2) Should any terms and conditions of these agreements change from those described herein, Commission approval shall be required for such changes.

3) The above described transactions are subject to the same terms and conditions, as detailed in the Commission's June 29, 2000, Order in Case Nos. PUE000086 and PUA000032.

4) That any approvals granted shall have no rate-making implications except as provided for in the Plan approved by the Commission in its Order dated June 29, 2000, in Case Nos. PUE000086 and PUA000032.

5) In regard to any Delmarva to CESI Transaction and Delmarva to CESI Service Agreement, the Commission shall not be precluded from exercising its authority under the provisions of §§ 56-78 through 56-80 of the Affiliates Act.

6) 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.

7) Delmarva shall include the Delmarva to CESI Transaction, the Delmarva to CESI Service Agreement, and the Assignment and Assumption Agreement in its Annual Report of Affiliated Transactions filed with the Commission's Director of Public Utility Accounting; and

8) This matter shall be continued generally, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA010005
FEBRUARY 22, 2001

APPLICATION OF
THE POTOMAC EDISON COMPANY, d/b/a ALLEGHENY POWER

For authority to dispose of utility assets

ORDER GRANTING AUTHORITY

On January 22, 2001, The Potomac Edison Company, d/b/a Allegheny Power ("AP," "Company"), filed an application with the Commission under the Utility Transfers Act requesting authority to dispose of utility assets. Specifically, AP requests authority to sell poles, a pad mounted transformer, and associated equipment ("the Assets") to an industrial customer, Trex Company, LLC ("Trex," "Customer").

Trex is an industrial customer of AP that currently takes electric service through multiple meters to various facilities on its property. Trex has plans for new facilities by 2002 on its industrial site that will require additional meters and service points. Rather than taking service through multiple meters, Trex desires to purchase the Company's poles, wires, transformer, and related equipment to provide service to facilities located on Trex's industrial tract and to take service through one primary meter. Service through one primary meter is expected to save Trex over $400,000 annually once the Company has all planned facilities in full operation sometime in the year 2002.

AP owns four poles, a pad mounted transformer, an underground primary circuit, and miscellaneous hardware on the Trex property in Winchester, Virginia. To eliminate service connections and to permit the Customer to take service under AP's primary power service rate, AP has offered to sell the Assets to Trex and to provide service to the Customer through one central meter. Thereafter, Trex will own and maintain the Assets as a part of its onsite distribution system. Trex has agreed to purchase the Assets at their depreciated original cost of $22,793.17.

Company represents that providing service through one primary meter and selling distribution facilities to Trex will eliminate the Company's obligation to maintain existing facilities and to build new ones. Also, serving the Customer through a primary meter with the customer assuming responsibility for distribution facilities on Trex's property qualifies the Customer for service under AP's primary power service rate at a cost savings to Trex. No other customers are served from the Assets; therefore, no other customers will be affected by the sale in terms of rates and service.

THE COMMISSION, upon consideration of the application and representations of the Company and having been advised by its Staff, is of the opinion and finds that the above-described transfer of utility assets will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to §§ 56-89 and 90 of the Code of Virginia, Allegheny Power is hereby granted authority to sell the poles, wire, pad mounted transformer, and associated equipment as described herein to Trex Company, LLC, at a purchase price of $22,793.17.

2) The authority granted herein shall have no ratemaking implications.

3) The Company shall submit to the Commission's Director of Public Utility Accounting within sixty (60) days of closing of the transaction authorized herein a report of the action taken pursuant to the authority granted herein. Such report shall include the date of the transaction, the sales price, and the appropriate accounting entries.

CASE NO. PUA010006
MARCH 22, 2001

APPLICATION OF
RESTON LAKE ANNE AIR CONDITIONING CORPORATION

For approval to renew ground lease and employment agreements

DISMISSAL ORDER

On January 25, 2001, Reston Lake Anne Air Conditioning Corporation ("RELAC") filed an application with the Commission under the Public Utilities Affiliates Act requesting approval to renew the ground lease and employment agreements currently in effect. RELAC specifically requests approval of the terms and conditions of the ground lease and the employment agreements approved by the Commission in its Order dated May 10, 1999, in Case No. PUA990009.

Subsequently, in an Order issued on May 26, 2000, in Case No. PUA000012, the Commission granted authority for AquaSource Utility, Inc., to acquire control of RELAC at a price of $517,000.00, as adjusted pursuant to the Agreement and Plan of Merger. In that Order, the Commission noted that, upon consummation of the transfer of control, the affiliate relationship currently existing between Douglas A. Cobb and Barbara B. Cobb (collectively, the "Cobbs") and RELAC would cease to exist and that no Affiliates Act approval would be required for any transactions between the Cobbs and RELAC.

By letter dated February 27, 2001, counsel for AquaSource Utility, Inc., advised Staff that the acquisition of RELAC by AquaSource Utility, Inc., took place on February 15, 2001.

NOW THE COMMISSION, having considered the application, the above-referenced acquisition, and applicable law, is of the opinion and finds that the ground lease and employment agreements referenced herein no longer require Commission approval pursuant to the Affiliates Act. We will, therefore, dismiss this case without further action.

Accordingly, IT IS ORDERED THAT this matter is hereby dismissed.

CASE NO. PUA010007
APRIL 18, 2001

APPLICATION OF
VERIZON SOUTH INC.
and
VERIZON VIRGINIA INC.

For exemptions from the affiliated interest filing and approval requirements pursuant to § 56-77 B of the Code of Virginia

ORDER GRANTING EXEMPTIONS

On January 25, 2001, Verizon South Inc. ("Verizon South") and Verizon Virginia Inc. ("Verizon Virginia") (collectively, " Applicants") filed an application with the Commission pursuant to § 56-77 B of the Code of Virginia requesting the Commission to grant Applicants exemptions from the filing and prior approval requirements of § 56-77 A of the Code of Virginia.

In their application, Applicants note that the Commission adopted price indexing alternative forms of regulation for Verizon Virginia and Sprint local exchange companies, i. e., United Telephone-Southeast, Inc., and Central Telephone Company of Virginia, which became effective on January 1, 1995. Applicants also note that the Commission adopted a similar price indexing alternative form of regulation for Verizon South ("the Verizon South Plan") by Order dated December 21, 2000, in Case No. PUC000265. The Verizon South Plan became effective on January 1, 2001.

Subsequently, the Commission by Order dated March 28, 1997, in Case Nos. PUA960044, PUA960046, and PUA960047 granted Verizon Virginia (f/k/a Bell Atlantic-Virginia, Inc.), Central Telephone Company of Virginia, and United Telephone-Southeast, Inc., respectively, exemptions from

the prior approval and filing requirements of the Affiliates Act. Verizon South was granted a limited exemption from such requirements by Order dated May 8, 1998, in Case No. PUA970043.

Applicants assert that the purpose of the affiliate filing requirements is "to assure that the affiliates of public service companies do not receive unjust benefits to the detriment of the customers of the public service company." Applicants state that it is no longer necessary for the Commission to approve, in advance, affiliate transactions to protect the public interest as Verizon South can no longer seek recovery of cost increases from affiliate transactions or otherwise through price increases. Any ability to recover such costs was severed on January 1, 2001, when Verizon South ceased to operate under a traditional, cost-based regulatory model. Applicants also note that the Commission has the authority to revoke any exemption previously granted if it finds such action in the public interest.

Applicants state that Verizon South will continue to provide the Commission with an annual report of all affiliate transactions. This annual report will provide the Commission with the information needed to monitor affiliate transactions and to exercise general oversight and other authority in an informed manner. Applicants state that such reporting is consistent with that currently required for other companies, including those exempted from the prior approval and filing requirements of the Affiliates Act.

Applicants reference the Commission's Order issued on November 29, 1999, in Case No. PUC990100 whereby it approved the merger of Bell Atlantic Corporation and GTE Corporation and directed Verizon South and Verizon Virginia to file for approval of all affiliate agreements between themselves and the affiliates of the other, "until further ordered." Applicants state that this requirement was meant to avoid any potential for shifting costs from a price indexing company to a rate base, rate of return company such as Verizon South. Applicants represent that any potential for such cost shifting no longer exists as both Verizon Virginia and Verizon South now operate under price indexing alternative forms of regulation. Applicants state that, since the rationale for such requirement no longer applies to Applicants, the filing and approval requirement set out in the above-referenced Order should be terminated.

As further support for granting the requested exemptions, Applicants note that such action will reduce the administrative burden of the Commission without compromising the receipt of relevant information from annual affiliate filings. Applicants believe that granting the requested exemptions is equitable since competitive local exchange carriers do not have to meet the requirement of § 56-77 A and since similarly regulated local exchange carriers such as Verizon Virginia, United Telephone-Southeast, Inc., and Central Telephone Company of Virginia have been operating under such exemptions since March 28, 1997.

On February 8, 2001, the Commission issued an Order directing Applicants to give notice of their application, providing interested persons with an opportunity to comment and request a hearing, and directing its Staff to file a report detailing the results of its review.

Pursuant to that Order, Comments were filed by Kent P. Ferguson ("Mr. Ferguson") and AT&T Communications of Virginia, Inc. ("AT&T"). In his Comments, Mr. Ferguson alleges that "Verizon" is seeking to take advantage of a loophole to increase its revenues. Mr. Ferguson also objects to the fee charged by "Verizon" for providing additional exchanges in the Virginia Beach area.

In its Comments, AT&T requests the Commission to reject Applicants' request for exemptions. AT&T believes that granting such exemptions would simply facilitate Applicants' ability to constrain competition in the provision of competitors' local exchange and other telecommunications services.

Pursuant to a March 16, 2001, Order of the Commission, Applicants filed Comments in Reply to AT&T' s Comments ("Reply") on March 23, 2001. In their Reply, Applicants restate their belief that there is no reason for requiring Verizon Virginia and Verizon South to file for approval of affiliate agreements. Applicants also note that the Commission is already addressing anti-competitive concerns in other dockets and that such concerns are not relevant to the purpose of this proceeding.

Staff filed its Report on March 30, 2001. In that Report, Staff recommends that the Commission approve the requested exemptions for Verizon Virginia and Verizon South. Staff agrees that the reasons for requiring Verizon South and Verizon Virginia to file for approval of affiliate agreements no longer exists. Staff notes that neither company currently operates under a traditional, rate of return, cost-based regulatory plan and that both companies currently operate under similar regulatory plans. Staff also believes that the reason for requiring Verizon Virginia to file for approval of all affiliate agreements with Verizon South, as stated in the Commission's Order in Case No. PUC990100, no longer exists. Staff states that competitive issues raised in AT&T's Comments are more appropriately addressed in other proceedings and/or other Commission procedures.[1]

Staff also recommends that Verizon Virginia and Verizon South continue to submit an Annual Report of Affiliate Transactions to the Director of Public Utility Accounting in the same format as that currently filed by Verizon Virginia. Such report should be filed by April 1 of each year. However, the format and due date for such report for both companies will be subject to modification based on the outcome of Case No. PUA980020. Staff recommends that, upon request, Applicants provide Staff with a copy of any requested affiliate agreement or arrangement.

On April 6, 2001, Applicants filed Comments in Reply to the Staff Report. Applicants have no objections to the recommendations detailed in Staff's Report. Applicants, however, request that the Annual Report of Affiliate Transactions be submitted to the Director of Public Utility Accounting in the requested format commencing with the year 2002.

NOW THE COMMISSION, having considered the application, the pleadings, Staff's Report, and applicable law, is of the opinion and finds that it is in the public interest to grant Applicants the requested exemptions. We also find it appropriate to adopt the above-referenced recommendations of our Staff. Staff's recommendation with respect to the submission of the Annual Reports of Affiliate Transactions shall be modified as requested by Applicants.

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[1] Staff specifically references informal or formal complaint procedures that are available pursuant to the Commission's Rules of Practice and Procedure and the Collaborative Committee established to investigate market-opening measures. Staff notes an Abbreviated Dispute Resolution Procedure that will soon be submitted for Commission consideration and a subcommittee currently evaluating proposed Performance Standards for Verizon Virginia.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to § 56-77 B of the Code of Virginia, Verizon South and Verizon Virginia are hereby granted exemptions from the filing and prior approval requirements of § 56-77 A of the Code of Virginia.

2) Verizon South and Verizon Virginia shall continue to submit an Annual Report of Affiliate Transactions with the Commission's Director of Public Utility Accounting by May 1 of each year. Such reports shall identify all affiliate transactions entered into by each Applicant and shall use the format currently used by Verizon Virginia commencing with the Reports due May 1, 2002.

3) The reporting requirements detailed herein shall be subject to modification based on the outcome of pending Case No. PUA980020.

4) Upon request of Staff, Applicants shall provide copies of any requested agreements or arrangements with affiliates for Staff's review.

5) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA010008
APRIL 11, 2001

PETITION OF
VIRGINIA NATURAL GAS, INC.

For authority to dispose of utility assets

ORDER GRANTING AUTHORITY

On February 5, 2001, Virginia Natural Gas, Inc. ("VNG," "Company"), filed a petition with the Commission under the Utility Transfers Act requesting authority to sell and to transfer to James E. Baylor Holding Corporation, or Assigns, a parcel of land at 3719 Virginia Beach Boulevard in the City of Norfolk, Virginia, together with all the structures and improvements on the land ("the Property"). The Property consists of land and a commercial building purchased by VNG in 1995 and occupied until recently as office space in connection with VNG's utility operations.

VNG represents that the Company has agreed to sell the Property as evidenced by a January 12, 2001, Sales Agreement ("the Agreement") between the Company and James E. Baylor Holding Corporation and/or Assigns ("the Buyer"). The Company also represents that the Agreement represents an arm's length transaction entered into by and between unrelated entities. The proposed sales price of the Property is $950,000.00

VNG states that the Agreement is the result of a Company decision that the Property is no longer necessary to the proper operation of the Company's natural gas distribution operations. The Property was publicly listed for sale with a local commercial real estate company. The Buyer's offer to purchase was procured as a result of that listing and was accepted by the Company.

The Company represents that the proposed disposition of the utility asset will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates. The Company states that all occupants of the facilities on the Property have been relocated to other Company facilities and that it will not be necessary to obtain substitute space, by purchase or lease, to replace the facilities to be conveyed pursuant to the Agreement.

In the proposed accounting entries to reflect the transaction, the Company proposed to allocate the gain from the sale based on Commission property tax values. Such tax values reflect fair market value for the land portion of the Property and original cost for the building portion. Staff believes that a more appropriate method of allocating the gain on the sale would be to allocate the gain based on the original cost of the building and the land rather than basing one component on cost and the other on fair market value.

VNG has agreed to allocate the gain in accordance with Staff's recommendations and has filed an exhibit accordingly. The revised exhibit reflects a gain on the sale allocated to the building of $120,935.63 and booked as a credit to Account 108-Retirement Work in Progress. The gain allocated to the land of $31,381.22 is booked as a credit to Account 421.1-Gain on Disposition of Property. The accounting is in accordance with the Uniform System of Accounts for Gas Utilities.

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 sale 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. The Commission also finds that Staff's recommended basis for allocation of the gain on the sale should be accepted.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Virginia Natural Gas, Inc., is hereby granted authority to dispose of the Property to James E. Baylor Holding Corporation and/or its Assigns for the amount of $950,000.00 as set forth herein, or for such other adjusted consideration as may result from the closing of the transaction according to its terms and conditions.

2) The Company shall allocate the gain on the sale of the Property between the building and the land based on their respective original cost values. This will result in a gain in the amount of $120,935.63 allocated to the building and booked as a credit to Account 108-Retirement Work in Progress. The gain in the amount of $31,381.22 shall be allocated to the land and booked as a credit to Account 421.1-Gain on Disposition of Property.

3) The authority granted herein shall have no ratemaking implications.

4) The Company 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 closing on the transaction. The report shall include the date of the sale, the actual sales price, and the actual accounting entries reflecting the transaction.

5) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA010009
APRIL 13, 2001

PETITION OF
VIRGINIA NATURAL GAS, INC.

For authority to dispose of utility assets

ORDER GRANTING AUTHORITY

On February 5, 2001, Virginia Natural Gas, Inc. ("VNG," "Company"), filed a petition with the Commission under the Utility Transfers Act requesting authority to sell and to transfer to The Colonial Williamsburg Foundation ("the Customer") certain natural gas vehicle compression equipment and facilities located in the City of Williamsburg, Virginia, which represents a portion of the Company's facilities in place for the distribution of natural gas ("the Property").

The Property consists of a natural gas compressor station constructed and owned by VNG pursuant to an Agreement for the Purchase of Gas from Virginia Natural Gas, Inc., ("the Agreement") dated March 4, 1998, entered into between VNG and the Customer. The sale and transfer of the Property to the Customer is pursuant to the terms and conditions of the Agreement and VNG's Rate Schedule 11. The proposed sales price pursuant to the terms of the Agreement is $154,423.00.

The Company represents that the proposed disposition of the utility asset will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates.

By accounting entries designed to reflect the transaction, the Company proposed to recognize the loss on the sale but included the amount of the loss in above-the-line Accumulated Depreciation. In order to address Staff's concern with the ratemaking effect of the sale, VNG agreed to recognize the $55,151.79 loss on its books in below-the-line Account 421.2 - Loss of Sale of Property. The Company filed a revised exhibit reflecting the loss.

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 sale 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.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Virginia Natural Gas, Inc., is hereby granted authority to dispose of the Property to The Colonial Williamsburg Foundation for the amount of $154,423.00 as set forth herein.

2) The Company shall recognize the loss on the sale of the Property by recording the $55,151.79 loss on its books in below-the-line Account 421.2 - Loss on Sale of Property.

3) The Company 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 closing on the transaction. The report shall include the date of the sale, the actual sales price, and the actual accounting entries reflecting the transaction.

4) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA 010010
APRIL 11, 2001

JOINT PETITION OF
NEWSOUTH COMMUNICATIONS OF VIRGINIA, INC.,
NEWSOUTH HOLDINGS, INC.,
and
NSHI VENTURES LLC

For approval of transfer of ownership and control of NewSouth Communications of Virginia, Inc.

ORDER GRANTING APPROVAL

On February 23, 2001, NewSouth Communications of Virginia, Inc. ("NewSouth"), its ultimate parent, NewSouth Holdings, Inc. ("Holdings"), and NSHI Ventures LLC ("Ventures"), (collectively, "Joint Petitioners") filed a joint petition with the Commission under Chapter 5 of Title 56 of the Code of Virginia for approval to transfer ownership and control of Holdings and, thus, of NewSouth, to Ventures. Ventures currently owns approximately 23% of Holdings.

NewSouth is a public service corporation organized under the laws of the Commonwealth of Virginia. Its parent, NewSouth Communications Corp., a Delaware corporation, is a wholly owned subsidiary of NewSouth Holdings, Inc. ("Holdings"), a privately held Delaware corporation. NewSouth Communications Corp. and its subsidiaries are non-dominant communications services providers offering or preparing to offer local exchange and intrastate long distance services to end user customers. Holdings' subsidiaries operate, depending on the market and services offered, as a facilities-based or non-facilities-based carrier. NewSouth holds both an interexchange carrier ("IXC") and a competitive local exchange carrier ("CLEC") certificate of public convenience and necessity ("CPCN") in Virginia. However, NewSouth does not have tariffs on file and presently has no customers in Virginia.

NSHI Ventures LLC ("Ventures") is a Delaware limited liability company formed specifically to acquire shares of Holdings' Series D Convertible Participating Preferred Stock ("Series D Preferred Stock") issued by Holdings in July of 2000. Ventures has no other business interests. Ventures' managing member and 98% owner is KKR 1996 Fund L.P. ("Fund L.P."), a Delaware limited partnership. Each of two state retirement funds holds approximately a 13% limited partnership interest in Fund L.P. No other partner, general or limited, holds a 10% or greater interest in Fund L.P. The sole general partner of Fund L.P. is KKR Associates 1996 L.P., a Delaware limited partnership ("Associates L.P."). The sole general partner of Associates L.P. is KKR 1996 GP LLC, a Delaware limited liability company, whose managers are Henry R. Kravis and George R. Roberts. All of the above entities are affiliated with Kohlberg Kravis Roberts & Co. L.P. ("KKR"), a private investment firm that makes equity investments through various entities for itself and its investors.

The above-referenced transfer of control of NewSouth to Ventures will be accomplished through the issuance to Ventures of additional voting preferred stock and by changing the voting rights of the voting preferred shares currently held by Ventures. Upon completion of the transaction, Ventures will hold approximately 61.5% of the voting power in Holdings. In addition to acquiring majority voting control of Holdings, Ventures will acquire voting control of Holdings' subsidiaries, including NewSouth.

Upon issuance of the new stock in Holdings, NewSouth will continue to be the service provider in Virginia in accordance with its current CPCN. Ventures is an investment entity and will not be involved in the day-to-day operations of NewSouth but will rely, instead, on NewSouth's management. Joint Petitioners state that it is not anticipated that there will be any overall changes in NewSouth's current management.

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 of NewSouth 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, NewSouth Communications of Virginia, Inc., its ultimate parent, NewSouth Holdings, Inc., and NSHI Ventures LLC are hereby granted approval of the transfer of control of NewSouth to Ventures as described herein.

2) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA010011
MARCH 30, 2001

APPLICATION OF
ROANOKE GAS COMPANY

For approval of certain transactions pursuant to the Affiliates Act

ORDER GRANTING APPROVAL

On March 6, 2001, Roanoke Gas Company ("Roanoke," "Applicant") filed an application with the Commission under the Affiliates Act, Chapter 4 of Title 56 of the Code of Virginia, requesting approval of an Affiliate Agreement ("the Agreement") between itself and RGC Resources, Inc. ("RGC Resources"). In its application, Roanoke requests approval to transfer to RGC Resources certain services and personnel and thereafter to purchase similar services from that entity.

Roanoke is a Virginia public service company that provides retail distribution and sale of natural gas to approximately 48,600 customers in Roanoke, Virginia, and surrounding areas in Virginia. The surrounding areas include Salem and Bluefield, Virginia, and Roanoke County and portions of Bedford, Franklin, Botetourt, Tazewell, and Montgomery Counties.

Effective July 1, 1999, Roanoke reorganized and became a subsidiary of RGC Resources, Inc. ("RGC Resources"), an exempt holding company. With this reorganization, approved by the Commission in Case No. PUA980035, common services performed by Roanoke for other affiliates remained in Roanoke and were charged to the affiliates per affiliate agreements approved by the Commission. As stated in the application, Roanoke continues to provide executive, administrative, accounting, public relations, information systems, customer information systems, and related customer call center, data processing, and other services to its parent, RGC Resources, and to other affiliates.

Roanoke proposes to transfer to RGC Resources the provision of some of the services it has been providing to itself and to other affiliate subsidiaries to RGC Resources. Services that are substantially for the benefit of Roanoke, such as the call center, customer care, and limited operations related services will remain in Roanoke. Any portion of these costs that are not attributable to Roanoke's customers will continue to be allocated to other affiliates. Roanoke proposes to purchase administrative, accounting, public relations, information systems, customer information systems, data processing, supplemental executive, human resources, and other services it may need from time to time from RGC Resources, in essence shifting these shared services from the utility to the holding company.

Roanoke represents that the change from being a provider of these services to being a purchaser of such services from the holding company will have no impact on utility customers' rates since Roanoke will now be purchasing its shared services from the holding company. To allow RGC Resources to offer these services, twenty-four (24) Roanoke employees will transfer to RGC Resources.[1] Roanoke requests approval of the transactions described herein and approval of the Affiliate Agreement between RGC Resources, Inc., and Roanoke Gas Company.

Pursuant to the Agreement, RGC Resources will provide executive, administrative, accounting, public relations, information systems, data processing, regulatory, financial, and other services to Roanoke. Expenses of RGC Resources incurred on behalf of Roanoke will be assigned to Roanoke and recorded in the accounting records of Roanoke. Expenses of Roanoke incurred by it on behalf of RGC Resources will be assigned to RGC Resources and recorded in RGC Resources' accounting records. Expenses incurred by RGC Resources on behalf of any of RGC Resources' subsidiaries, which are not identifiable as directly assignable to any of the subsidiaries, and corporate governance, capital acquisition, external reporting, investor relations, and stock listing cost of RGC Resources will be allocated to subsidiaries and recorded in their accounting records according to allocations included as part of the Agreement. RGC Resources will make periodic equity infusions to Roanoke as financing arrangements between the holding company and its subsidiary utility. Either party may terminate the Agreement with a sixty (60)-day notice to the other party.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described Agreement is in the public interest provided that any services provided by RGC Resources to Roanoke for which a market exists are provided at the lower of cost or market. Roanoke should bear the burden, during any rate proceeding, of showing that it paid the lower of cost or market for any services received from RGC Resources for which a market exists. The Commission also finds that its approval of the Agreement should be only for specific services listed in the Agreement and shall not include the category described as "other."

Accordingly, IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Roanoke Gas Company is hereby granted approval to enter into the Affiliate Agreement between RGC Resources, Inc., and Roanoke Gas Company under the terms and conditions and for the purposes as described herein provided that any services provided by RGC Resources to Roanoke for which a market exists are priced at the lower of cost or market. Such approval shall not include those services listed as "other" in the Agreement described herein.

2) Roanoke is hereby granted authority to transfer to RGC Resources twenty-four (24) employees to RGC Resources.

3) Roanoke is hereby granted approval to begin accounting for the transaction as of the effective date of this Order.

4) Roanoke shall bear the burden, during any rate proceeding, of showing that it paid the lower of cost or market for services received from RGC Resources for which a market exists.

5) Should there be any changes in the terms 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 approval granted herein shall have no ratemaking implications.

8) The Commission reserves the authority to examine the books and records of any affiliate of Roanoke in connection with the approval granted herein whether or not the Commission regulates such affiliate.

9) Roanoke shall include the Agreement in its Annual Report of Affiliate Transactions to be submitted to the Commission's Director of Public Utility Accounting.

10) There appearing nothing further to be done in this matter, it hereby is dismissed.

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[1]Roanoke will transfer employees in accounting, human resources, information systems, regulatory affairs, and managerial positions to RGC Resources. All employees being transferred are non-union employees.

CASE NO. PUA010012
MAY 31, 2001

JOINT PETITION OF
COMM SOUTH COMPANIES OF VIRGINIA, INC.,
COMM SOUTH COMPANIES, INC.,
TRACFONE WIRELESS, INC.,
AM COMM SOLUTIONS, LLC,
ARBROS COMMUNICATIONS, INC.,
and
ARBROS COMMUNICATIONS LICENSING COMPANY, VA

For authority to transfer ownership and control of Comm South Companies of Virginia, Inc., from TracFone Wireless, Inc., to its affiliate, AM Comm Solutions, LLC, and from that company to ARBROS Communications, Inc., and for approval of related transactions

ORDER GRANTING AUTHORITY

On March 9, 2001, Comm South Companies of Virginia, Inc. ("Comm South"), its parent, Comm South Companies, Inc., TracFone Wireless, Inc. ("TracFone"), AM Comm Solutions, LLC ("AM Comm"), ARBROS Communications, Inc. ("ARBROS"), and ARBROS Communications Licensing Company, VA ("ARBROS VA") (collectively, "Joint Petitioners"), filed a joint petition with the Commission, pursuant to Chapter 5 of Title 56 of the Code of Virginia, to transfer majority ownership and control of Comm South from TracFone to TracFone's affiliate, AM Comm. AM Comm will hold approximately 90% of the stock of Comm South Companies, Inc., only for an instant before that stock and control of Comm South Companies, Inc., is transferred to an unaffiliated company, ARBROS.

Comm South Companies, Inc., is authorized to provide telecommunications services in many states and also operates through wholly owned subsidiaries in four states. In Virginia, Comm South Companies, Inc., operates as Comm South Companies of Virginia, Inc. Comm South Companies, Inc., is 90.1% owned by TracFone,[1] a Florida corporation and provider of resold prepaid wireless services, and is 9.9% owned by AM Comm, a Delaware limited liability company. TracFone is 97.3% owned by Sercotel, a Mexican corporation, and AM Comm is a wholly owned subsidiary of Sercotel. Sercotel is a wholly owned subsidiary of América Móvil, S.A. de C.V. ("AM"), a Mexican corporation.

Together with its operating subsidiaries, Comm South Companies, Inc., is authorized to provide local telecommunications services nationwide, primarily on a resale basis. In Virginia, Comm South received its certificate of public convenience and necessity ("CPCN") to provide local exchange telecommunications services on October 8, 1999, in Case No. PUC990037.

ARBROS VA, a Virginia public service corporation, is a wholly owned subsidiary of ARBROS Communications, N.E., a Delaware limited liability company, that, in turn, is a wholly owned subsidiary of ARBROS Communications, Inc. ("ARBROS"), a privately held Delaware corporation. ARBROS is 99.9% owned by Linsang Partners, LLC ("Linsang"), a Delaware limited liability company. ARBROS, through its subsidiaries, is providing and preparing to provide voice, data, and enhanced services as an integrated communications provider to small and medium-sized businesses primarily in the eastern United States. Through its operating subsidiaries, ARBROS will offer its customers basic local exchange services, CENTREX services, PBX trunks, ISDN, Internet, and data communications services as well as information services, operator services, and emergency services.

ARBROS owns several regional limited liability companies ("LLCs") which, in turn, own multiple licensing entities that are authorized to provide telecommunications services in various states. In Virginia, ARBROS VA received its CPCN to provide local exchange telecommunications services on November 15, 1999, in Case No. PUC990124. ARBROS VA has started providing services in Virginia.

As described in the joint petition, the essence of the transaction for which authority is being requested is ARBROS's acquisition of all of the stock of Comm South Companies, Inc., with the end result that Comm South Companies, Inc., and its subsidiaries will join the existing subsidiaries of ARBROS in providing telecommunications services to the public. Joint Petitioners represent that, because the services of Comm South and its subsidiaries are very different from those currently provided by ARBROS, ARBROS intends to maintain Comm South Companies, Inc., as a separate entity. Joint Petitioners state that, because of this separation, the transactions will be transparent to customers.

As described in the joint petition, the acquisition of Comm South Companies, Inc., will be completed in a multi-step process whereby all of Comm South Companies, Inc.'s outstanding stock will be exchanged for stock and warrants in ARBROS. Ultimately, Comm South Companies, Inc., will be a wholly owned subsidiary of ARBROS.

As a preliminary step, within five days of execution of the Stock Exchange Agreement ("the Agreement"), ARBROS will acquire the 9.9% of Comm South Companies, Inc.'s stock that was previously owned by AM Comm in exchange for 2,654,155 shares of ARBROS stock (approximately 4.8% of ARBROS' outstanding stock). This first step of the transaction does not involve any transfer of control of Comm South or ARBROS VA.

The second step in the process will occur at the closing of the overall transaction when, for business reasons, the current owners of Comm South Companies, Inc., will further restructure the ownership of Comm South Companies, Inc., by having AM Comm acquire from TracFone its 90.1% share of Comm South Companies, Inc.'s stock. The parent companies, Sercotel and AM, will remain the same. Upon acquiring the shares of stock from TracFone, AM Comm will transfer those shares immediately to ARBROS.

In the third step of the process, ARBROS will acquire the remaining 90.1% of the stock of Comm South Companies, Inc., that is held by AM Comm, and ARBROS will exchange AM Comm 5,718,952 shares of ARBROS stock and ten-year warrants to purchase another 31,963,232 shares at $.001 per share. This step will also occur at the closing of the overall transaction subsequent to the satisfaction or waiver of certain conditions to the closing as specified in the Agreement.

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[1] TracFone was formerly known as Topp Telecom, Inc., which changed its name to TracFone Wireless, Inc., on October 31, 2000.

As the final step, this transaction also involves certain additional financing for ARBROS. Sercotel has made an unsecured loan to ARBROS that will be converted at the closing of the acquisition of Comm South Companies, Inc., into 13,404,826 shares of ARBROS common stock. Linsang also has made an unsecured interest-free loan to ARBROS and that loan and an earlier loan will be converted into 13,404,826 shares of ARBROS common stock at the closing of the acquisition of Comm South Companies, Inc. Finally, ARBROS has made an unsecured short-term loan to Comm South Companies, Inc. The loan is not convertible into stock but amounts due by Comm South Companies, Inc., under the loan may be offset against the obligations of ARBROS to Sercotel under the Sercotel loan previously described.

By virtue of this share exchange and additional ARBROS shares issued in connection with the financing transaction described, AM Comm and its parent, Sercotel, will initially own approximately 24.9% of the ARBROS common stock outstanding after completion of the overall transaction. In the event that AM Comm exercises some or all of its warrants, AM Comm and Sercotel may hold up to an approximate 45% interest in ARBROS, thereby owning a controlling interest in ARBROS and ARBROS VA.

Joint Petitioners represent that, after the proposed transactions are consummated, both Comm South Companies, Inc., and ARBROS will continue to operate as separate entities, and Joint Petitioners do not anticipate that the transfer of ownership will have any impact on rates or services of customers of Comm South and ARBROS VA. Comm South and ARBROS VA will continue to operate under the same names and tariffs, and Joint Petitioners anticipate that many of the Comm South management team will remain after the transfer of control.

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 resulting in the transfer of control of Comm South and possibly ARBROS VA 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, authority is hereby granted for transfer of ultimate control of Comm South from TracFone to AM Comm as described herein.

2) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, authority is hereby granted for the ultimate transfer of control of Comm South from AM Comm to ARBROS as described herein.

3) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, authority is hereby granted for the acquisition of up to approximately forty-five per cent (45%) of ARBROS's stock by the AM Comm and Sercotel in the event the warrants are exercised.

4) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA010014
JULY 12, 2001

APPLICATION OF
COMMUNITY ELECTRIC COOPERATIVE

For approval of certain affiliate transactions under Chapter 4, Title 56, of the Code of Virginia

ORDER GRANTING APPROVAL

On April 13, 2001, Community Electric Cooperative (the "Cooperative," or "CEC") filed an application under Chapter 4 of Title 56 of the Code of Virginia ("Code"). The Company specifically requests approval of a Management Agreement ("Agreement") between CEC and its subsidiary Tidewater Energy Services, LLC ("TES").

Pursuant to the Agreement, CEC will provide management, administrative, and operations services to TES including, but not limited to, engineering and construction activities. The Agreement is for a single year with automatic renewal for one additional year, unless one party gives a 90-day written notice of intent not to renew.

TES was formed as a wholly owned limited liability company of CEC on March 15, 2001. CEC represents that TES was formed to conduct business activities that the Cooperative may not conduct on a not-for-profit basis pursuant to the Code. The services that TEC may provide include providing energy audits, back-up generators, and other unregulated business activities permitted pursuant to § 56-231.6 of the Code. Initially, TES plans to purchase, lease, and provide maintenance for emergency generators to be installed at locations outside CEC's geographic service territory. The Cooperative represents that to the best of its knowledge the initial business offering of leasing and maintaining emergency generators is not offered by any local companies in the Tidewater area.

Billing for services rendered by CEC to TES shall be provided on a monthly basis. Services and equipment will be at the rates specified in and made part of the Agreement. All material inventory and non-capitalized equipment purchased by the Cooperative for TES will be charged to TES at the Cooperative's actual cost. Equipment rates are based on CEC's actual equipment operating costs, including depreciation and taxes. All of the actual labor provided to TES by CEC will be directly charged to TES and will include overhead charges, including a labor overhead factor and a general plant and administrative overhead factor.

CEC represents in its application that the rates billed to TES will be the same as those used by CEC for service contracts currently in place with some of its members and/or patrons. The Cooperative further represents that the rates for providing such services insure that CEC will recover all direct and indirect expenses and, thus, the ratepayers will not subsidize the operations of TES. Further, the Cooperative represents those CEC members, as owners of the Cooperative and, therefore, indirectly owners of TES will benefit from the success of TES.

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 Management Agreement to be in the public interest and should, therefore, be approved subject to the following pricing conditions. If a market exists for the services provided to TES, CEC shall compare the market price with its cost of providing similar services, and it shall charge TES the higher of its cost, including a reasonable return on assets utilized, or the cost of obtaining the services from an outside party.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, CEC and TES are hereby granted approval to enter into the Management Agreement as described herein, subject to the following pricing restrictions. If a market exists for the services provided to TES, CEC shall compare the market price with its cost of providing similar services, and it shall charge TES the higher of its cost or the cost of obtaining the services from an outside party. Services for which no market exists shall be priced at cost.

2) Costs of CEC, in providing services to TEC, shall include a reasonable return on the assets utilized by CEC to provide those services.

3) In future rate case proceedings, CEC shall bear the burden of proving that it received the higher of cost or market for any services it provided to TES for which a market exists.

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.

6) Should there be any changes in the terms and conditions of the Management Agreement between CEC and TES 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 the Commission regulates such affiliate.

8) The Cooperative shall submit an Annual Report of Affiliate Transactions with the Director of Public Utility Accounting of the Commission by no later than May 1 of each year, beginning May 1, 2002, subject to extension by the Director of Public Utility Accounting. Such Report shall provide and shall include the following: affiliate's name, description of each affiliate agreement, date(s) covered by affiliate agreement, and total dollar amount of each affiliate agreement, broken down by the cost of each service provided. The report shall include all agreements with affiliates regardless of the amount involved and shall supersede all other affiliate reporting requirements previously ordered. In the Report, the Cooperative shall include evidence or documentation of any unsuccessful attempts to obtain market price data for services provided.

9) If General Rate Case Filings are not based on a calendar year, the Cooperative shall include the affiliate information contained in the Annual Report of Affiliate Transactions.

10) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUA010015
JUNE 19, 2001

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY
and
CONECTIV DELMARVA GENERATION, INC.

For approval of certain transactions under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On April 23, 2001, Delmarva Power & Light Company ("Delmarva") and Conectiv Delmarva Generation, Inc. ("CDG"), (collectively referred to as "Applicants"), filed an application with the State Corporation Commission requesting an exemption from the filing and prior approval requirements of § 56-77 A of the Code of Virginia ("Code"). In the alternative, Applicants request approval pursuant to Chapter 4 of Title 56 of the Code for an interconnection agreement between Delmarva and CDG under which an electric generation plant operated by CDG will be connected through the Delmarva transmission facilities to the PJM Interconnection, LLC ("PJM") transmission system; specifically, the CDG Agreement No. 2.

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 electric 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, incorporated in Delaware and a registered holding company under the Public Utility Holding Company Act of 1935.

CDG is a Delaware corporation that is a wholly owned subsidiary of Conectiv Energy Holding, Inc. ("CEH"), which is, in turn, a wholly owned subsidiary of Conectiv. CDG operates as an independent power producer that owns and/or operates power production facilities and sells power produced at those facilities at market based rates subject to regulation by the Federal Energy Regulatory Commission ("FERC"). CEH is also a 100% owner of Conectiv Energy Supply, Inc. ("CESI"), which sells electric power and natural gas at market based rates subject to FERC regulation.

CEI is a Delaware corporation that is wholly owned by Haymoor LLC, a Delmarva limited liability company. Neither CEI nor Haymoor LLC owns or is owned by Delmarva, Conectiv, or any of its subsidiaries.

On February 4, 2000, Delmarva filed its application in Case No. PUE000086 for approval of its functional separation plan (the "Plan") that contemplated the transfer of competitive activities to non-utility affiliates and total divestiture of electric power plants either to non-affiliated third parties or to non-utility affiliates in conjunction with various rate proposals.

On April 12, 2000, Delmarva, CESI, and CDG filed an application in Case No. PUA000032 requesting approval for a number of transactions including (i) the transfer of certain electric generating plant assets (the "Assigned Plants") and related rights and obligations from Delmarva to CDG; and (2) the establishment of CDG Interconnection Agreement No. 1 under which CDG was permitted to interconnect the Assigned Plants to the Delmarva transmission facilities.

On June 12, 2000, Delmarva and the Commission Staff filed a Memorandum of Understanding ("MOU") regarding the issues in Delmarva's February 4, 2000 and April 12, 2000 Applications. The MOU, among other things, set forth a revised functional separation plan and established capped rates for Delmarva subject to scheduled rate decreases as power plant units are sold or transferred under the Plan.

On June 29, 2000, in Case No. PUE000086 and Case No. PUA000032, the Commission entered Orders approving the Plan and granting the requested approvals under the Affiliates Act and Utility transfers Act. The capped rates provided for in the Plan will remain in effect until at least January 1, 2004, and in the absence of an effectively competitive retail sales market, may remain in effect until July 1, 2007.

As a result of the aforementioned Orders, CDG owns and operates the Assigned Plant referred to as Hay Road 1-4. CEI is constructing a generating plant referred to as Hay Road 5-8 at a location adjacent to Hay Road 1-4. Hay Road 5-8 will be a gas-fired combined cycle electric generation facility capable of producing 550 MW of power. CEI and CDG have entered into a lease agreement under which CDG will operate Hay Road 5-8 on CEI's behalf.[1] In order for CDG to deliver the power produced at Hay Road 5-8 into the PJM transmission system, it must interconnect that facility with the Delmarva transmission facilities.

Under the requirements of the PJM operating agreements and the FERC open access rules and regulations, Delmarva is obligated to enter into interconnection agreements that facilitate the connection of power plants in its service area with the PJM transmission system.

CDG and Delmarva have agreed that the interconnection with Delmarva's transmission facilities should take place in two phases. During the first phrase ("Phase I"), Hay Road Units 5-7 (each of which is a 110 MW gas-fired combustion turbine) will be temporarily interconnected in parallel with the existing Hay Road Unit 4 (referred to collectively as the "CDG Plant"). The Applicants intend to complete the temporary interconnection for Phase I by May 1, 2001.

During the second phase ("Phase II"), the temporary interconnection will be terminated and a permanent interconnection of Hay Road Unit 4 and Hay Road Units 5-8 will be made through a newly constructed 230 kV transmission line. The Applicants intend to complete the permanent interconnection for Phase 2 during the first half of 2002.

CDG and Delmarva have entered into CDG Interconnection Agreement No. 2 (the "Agreement") to achieve the requirements of Phase I. At this time, the Applicants are only seeking approval of the Agreement as it applies to Phase I. They represent that they intend to seek approval of the Phase II amendment once it has been completed.

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 it is not in the public interest to grant the Applicants the requested exemption. We are of the opinion and find that the above-referenced transactions are in the public interest and should, therefore, be approved pursuant to the Affiliates Act 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 the Interconnection Agreement No. 2 with Conective Delmarva Generation, Inc.

2) Should any terms and conditions of the Interconnection Agreement No. 2 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 notice with the Commission advising of the temporary interconnection for Phase 1 within thirty days of such interconnection.

7) That this matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

[1] At some point after the start up of Hay Road 5-8, CEI may transfer ownership of that facility to CDG. That change in ownership will have no effect on the agreement that is the subject of this filing. Specifically, CDG will still have to have an interconnection agreement with Delmarva in order to operate Hay Road 5-8.

CASE NO. PUA010017
JULY 25, 2001

PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY
and
DOMINION NUCLEAR MARKETING, II, INC.

For an exemption of wholesale power service agreement from the requirements of § 56-77A of the Code of Virginia or, in the alternative, for approval of wholesale power service agreement under Chapter 4, Title 56, of the Code of Virginia, and for expedited consideration

ORDER DENYING EXEMPTION AND GRANTING AFFILIATES ACT APPROVAL

On April 26, 2001, Virginia Electric and Power Company ("Dominion Virginia Power" or "the Company") and Dominion Nuclear Marketing II, Inc. ("DNM II") (collectively, the "Applicants"), filed a petition with the Commission pursuant to 56-77B of the Code of Virginia wherein they request an exemption from the requirements of § 56-77A for a service agreement between Dominion Virginia Power and DNM II for the wholesale sale of power in interstate commerce or, in the alternative, for approval of the Service Agreement, and for expedited consideration.

As stated in the petition, DNM II is a Delaware corporation engaged in the wholesale sale of electric power in interstate commerce, subject to regulation under the Federal Power Act by the Federal Energy Regulatory Commission ("FERC"). DNM II is a wholly owned, indirect subsidiary of Dominion Resources, Inc. ("DRI"). DNM II is authorized by FERC to sell power at wholesale in interstate commerce at market-based rates. DNM II's market-based rates tariff ("DNM II MR Tariff") became effective November 24, 2000. As stated in the petition, DNM II was created in connection with the acquisition of the Millstone Nuclear Generating Station by Dominion Nuclear Connecticut, Inc. ("DNC"), an indirect subsidiary of DRI.

Dominion Virginia Power requests an exemption from the requirements of § 56-77A of the Code of Virginia, or approval of, a service agreement between itself and DNM II for the wholesale sale of power in interstate commerce. The Service Agreement would allow DNM II, on a temporary basis, to make wholesale sales of power to Dominion Virginia Power under the DNM II MR Tariff. At the time Applicants filed their petition, the DNM II MR Tariff did not authorize such sales of power to Dominion Virginia Power. However, the Service Agreement was subsequently accepted by FERC on June 7, 2001, and became effective June 23, 2001.

DNC has agreed to sell to DNM II at wholesale a portion of the power generated from the Millstone units, but DNM II has not yet entered into power sales agreements with purchasers in New England. Dominion Virginia Power represents that it has a long-standing market-based rate authority from FERC and has many power sales contracts and transactions in place with third parties in the New England market. DNM II and Dominion Virginia Power propose to enter into the Service Agreement for a limited time period until DNM II establishes contracts with purchasers in New England. DNM II will sell power out of the Millstone units to Dominion Virginia Power, which, in turn, will sell the power to third parties in the New England market. The need for such temporary arrangements is not expected to last beyond 2001.

Pursuant to the Service Agreement, Dominion Virginia Power will purchase power from DNM II at the same price at which Dominion Virginia Power will make such off-system sales. These purchases will be excluded from its wholesale and retail ratepayer accounts. The Service Agreement also states that DNM II will hold Dominion Virginia Power harmless from any economic loss for transactions under the Service Agreement. The Service Agreement further obligates DNM II and Dominion Virginia Power to maintain, for a period of at least two years, records of each transaction under the Service Agreement. Such records must be in detail sufficient to permit verification of compliance with the protective provisions of the Service Agreement that require the price paid by Dominion Virginia Power to be established by the price paid to Dominion Virginia Power by a non-affiliated wholesale purchaser in New England. DNM II will bear the cost of Dominion Virginia Power's expenses to negotiate power sales from DNM II to third parties. Dominion Virginia Power will also abide by FERC's prohibitions against the sharing of market information between two affiliates. These prohibitions are reflected in the DNM II MR Tariff.

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 requested exemption from the filing and prior approval requirements of the Affiliates Act would not be in the public interest and should, therefore, not be approved. We believe that the above-described Service Agreement between Dominion Virginia Power and DNM II should be a temporary arrangement to allow time for DNM II to establish contracts in the New England wholesale power market. We believe that the Service Agreement should extend only through December 31, 2001, to ensure that it is in the public interest, and we will, therefore, approve the Service Agreement only through the above-referenced time period. We also believe that Dominion Virginia Power should receive some compensation for making off-system sales to third parties in the New England market on behalf of DNM II. Such services should be provided at the greater of cost or market.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to §56-77B of the Code of Virginia, the requested exemption of wholesale power service agreements from the requirements of § 56-77A is hereby denied.

2) Pursuant to § 56-77A of the Code of Virginia, Dominion Virginia Power is hereby granted approval to enter into the Service Agreement with DNM II under the terms and conditions and for the purposes as described herein through December 31, 2001.

3) Any extensions of the Service Agreement beyond December 31, 2001, shall require prior approval pursuant to the Affiliates Act.

4) The provision of the service that allows DNM II to enter into the New England market shall be provided at the greater of cost or market. Appropriate documentation showing that such transactions were provided at the greater of cost or market shall be made available for Staff review upon request.

5) Any changes in the terms and conditions of the Service Agreement from those contained herein shall require prior approval.

6) The approval granted herein shall have no ratemaking implications.

7) The approval granted herein shall in no way be detrimental to Dominion Virginia Power's ability to make off-system sales in the New England market.

8) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

9) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not the Commission regulates such affiliate.

10) The Company shall include the Service Agreement approved herein in its Annual Report of Affiliate Transactions to be submitted to 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.

11) If Annual Informational and/or General Rate Case Filings are not based on a calendar year, then Dominion Virginia Power shall include the affiliate information contained in the Annual Report of Affiliate Transactions in such filings.

12) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA010018
JUNE 29, 2001

JOINT PETITION OF
KMC TELECOM HOLDINGS, INC.,
KMC TELECOM INC.,
KMC TELECOM III, INC.,
KMC TELECOM IV, INC.,
KMC TELECOM OF VIRGINIA, INC.,
and
KMC TELECOM IV OF VIRGINIA, INC.

For approval of transfer of ownership and control of KMC Telecom of Virginia, Inc., and KMC Telecom IV of Virginia, Inc.

ORDER GRANTING APPROVAL

On May 3, 2001, KMC Telecom Holdings, Inc. ("KMC Holdings"), on behalf of its wholly owned subsidiaries, KMC Telecom Inc. ("KMC I"), KMC Telecom III, Inc. ("KMC III"), and KMC Telecom IV, Inc. ("KMC IV"), and on behalf of the wholly owned subsidiaries of its wholly owned subsidiaries, KMC Telecom of Virginia, Inc. ("KMC of VA"), and KMC Telecom IV of Virginia, Inc. ("KMC IV of VA"), (collectively "Joint Petitioners"), request approval, pursuant to Chapter 5 of Title 56 of the Code of Virginia, to accomplish an intra-corporate reorganization.

KMC Holdings has three entities that have certificates of public convenience and necessity ("CPCN") to provide telecommunications services in Virginia. These entities are KMC of VA, a wholly owned subsidiary of KMC I; KMC IV of VA, a wholly owned subsidiary of KMC IV; and KMC Telecom V of Virginia, Inc. ("KMC V of VA"), a wholly owned subsidiary of KMC Telecom V, Inc. ("KMC V").[1] Only KMC of VA and KMC IV of VA (referenced as "Second Level Affiliates") will be affected by the proposed transaction. In addition, KMC Holdings is undertaking a national corporate consolidation and restructuring plan involving KMC I, KMC Telecom II, Inc. ("KMC II"), KMC Telecom III, Inc. ("KMC III"), and KMC IV (referred to as the "First Level Affiliates").

Under the proposed transaction, (1) KMC I will transfer all of its assets (including its ownership interest in KMC of VA) to KMC III; (2) KMC IV will transfer all of its assets (including its ownership interest in KMC IV of VA) to KMC III; (3) KMC IV of VA will transfer all of its assets to KMC of VA; (4) KMC IV of VA will cease to exist (KMC IV does not yet have approved tariffs);[2] (5) KMC I will be dissolved and cease to exist as a corporate entity; and (6) KMC IV will survive as a corporate entity after the reorganization but will not hold any certificates to provide telecommunications services in any state.

By the intra-corporate reorganization, KMC Holdings seeks to simplify its corporate structure by consolidating the operations of two entities, thus reducing the number of Virginia entities. KMC will also consolidate the parent companies of the Virginia certificated entities. There will be no change in ultimate ownership of the Virginia entities.

Joint Petitioners represent that the First Level Affiliates all operate under the same management team, have the same directors and parent company, and share the same pool of underlying financial and technical resources. The Second Level Affiliates also share this pool of resources. Joint Petitioners further represent that the reorganization will result in no ultimate change of ownership, and all transactions are intra-company.

Joint Petitioners represent that all customers served by a KMC entity affected by the reorganization will receive notice of the intra-corporate reorganization. This notice will inform customers that there will be no material change in the rates, terms, and conditions of service provided to them. As the same team of telecommunications personnel manages the First Level Affiliates and Second Level Affiliates, the day-to-day operations of the companies,

[1] KMC of VA was certificated on December 19, 1996, in Case No. PUC960116. KMC IV of VA was certificated on October 18, 2000, in Case No. PUC000054, and KMC V of VA was certificated on October 18, 2000, in Case No. PUC000163.

[2] KMC IV will inform the Commission when the transactions are consummated so that its CPCNs (including that of KMC IV of VA) may be canceled.

once consolidated, will continue to function as they have to date. Joint Petitioners represent that, since there are no changes proposed in the rates or services following the reorganization, there will be no adverse impact to ratepayers or to the public.

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 reorganization will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, approval is hereby granted for the transfer of ownership and control of KMC of VA and KMC IV of VA, as described herein.

2) There appearing nothing further to be done in this matter, it hereby is, dismissed.

CASE NO. PUA010020
JUNE 12, 2001

APPLICATION OF
IDT INVESTMENTS, INC.

For approval of the direct and indirect acquisition of the stock of Teligent, Inc.

ORDER GRANTING APPROVAL

On May 10, 2001, IDT Investments, Inc. ("IDTI"), filed an application with the Commission under the Utility Transfers Act requesting approval of two stock transactions that would provide IDTI with a 34.4% interest in the voting stock of Teligent, Inc. ("Teligent"). Teligent provides local exchange and interexchange telecommunications services in Virginia through its wholly owned subsidiary, Teligent of Virginia, Inc. ("TVA").

IDT Investments, Inc. ("IDTI"), is a Nevada corporation and a majority owned subsidiary of IDT Corporation ("IDTC"), a Delaware corporation. IDTC is the parent corporation of companies that engage in telecommunications domestically and abroad. One of these companies, IDT America, Corp. ("IDTA"), resells interexchange telecommunications services in Virginia. IDTC is also the parent of companies that provide non-telecommunications businesses and manage investments.

Microwave Holdings, LLC ("MH"), is a Delaware limited liability corporation that is owned by Liberty Media Corporation and owns the issued and outstanding capital stock of Microwave Services, Inc. ("MSI"). MSI is a Delaware corporation and owns approximately 29.19% of the total voting stock in Teligent.

Teligent is a publicly traded Delaware corporation that acts as a holding company for its various subsidiaries that are engaged in the provision of domestic and international telecommunications services. Its wholly owned subsidiary, TVA, holds certificates of public convenience and necessity ("CPCN") to provide local and interexchange telecommunications services in Virginia. TVA has tariffs on file and currently provides services to business customers.

Affiliates of Hicks, Muse, Tate & Furst, Inc. ("HMTF"), hold convertible preferred shares of Teligent. When converted, these shares would represent approximately 5.21% of the total voting stock of Teligent.

IDTI requests approval of two transactions that would provide IDTI with a 34.4% interest in the voting stock of Teligent. Under the terms of the first transaction, which was executed and closed on April 18, 2001, IDTI acquired all of the issued and outstanding capital stock of MSI from MH. Since MSI directly owned the Teligent stock, IDTI became the indirect holder of the Teligent stock. The total shares of stock acquired represent approximately 29.19% of the total voting stock in Teligent. In return, IDTI issued to MH 30,000 shares of Series A Preferred Stock and 7,500 shares of Class B Common Stock.

Under the terms of the second transaction, which is scheduled to close on or about May 31, 2001, IDTI will acquire from HMTF shares of stock representing approximately 5.21% of the total voting stock in Teligent. Upon consummation of this transaction, IDTI will hold directly and indirectly approximately 34.4% of the total voting stock in Teligent and, therefore, TVA.

THE COMMISSION, upon consideration of the application and representations of IDTI and having been advised by its Staff, is of the opinion and finds that the first transaction as described herein would neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved. Due to the fact that the second transaction results in the transfer of less that 25% of the voting stock in Teligent, such transaction does not require Commission approval pursuant to § 56-88.1 of the Code of Virginia.

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 acquisition of MSI and its 21,436,689 shares of Teligent's Class A Common Stock, representing an indirect ownership of approximately 29.19% o the total voting stock in Teligent and, therefore, the indirect ownership of TVA.

2) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA010021
NOVEMBER 1, 2001

APPLICATION OF
CONECTIV,
POTOMAC ELECTRIC POWER COMPANY
and
NEW RC, INC.

For approval pursuant to § 56-88.1 of the Code of Virginia

ORDER GRANTING APPROVAL

On May 24, 2001, Conectiv, Potomac Electric Power Company ("Pepco"), and New RC, Inc. ("New RC") (collectively, "the Applicants"), filed a complete application requesting approval, pursuant to § 56-88.1 of the Code of Virginia ("the Code"), for New RC to acquire control of Delmarva Power & Light Company ("Delmarva"), Pepco, and Starpower Communications, LLC ("Starpower"), for Conectiv to dispose of control of Delmarva, and for Pepco to dispose of control of Starpower ("the merger").

Conectiv, a Delaware corporation and a registered public utility holding company under the federal Public Utility Holding Company Act of 1935 ("PUHCA"), was formed as a result of a merger involving Delmarva and Atlantic City Electric Company ("ACE").[1] Conectiv owns all of the common stock of Delmarva.

Delmarva is engaged in the generation, transmission, distribution, and sale of electric energy to approximately 22,000 retail customers and one wholesale customer in Virginia's two Eastern Shore counties. Delmarva currently receives certain services from Conectiv Resource Partners, Inc. ("CRP"), a wholly owned subsidiary of Conectiv, which is a Delaware company and a service company established under PUHCA. Pursuant to a service agreement between CRP and Delmarva approved by the Commission under the Affiliates Act, certain management, administrative, support, and other services are provided to Delmarva by CRP.

Pepco, a District of Columbia and Virginia corporation with its headquarters in the District of Columbia, distributes electricity to approximately 480,000 customers in Maryland and 220,000 customers in the District of Columbia. Pepco's electric distribution services are subject to regulation by the Public Service Commissions of Maryland and the District of Columbia. Pepco and Delmarva are members of the PJM Interconnection, LLC ("PJM"), and, as such, the operational control of their transmission facilities are subject to PJM procedures. Pepco does not provide any regulated electric utility service to retail customers in Virginia. Pepco owns approximately 55 circuit miles of power lines located in Virginia that interconnect with Pepco's transmission facilities in Maryland and the District of Columbia and certain generation and transmission facilities owned by unrelated third parties.

New RC, a Delaware corporation, is currently held as a subsidiary of Pepco. The merger will result in New RC becoming a registered public utility holding company under PUHCA. New RC will own Conectiv, Pepco, and, indirectly through subsidiaries, will own 50% of Starpower. At or prior to closing the merger, New RC will change its name to a name that has yet-to-be-determined. New RC will be headquartered in the District of Columbia.

Starpower, a Delaware limited liability company, is owned 50% by a Pepco subsidiary, Pepco Communications, LLC, and 50% by an unregulated entity, RCN Telecom Services of Washington, D.C., Inc. Starpower provides local and long distance telecommunications services to approximately 13,800 customers in the District of Columbia, Maryland, and Virginia. In addition, Starpower provides cable television and Internet services in the same region. The Applicants represent that, considered together, Delmarva, ACE, and Pepco will serve a total of approximately 1.8 million utility customers in Virginia, Maryland, Delaware, New Jersey, and the District of Columbia.

The merger is an acquisition of Conectiv through a transaction resulting from an auction voluntarily conducted by Conectiv's Board of Directors. In summary, two New RC subsidiaries will be established to implement the merger. One subsidiary, Merger Sub A, will be merged into Pepco, with Pepco as the surviving entity. The other New RC subsidiary, Merger Sub B, will be merged into Conectiv, with Conectiv as the surviving company. These mergers will make New RC the owner of Conectiv and Pepco.

Conectiv will continue to own Delmarva, ACE, and the other current Conectiv subsidiaries (except CRP, which will become a first-tier subsidiary of New RC along with Pepco and Conectiv). Pepco will continue to be an operating utility company. Its existing subsidiary, Pepco Holdings, Inc. ("PHI"), will continue to own its current subsidiaries. At the time of application, a decision had not been made as to whether PHI will be a first-tier subsidiary of New RC or will continue to be owned by Pepco. The Applicants represent that they expect CRP to continue to provide services for various Conectiv companies, including Delmarva, and also to provide similar services to an as-yet-undetermined degree to New RC, Pepco, and/or Pepco subsidiaries.

Under the Merger Agreement, New RC will effectively acquire Conectiv for a total consideration of approximately $2.2 billion in cash and stock. Pepco stockholders will receive one share of New RC common stock on a tax-free basis for each share of Pepco common stock. Conectiv common stockholders will have the option to receive either $25.00 in cash or New RC shares, subject to proration, so that the aggregate consideration paid to all Conectiv stockholders will be 50% cash and 50% stock. The amount of stock that will be issued is subject to a fixed-price "collar" for Pepco stock prices between $19.50 and $24.50. Each Conectiv share will be converted into not less than 1.02041 and not more than 1.28205 shares of New RC common stock. The transaction is expected to be tax-free to the extent that Conectiv stockholders exchange their shares for New RC common stock. The Applicants estimate that, based on the number of common shares outstanding on a fully diluted basis, Pepco stockholders will own approximately 67%, and Conectiv stockholders will own approximately 33% of the common equity of New RC.

The cash portion of the acquisition will be financed through cash on hand, including Pepco's share of the proceeds from a recently completed sale of generating assets, as well as external financing. Merger approvals were obtained from Conectiv's shareholders on July 17, 2001, and Pepco's shareholders on July 18, 2001.

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[1] This merger was approved by the Commission by Order dated August 6, 1997, in Case No. PUA970008.

The Applicants represent that the proposed acquisition by New RC of control of Delmarva, Pepco, and Starpower on the terms and conditions set forth in the Merger Agreement will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates. The Applicants represent that there are no immediate plans to merge the two utility companies. Conectiv and Pepco will continue to operate as separate companies and will be subsidiaries of a new holding company, New RC. The Applicants state that the merger will create a group of companies with sufficient size to succeed in the increasingly competitive utility and energy services marketplace. Conectiv, however, will continue to directly own Delmarva. Ultimate control or ownership of Delmarva will be held by New RC. Customers of Delmarva and Pepco will continue to receive utility service from the same company. The primary difference in corporate structure after the merger is that Conectiv and Pepco will be each owned by a holding company, New RC. New RC, instead of Conectiv, will own CRP after the merger.

The Applicants also represent that the merger will not increase customers' rates. Delmarva's Virginia retail electric base rates and fuel rate are now capped to at least January 1, 2004. The Applicants indicate that there are no plans to "blend" the fuel or power purchase costs that underlie the default service rates of the two individual operating companies or to reset distribution and transmission rates on an aggregated system-wide basis.

The Applicants expect that the merger will enable Delmarva to achieve efficiencies and cost savings in the future. The Applicants represent that, in addition, future benefits from economies of scale in procuring electric supply on reasonable terms may result from the merger to the extent that the Commission requires Delmarva to continue to provide standard offer electric supply service to its retail customers at the end of the rate freeze or rate cap periods.

The Applicants state that, since 1999, Delmarva has accelerated its delivery-related reliability investments, and there is no indication that the merger will change Delmarva's commitments in the bulk power delivery area. The Applicants further state that new generation being added by third parties on the Eastern Shore and mechanisms adopted last year by PJM and the FERC with respect to the treatment and calculation of congestion charges should further ameliorate concerns regarding locational marginal pricing.

In the application, the Applicants represent that the merger will not have an adverse impact on competition among suppliers of utility services or competitive services. The Applicants also represent that the combination of Pepco and Conectiv will not result in any market power concerns that will adversely affect competition and that it will not affect service to Delmarva's or Starpower's Virginia customers. With respect to Delmarva's retail electric service in Virginia, the Applicants state that New RC will continue the commitment to maintain safe and reliable transmission and distribution service. The Applicants also state that the merger will not affect Starpower's operations. Starpower will continue to provide telecommunications services to its Virginia customers pursuant to the terms, conditions, rates, and charges contained in its tariffs on file with the Commission.

The Applicants propose certain service quality guarantees. Each of the guarantees is subject to certain parameters and limitations. The limitations generally involve failures to meet a guarantee due to an event outside the utility's control, such as major storms, customer interference, labor disruptions, or other events of force majeure. In some instances, the guarantee applies only to certain customer classes.

The Applicants propose five service guarantees relating to customer appointments, new residential service installation, residential bill accuracy, call center service level, and call abandonment rate. The Applicants also propose four reliability guarantees that are applicable to electric distribution service. They concern outage restoration, customer average interruption duration index (CAIDI), system average interruption frequency index (SAIFI), and individual circuit improvement.

For accounting purposes, the merger is treated as an acquisition of Conectiv by Pepco. The merger will be recorded using the purchase method of accounting for business combinations in accordance with Accounting Principles Board ("APB") Opinion No. 16. Since Conectiv has publicly-held debt securities, so-called "push-down" accounting will not be used. In other words, any acquisition premium will appear on New RC's books and records and will not be "pushed down" to Conectiv or Delmarva. The holding company structure of the merger allows assets that are recorded on the books of ACE, Delmarva, and Pepco to remain the same.

On June 1, 2001, the Commission issued its Order for Notice and Comment. Applicants filed proof of notice on June 29, 2001. Also, on June 29, 2001, counsel for Old Dominion Electric Cooperative ("ODEC") and A&N Electric Cooperative ("A&N") (collectively, "Respondents") filed comments and requested a hearing. Respondents' concerns primarily deal with cost savings and the resulting effect on Virginia ratepayers, reliability of service, and locational marginal pricing on the Delmarva Peninsula at the time of transmission congestion.

On July 6, 2001, the Commission issued its Order Extending Time for Review and Establishing Procedural Schedule for Filings. In that Order, the Commission required the Applicants to respond to concerns raised by ODEC and A&N. The Commission specified that such response address cost savings resulting from the merger; reliability on the southern part of the Delmarva Peninsula; the impact of the merger on investments made to upgrade transmission service to the Delmarva Peninsula; the implications of the proposed merger with respect to distribution service quality and customer relations; and the impact, if any, the merger would have on congestion and the resulting locational marginal prices on the Delmarva Peninsula.

The Applicants filed their response on August 1, 2001. In their response, the Applicants state that, even though the merger is expected to produce some cost savings over time, those savings are not expected to create immediate rate reductions. There will, therefore, be no immediate savings to share or to distribute to ratepayers or stockholders. The Applicants, however, believe that savings will result from the elimination of certain duplicate corporate governance functions, supply chain/purchasing efficiencies, technology cost benefits, and, over time, the implementation of best practices and process improvements.

Regarding reliability, the Applicants indicate that the merger bodes well for service reliability for Delmarva customers. The Applicants note that Delmarva has aggressively addressed service reliability issues and state that this policy will continue after the merger. Applicants reference expenditures on equipment additions and upgrades, transmission and interconnection improvements, and new generation on the Delmarva Peninsula to support their position that reliability issues are being addressed. Regarding investments made to upgrade transmission service and concerns related to congestion and locational marginal pricing, the Applicants point out that transmission service issues and those related to congestion and locational marginal pricing have been addressed by the Federal Energy Regulatory Commission ("FERC") and by PJM.

They specifically note recent FERC decisions and PJM modifications that permit narrower pricing of congestion charges. Narrow pricing limits congestion prices to the sub-area where the congestion is occurring and, thus, subjects less load to the higher prices. In addition, PJM and FERC approved a fixed transmission right (FTR) annual reallocation mechanism that makes it easier for ODEC to hedge against congestion. Finally, as a short-term measure,

Delmarva agreed with ODEC to self-schedule its Bayview and Tasley units with the result that locational marginal pricing would not apply to those units. Applicants also state that FERC dismissed a complaint filed by ODEC alleging irregularities and problems with locational marginal pricing and congestion pricing in the Southern Delmarva Peninsula relying on the above-referenced factors.[2]

Concerning distribution service quality, Applicants state that the proposed guarantees of distribution service quality and reliability are major features of the merger and that its proposed guarantee proposal program is one of the most comprehensive in the United States.

Counsel for ODEC and A&N filed a reply to the Applicants' response on August 22, 2001. In their reply, Respondents allege that the Applicants fail to respond adequately to the Commission's questions. They state that, because the Applicants fail to identify or quantify cost savings, there can be no determination of whether just and reasonable rates are jeopardized or impaired. Respondents believe that Applicants have failed to respond adequately to their concerns regarding reliability and congestion pricing. They state that, without a hearing, the application should be dismissed.

Pursuant to Orders issued on August 31, 2001, and September 14, 2001, the Commission extended the date for filing the Staff Report to October 1, 2001. On September 27, 2001, counsel for ODEC and A&N filed a confidential document wherein they presented information designed to support their request for a hearing.

Staff filed its Report on October 1, 2001, wherein it addressed the above-referenced issues. It its report, Staff recommends approval of the merger on the terms and conditions set forth in the Agreement. Staff also recommends that:

1. Conectiv and Delmarva track costs to achieve the merger as well as savings achieved as a result of the merger, and identify and quantify any portion of such costs and savings attributable to Delmarva's Virginia jurisdiction;

2. The proposed transfer not, in any way, affect Delmarva's rate reduction addressed in the Commission's Order dated June 29, 2000, in Case No. PUE000086;[3]

3. Any modified or new affiliate agreements involving Delmarva have Commission approval under the Affiliates Act;

4. Any arrangements involving new money pools, redemption of Delmarva securities prior to maturity, and hedging transactions have prior approval under the Securities Act and/or Affiliates Act; and

5. Certification letter to the Securities and Exchange Commission ("SEC") be handled outside of this proceeding.

Staff further recommends that the Applicants submit a report of action to the Director of Public Utility Accounting showing the date of transfer, any change in the name of New RC, the amount of consideration paid, and the actual accounting entries reflecting the transfer. Finally, Staff does not support Respondents' request for a hearing. Staff states that Respondents' comments do not substantiate a need for a hearing and that additional information that might be available at a hearing does not appear to be needed in this case.

On October 1, 2001, the Commission issued its Order Permitting Response in which it permitted the Applicants and other interested parties to file a response to the Staff Report on or before October 12, 2001. On October 12, 2001, counsel for ODEC and A&N filed a response to the Staff Report wherein they reiterated their concerns with respect to transmission reliability on the Eastern Shore of Virginia and pricing at the time of transmission congestion. Respondents allege that Applicants have not met the standard for approving the merger under the Utility Transfers Act, and they renewed their request for a hearing.

Also, on October 12, 2001, the Applicants filed their response to the Staff Report in which they agree with Staff's analysis and conclusions. They state in their response that reliability of service to Delmarva's customers is a particular focus of the merger. The Applicants note discussions with Staff and ODEC and A&N describing the $110 million of bulk power system projects completed by Delmarva on the Delmarva Peninsula during the 1999-2001 time period and state that the system performed with no problems during the record-setting heat of August 2001. The Applicants reaffirm their commitment to maintaining that high standard of performance. The Applicants state there is no indication that the merger will have any adverse effect on the continued outstanding performance of Delmarva's transmission system or any other aspect of its operations.

In a letter dated October 19, 2001, from Conectiv Power Delivery to Staff's counsel, Delmarva agreed to submit to Staff within thirty (30) days after Delmarva's receipt, copies of the PJM Regional Transmission Expansion Planning Process ("RTEPP") Reports and the Mid-Atlantic Area Council ("MAAC") Reliability Assessment Reports[4] with a cover letter summarizing the findings of such reports and the impact of their recommendations on the Virginia portion of Delmarva's service territory. Delmarva commits, if requested by Staff, to meet with Staff to review these reports and discuss Delmarva's plans for ongoing enhancements to Delmarva's transmission system. Conectiv Power Delivery commits to comply with all PJM and MAAC recommendations shown in the reports to meet the applicable reliability criteria on the Delmarva Peninsula.

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[2] See, Old Dominion Electric Cooperative, 92 FERC ¶ 61,278 (2000).

[3] 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 and Application of Delmarva Power and 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, Case No. PUA000032, 2000 S.C.C. Ann. Rpt. 499.

[4] PJM, as part of its RTEPP, performs a study of the transmission requirements of the PJM region on a semi-annual basis. The result of these studies is a report that is issued semi-annually listing the transmission upgrades required in order to meet applicable reliability criteria. The MAAC performs an annual study of the regional transmission system, which includes Delmarva's transmission facilities, to assure that all applicable reliability criteria are met. This study results in a report, titled "MAAC Reliability Assessment," and is issued in the fall of each year. system, which includes Delmarva's transmission facilities, to assure that all applicable reliability criteria are met. This study results in a report, titled "MAAC Reliability Assessment," and is issued in the fall of each year.

THE COMMISSION, having considered the application, the pleadings, Staff's Report, and the responses thereto, is of the opinion that approval of the above-captioned application will not impair or jeopardize adequate service at just and reasonable rates. We note that ODEC and A&N are primarily concerned with cost savings, the reliability of the transmission system, and congestion pricing on the Delmarva Peninsula.

We believe that the merger should impose no costs on Virginia ratepayers. We will require Applicants to track costs and savings associated with the merger and submit a report to Staff detailing the results of their analysis. Staff shall monitor such reports and advise the Commission of benefits that should flow through to Virginia ratepayers.

With respect to reliability, we are aware that customers on the Delmarva Peninsula experienced rotating blackouts on July 6, 1999. Delmarva has made improvements to its transmission system since that time. These improvements appear to have increased reliability in that area as there were no reported blackouts during the record hot weather in the summer of 2001. With respect to future reliability, the record reflects that Delmarva plans to continue to operate its transmission system according to the reliability criteria of PJM and MAAC. Changes have been made in the PJM system model to predict better the possibility of blackouts in the future. The model changes will, therefore, enable PJM to determine more accurately the need for improvements to accomplish an improved level of reliability for the Delmarva Peninsula. Delmarva, in its letter dated October 19, 2001, agreed to submit to the Commission's Division of Energy Regulation reports from PJM and MAAC (PJM RTEPP Reports and MAAC Reliability Assessment Reports) and to comply with recommendations detailed in such reports.

With respect to congestion pricing, such pricing is not subject to our jurisdiction, but is, instead, subject to FERC's authority. If new units are built on the Delmarva Peninsula, that should reduce the hours of congestion, and, thus, prices may be affected. Also, as noted above, actions have been taken that should ameliorate the impact of congestion pricing in that area.

While Respondents continue to have concerns with respect to the above-referenced issues, we are unable to tie these concerns to the merger. There is no indication that the proposed merger will impair or jeopardize the provision of adequate service to the public at just and reasonable rates. To the contrary, the record reflects that the merger should result in a stronger company with more available capital, and Applicants appear to be committed to focusing on approving reliability. We are, therefore, of the belief that a hearing will serve no useful purpose.

Accordingly, IT IS ORDERED THAT:

1) Respondents' request for a hearing is hereby denied.

2) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, approval is hereby granted for New RC's acquisition of control of Delmarva, Pepco, and Starpower, Conectiv's disposition of control over Delmarva, and Pepco's disposition of control over Starpower, on the terms and conditions set forth in the Merger Agreement and as described herein.

3) Conectiv and Delmarva shall track costs to achieve the merger, as well as savings achieved as a result of the merger, and identify and quantify any portion of such costs and savings attributable to Delmarva's Virginia jurisdiction. Costs to achieve the merger shall not be borne by ratepayers; however, any savings or benefits as a result of the merger shall flow to Delmarva's Virginia ratepayers.

4) Delmarva shall, by May 1 of each year following the consummation of the merger, subject to extension by the Commission's Director of Public Utility Accounting, submit a report to the Director of Public Utility Accounting showing, for the previous calendar year, costs to achieve the merger as well as savings derived from the merger. Reports shall be submitted for a period of five years and shall detail, for the previous calendar year, the portion of such savings attributable to Delmarva's Virginia jurisdiction. Our Staff shall closely monitor such reports and advise us if there are benefits that should be flowed through to Virginia ratepayers.

5) The Applicants shall not assert, in any forum, that the Commission's ratemaking authority is preempted by federal law with respect to Virginia's retail ratemaking treatment of any charges from any affiliate to Delmarva or from Delmarva to any affiliate.

6) The proposed transfer shall not, in any way, affect Delmarva's rate reduction addressed in the Commission's Order dated June 29, 2000, in Case No. PUE000086.

7) Delmarva shall obtain Commission approval under the Affiliates Act for any modified or new affiliate agreements.

8) Delmarva shall obtain prior approval under the Securities Act and/or Affiliates Act for any arrangements involving new money pools and hedging transactions.

9) Commission Staff certification letters required to be filed with the SEC shall be handled outside of this proceeding.

10) Delmarva shall submit to the Commission's Director of Energy Regulation, within thirty (30) days after receipt, subject to extension by the Director of Energy Regulation, copies of the PJM RTEPP Reports and the MAAC Reliability Assessment Reports, with a cover letter summarizing the findings of the reports and the impact of their recommendations on the Virginia portion of Delmarva's service territory.

11) If requested by Staff, Delmarva shall meet with Staff to review these reports and discuss Delmarva's plans for ongoing enhancements to Delmarva's transmission system.

12) Delmarva shall comply with all PJM and MAAC recommendations that are shown in these reports concerning enhancements required to meet the applicable reliability criteria on the Delmarva Peninsula within a reasonable period of time.

13) The approval granted herein shall have no ratemaking implications.

14) The Applicants shall submit a report of action to the Director or Public Utility Accounting, within thirty (30) days of the transfer taking place, subject to extension by the Director of Public Utility Accounting, showing the date of transfer, any change in the name of New RC, the amount of consideration paid, and the actual accounting entries reflecting the transfer.

15) There appearing nothing further to be done in this matter, it hereby is, dismissed.

CASE NO. PUA010022
JULY 12, 2001

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

Annual financial and operating Report

DISMISSAL ORDER

On May 11, 2001, Virginia Electric and Power Company ("Virginia Power" or "the Company") filed a "Motion for Confidential Treatment of Information" wherein it requested that the Commission enter an order directing its Staff to afford confidential treatment to certain information filed in, or provided to Staff, in connection with the Company's Annual Financial and Operating Report for the year ended December 31, 2000 ("Annual Report")[1].

On June 15, 2001, Staff filed a Response to that Motion where it stated that it was concerned that the Company's withholding of any information in its Annual Report would not be in the public interest and would provide protection to the Company where the need for such protection had not clearly been demonstrated. Staff requested that the Commission enter an Order inviting comments or requests for oral argument on the Company's Motion.

Pursuant to the Commission's Order dated July 2, 2001, The Virginia Committee for Fair Utility Rates ("Virginia Committee") filed Comments in opposition to Virginia Power's Motion wherein it stated that Virginia Power had not demonstrated that the current state of the market warranted the requested confidential treatment. The Committee requested that Virginia Power's Motion be denied.

On July 6, 2001, Virginia Power filed a Motion requesting the Commission to issue an order allowing it to withdraw its Motion for Confidential Treatment of Information and to close the above-captioned docket.

NOW THE COMMISSION, having considered the matter, is of the opinion, that Virginia Power's request to withdraw its motion is reasonable and should be granted.

Accordingly, IT IS ORDERED THAT:

(1) Virginia Power's Motion to Withdraw Motion for Confidential Treatment in the above-captioned matter is hereby granted.

(2) This matter is hereby dismissed and the papers placed in the files for ended causes.

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[1] In that Motion, Virginia Power stated that the information for which it sought privileged treatment was "consistent with the designation of such information" in the Company's Form 1 for the year 2000 ("Form 1") filed with the Federal Energy Regulatory Commission ("FERC") on April 27, 2001. Virginia Power also requested, to the extent the Annual Report identified additional confidential information in the Virginia portion of the Annual Report not contained in its FERC Form 1, that such additional information be protected until FERC makes a determination of the Company's request for confidential treatment of Form 1.

CASE NO. PUA010023
JULY 12, 2001

APPLICATION OF
APPALACHIAN POWER COMPANY

For consent to and approval of a Modification of an existing Inter-Company Agreement with Ohio Valley Electric Corporation and other affiliates pursuant to Title 56, Chapter 4, of the Code of Virginia

ORDER GRANTING APPROVAL

On May 14, 2001, Appalachian Power Company ("Appalachian" or "the Company") filed an application with the Commission pursuant to Title 56, Chapter 4, of the Code of Virginia requesting consent to and approval of a modification of an existing Inter-Company Agreement with Ohio Valley Electric Corporation.

As described in the application, Ohio Valley Electric Corporation ("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.

OVEC subsequently entered into an Inter-Company Power Agreement dated July 10, 1953 (the "Agreement"), with the Sponsoring Companies.[1] The Agreement governs, 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 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.

The Agreement grants to the Sponsoring Companies the right to surplus energy not needed to serve DOE's uranium enrichment plant. The Agreement also grants the Sponsoring Companies the right to surplus power, which DOE releases to OVEC for the Sponsoring Companies' use. The Commission has previously approved thirteen (13) modifications to the Agreement. The latest, Modification No. 13, was approved by Order dated February 17, 2000, in Case No. PUA000051.

In the application, the Company requests approval of Modification No. 14, which is intended to resolve certain issues resulting from DOE's September 29, 2000, notice of cancellation of the DOE Power Agreement. The notice of cancellation states that the DOE Power Agreement shall be terminated no later than April 30, 2003.

The arrangements between OVEC and DOE are set forth in a March 20, 2001, Letter Supplement to the DOE Power Agreement (the "Supplement"). Under the terms of the Supplement, DOE has agreed to make additional electricity available to OVEC's Sponsoring Companies during the period from April 1 through August 31, 2001, in exchange for waiving DOE's contractual obligation to pay its share of demand and energy costs, as well as relieving DOE of certain charges related to additional facilities and replacements ("AFR"). In addition, the Supplement confirms DOE's obligation to pay certain costs under the terms of the DOE Power Agreement, including costs related to post-retirement and post-employment benefits and its share of the estimated costs of decommissioning OVEC's generation facilities in the future.

The Company represents that Modification No. 14 is necessary to permit OVEC to allocate to the Sponsoring Companies shares of AFR costs that will no longer be payable by DOE. That allocation is accomplished by the addition of capacity and energy surcharges to the monthly charges payable by the Sponsoring Companies through April 30, 2003. OVEC is intended to be revenue neutral in connection with the proposed modifications. That is, the amounts OVEC will receive from the Sponsoring Companies under Modification No. 14 are intended to cover the costs avoided by DOE pursuant to the arrangements set forth in the Supplement.

NOW 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 Modification No. 14 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 Power Company is hereby granted consent to and approval of Modification No. 14 to the Inter-Company Power Agreement as described herein.

2) The Company shall notify the Commission's Director of Public Utility Accounting of any further modifications to the Agreement within thirty (30) days of such modification.

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 the Commission regulates such affiliate.

6) The Company shall include this modification in its Annual Report of Affiliate Transactions to be submitted to 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.

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[1] Appalachian Power Company, The Cincinnati Gas & Electric Company, Columbus Southern Power Company, The Dayton Power and Light Company, Indiana Michigan Power Company, Kentucky Utilities Company, Louisville Gas and Electric Company, Monongahela Power Company, Ohio Edison Company, Ohio Power Company, Pennsylvania Power Company, Southern Indiana Gas and Electric Company, and The Toledo Edison Company are collectively referred to as the "Sponsoring Companies."

To date, three of the corporate directors of Appalachian are also directors of OVEC, five are directors of Columbus Southern Power Company ("Columbus"), five are directors of Indiana Michigan Power Company ("Indiana Michigan"), and five are directors of Ohio Power Company. Therefore, OVEC, Columbus, Indiana Michigan, and Ohio Power Company are affiliated interests of Appalachian pursuant to § 56-77 of the Code of Virginia.

CASE NO. PUA010025
JUNE 29, 2001

PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY
and
DOMINION TRANSMISSION, INC.

For approval of a pipeline construction contract and pipeline operation and maintenance agreement under Chapter 4, Title 56, of the Code of Virginia and for expedited consideration

ORDER GRANTING APPROVAL

On May 21, 2001, Virginia Electric and Power Company ("Dominion Virginia Power" or the "Company") and Dominion Transmission, Inc. ("DTI"), filed a petition with the Commission under Chapter 4, Title 56, of the Code of Virginia for approval of a Pipeline Construction Contract between Dominion Virginia Power and DTI (the "Construction Contract") for the construction of natural gas pipeline facilities ("New Gas Facilities") needed to receive and deliver natural gas to Dominion Virginia Power's Possum Point Power Station (the "Station"). The Company also requests approval of a Pipeline Operation and Maintenance Agreement between Dominion Virginia Power and DTI (the "O&M Agreement") for the operation and maintenance of the New Gas Facilities. The Company requests expedited consideration of the petition.

On June 27, 2001, and June 28, 2001, Dominion Virginia Power filed revisions to both the Construction Contract and the O&M Agreement.

On March 12, 2001, the Commission issued an order in Case Nos. PUE000343 and PUF000021, authorizing Dominion Virginia Power to construct and operate a new natural gas–fired, combined cycle power generation facility at the Station in Prince William County, Virginia. This proposal was part of an environmental improvement project for the Station under which Units 1 and 2, which currently burn fuel oil, will be taken out of service. Units 3 and 4 will be converted from coal to natural gas, and the new combined cycle facility, Unit 6, will burn natural gas. Dominion Virginia Power represents that the project is a critical part of its efforts to improve air quality and meet proposed air emissions limitations in Northern Virginia. The March 12 Order also authorized Dominion Virginia Power to participate in a synthetic lease arrangement to finance construction of Unit 6.

Construction Contract

The Construction Contract is the form of agreement under which DTI will perform for Dominion Virginia Power all of the activities (including clearing, permitting, designing, rights-of-way acquisition services, and installing) required to complete the New Gas Facilities so they are capable of being placed in service on or before October 1, 2002. Pursuant to the Construction Contract, as revised by the Company's filing with the Commission on June 28, 2001, the total estimated price for the New Gas Facilities is $24,275,000. According to Dominion Virginia Power's June 28, 2001, submission, the revised estimate of $24,275,000 reflects net increases for thicker wall pipe, more extensive directional drilling, and assumes the addition of over-pressure protection facilities at the Cove Point interconnect. Such facilities may be required to meet the maximum operating pressure limitation prescribed in the Commission's Order Granting Preliminary Approval issued on June 20, 2001, in Case No. PUE000741. However, Dominion Virginia Power proposes to reimburse DTI for the actual cost of such services, subject to substantiation by DTI and approval by Dominion Virginia Power.

Dominion Virginia Power's Construction Contract with DTI will terminate on the earlier of: (1) three years from the date of execution; or (2) the date on which Dominion Virginia Power deems the New Gas Facilities to have been properly installed in accordance with design specifications. However, if DTI fails to begin meaningful construction by July 1, 2002, Dominion Virginia Power has the right to terminate the Construction Contract. In connection with the revised cost estimates previously described, Dominion Virginia Power filed a revised Construction Contract, reflecting the right to add overpressure protection equipment and related costs to the pipeline project.

O& M Agreement

The O&M Agreement is the form of agreement under which DTI will operate, maintain, and repair the New Gas Facilities so that the New Gas Facilities will be used in a safe, efficient, and economical manner for receipt, delivery, measurement, and transportation of gas. According to the terms of the O&M Agreement, Dominion Virginia Power will pay DTI a management fee, estimated to be $82,995 per year. However, Dominion Virginia Power will reimburse DTI for actual costs, subject to substantiation by DTI and approval by Dominion Virginia Power. The O&M Agreement begins on the date of execution and continues until December 31, 2004, subject to automatic renewal unless either party provides 180 days' notice to the contrary. In connection with the revised cost estimates previously described, Dominion Virginia Power filed a revised O&M Agreement reflecting possible inclusion of the overpressure protection equipment and related costs.

THE COMMISSION, upon consideration of the petition and representations of Dominion Virginia Power and having been advised by its Staff, is of the opinion and finds, that with the conditions and modifications detailed herein, the Construction Contract and the O&M Agreement, as modified by the Company's revisions to the same filed with the Commission on June 27, 2001, and June 28, 2001, are in the public interest and should be approved.

In reviewing the two agreements in this case, Staff expressed concerns whether Dominion Virginia Power would be able to obtain and maintain ultimate control over the New Gas Facilities under the terms and conditions contained in the Construction Contract and the O&M Agreement and regarding the appropriate pricing (estimated as opposed to firm) incorporated in these agreements. As a result of Staff's concern over Dominion Virginia Power's ability to obtain and maintain control over such facilities, Dominion Virginia Power agreed to revise the language in both of the Construction Contract and the O&M Agreement to address these issues. On June 27, 2001, and on June 28, 2001, Dominion Virginia Power filed a revised Construction Contract and a revised O&M Agreement incorporating the agreed upon language to address Staff's concerns about control and clarifying the amounts that the Company estimates for construction of the pipeline and its associated facilities.

We note that the other two issues, pricing under both the Construction Contract and the O&M Agreement are at actual costs. We find that this is appropriate as long as costs are less than market. Therefore, pricing should be at the lower of cost or market. We also believe that the revised estimated prices of $24,275,000, under the Construction Contract and $82,995 per year under the O&M Agreement should be the upper limit that Dominion Virginia

Power can pay DTI. If additional costs are incurred by DTI pursuant to the Construction Contract and the O&M Agreement, Dominion Virginia Power and DTI shall file for approval to reimburse DTI for such costs consistent with the procedure detailed herein.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Dominion Virginia Power is hereby granted approval to enter into the Construction Contract and the O&M Agreement, as revised in its filings with the Commission made on June 27, 2001, and June 28, 2001, under the terms and conditions and for the purposes as described herein, subject to the modifications detailed herein.

2) Dominion Virginia Power shall pay DTI the lower of cost or market for services rendered under the Construction Contract and the O&M Agreement, up to a maximum of $24,275,000 under the Construction Contract and up to a maximum of $82,995 per year under the O&M Agreement. Dominion Virginia Power shall file a new application for approval to reimburse DTI any amounts in excess of the foregoing amounts. Such application shall include, among other things, detailed justification for the increased costs.

3) Should any terms and conditions of the Construction Contract or the O&M Agreement change from those approved herein, additional Commission approval shall be required for such changes.

4) Dominion Virginia Power shall bear the burden of proving, during any rate proceeding, that it paid DTI the lower of cost or market for services received under each of the Construction Contract and the O&M Agreement.

5) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and -80 of the Code of Virginia hereafter.

6) The Commission reserves the authority to examine the books and records of any affiliate of Dominion Virginia Power, including DTI, in connection with the Construction Contract and the O&M Agreement approved herein whether or not the Commission regulates such affiliate.

7) Within thirty (30) days of this order, Dominion Virginia Power shall submit a revised executed copy of the Construction Contract and the O&M Agreement, incorporating the modifications filed with the Commission under cover letter of counsel dated June 27, 2001, and June 28, 2001.

8) Dominion Virginia Power shall include the Construction Contract and the O&M Agreement approved herein in its Annual Report of Affiliated Transactions submitted to the Director of Public Utility Accounting.

9) The approval granted herein shall have no implications for ratemaking purposes.

10) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA010026
JULY 12, 2001

PETITION OF
SIGMA NETWORKS, INC.

For Authority Under the Utility Transfers Act

ORDER GRANTING APPROVAL

On May 30, 2001, Sigma Networks, Inc. ("Sigma"), and Holding Company Yet To Be Formed ("Holding Company") filed a petition with the Commission under the Utility Transfers Act requesting approval of two stock transactions that will result in the disposition and transfer of Sigma's stock. The first transaction is a transfer of more than 25% of the voting stock of Sigma to new investors. The second transaction involves the transfer of stock from Sigma to Holding Company and will result in the transfer of indirect ownership of Sigma Networks Telecommunications of Virginia, Inc. ("Sigma of VA"), to Holding Company.

Sigma is a privately held Delaware corporation. Sigma's principal business is telecommunications. Sigma of VA is a wholly owned subsidiary of Sigma. Sigma of VA holds certificates of public convenience and necessity to provide local and interexchange telecommunications services in Virginia. In conjunction with its parent, Sigma of VA is developing a private line, fiber optic communications network equipped with integrated optical networking equipment.

Sigma of VA currently owns limited telecommunications equipment in Virginia and currently leases dark fiber from third party suppliers to serve these facilities. Sigma of VA currently provides interstate commercial services to service provider customers including common carriers, Internet service providers, and hosted application providers. Sigma of VA does not currently provide intrastate telecommunications services nor does it have tariffs on file with the Commission.

Sigma has recently closed a credit facility providing for funding of approximately $260 million to purchase networking equipment. In connection with this transaction, Sigma has agreed to form Holding Company.

Sigma requests approval of two transactions that would result in both a transfer of over 25% of Sigma's voting stock and a transfer of indirect control of Sigma of VA. Under the terms of the first transaction, Sigma, on February 21, 2001, closed an equity financing of approximately $150 million

with various investors. This transaction resulted in the disposition of over 25% of the voting stock of Sigma to new investors. It also resulted in expanding the board of Sigma from five to seven members.

Under the terms of the second transaction, Sigma plans to create Holding Company, which will hold all of the stock of Sigma. The current stockholders of Sigma will become stockholders of Holding Company. This reorganization is necessary to meet the terms of a credit facility which provided $260 million in funding pursuant to a transaction closed on March 20, 2001. Establishing this holding company will enable Holding Company to pledge all stock of Sigma as collateral security for the funds borrowed by Sigma. Upon consummation of this transaction, the ultimate ownership of Sigma of VA will transfer from Sigma to Holding Company.

THE COMMISSION, upon consideration of the application and representations of Sigma and having been advised by its Staff, is of the opinion and finds that the transactions as described herein would neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved. We are concerned, however, that Sigma did not file for prior approval, as required by statute, for the issuance of equity financing, which resulted in the transfer of more than 25% of the voting stock of Sigma to new investors. Sigma should take the necessary actions to ensure that future transactions requiring Commission approval are approved prior to entering into the transactions.

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 issuance of equity financing, which will result in a transfer of more than 25% of the voting stock of Sigma to new investors.

2) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, approval is hereby granted for the restructuring transaction, which involves the transfer of stock from Sigma to Holding Company, and will result in the transfer of ultimate ownership of Sigma of VA to Holding Company.

3) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA010028
OCTOBER 5, 2001

JOINT PETITION OF
E.ON AG, POWERGEN plc,
LG&E ENERGY CORP.
and
KENTUCKY UTILITIES COMPANY, d/b/a OLD DOMINION POWER COMPANY

For approval of an acquisition

FINAL ORDER

On May 25, 2001, E.ON AG ("E.ON"), PowerGen plc ("PowerGen"), LG&E Energy Corp. ("LG&E Energy"), and Kentucky Utilities Company ("KU"), d/b/a Old Dominion Power Company ("ODP") ("collectively the "Petitioners"), filed a joint petition pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Code") for approval of the transfer of the ownership and control of KU by PowerGen to E.ON, or an E.ON affiliate, in accordance with terms of an April 9, 2001, pre-conditional cash offer by E.ON to acquire all of PowerGen stock (the "Acquisition Agreement").

The Petitioners also request that the Virginia State Corporation Commission ("SCC" or "Commission") determine that neither E.ON, PowerGen, LG&E Energy, nor any intermediate company between LG&E Energy or E.ON will, by reason of ownership of all outstanding shares of common stock of LG&E Energy[1] 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.

Finally, the Petitioners request that the Commission declare that no further approval is required pursuant to Chapter 4 of Title 56 of the Code for the Utility Service Agreement between LG&E, KU, and LG&E Energy Services (the "Services Agreement").[2]

E.ON is a German company, similar to a United States stock corporation, formed under the laws of the Federal Republic of Germany. E.ON is Germany's third largest industrial group and its utility subsidiary supplies almost 33 percent of Germany's electricity and over 30 percent of its natural gas. E.ON employees over 180,000 people and its capitalization is approximately $35.7 billion as of April 6, 2001. On a worldwide basis, E.ON owns a total of 29,000 MW of generating capacity and supplies electricity to approximately 25 million residential and business customers in Sweden, Switzerland, the Netherlands, Italy, Poland, Russia, Latvia, Hungary, Austria, and the Czech Republic. Its transmission grid stretches from Scandinavia to the Alps.

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, a regulated electric distribution utility known as East Midlands Electricity, and develops independent power projects in Europe, India, and the Asian Pacific

[1] LG&E Energy Corp. owns all the outstanding common stock of KU and Louisville Gas & Electric Company ("LG&E").

[2] The Service Agreement was approved by the Commission by Order dated August 10, 2000, in Case No. PUA000050.

area. PowerGen also conducts energy trading, shipping, and gas pipeline operations. It is a leading developer and operator of combined heat and power plants (known as cogeneration), and is involved in renewable energy ventures.[3]

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 for numerous subsidiaries engaged in cogeneration, independent power projects, exempt wholesale generation, and the ownership and operation of retail electric and gas distribution utilities known as LG&E and KU.[4] Both of the utilities operate as vertically integrated suppliers engaged in the generation, transmission, and distribution of electricity to retail customers while LG&E also distributes natural gas to retail customers.

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 as ODP and provides retail electric service to approximately 29,000 customers in five southwestern counties. KU does not have any wholesale customers in Virginia.

On April 9, 2001, the Boards of Directors of E.ON and PowerGen announced the terms of an Acquisition Agreement whereby E.ON will acquire all of the PowerGen shares and all of the PowerGen American Depository Receipts ("ADR") (representing four PowerGen shares). Under the terms of the Acquisition Agreement, holders of PowerGen's shares will not become holders of E.ON shares but will receive approximately $11.00 for each outstanding share and approximately $44.00 for each outstanding ADR. As of April 6, 2001, the total value of the proposed acquisition was approximately $13.8 billion, with approximately $7.4 billion reflecting the purchase of all issued and outstanding shares of PowerGen and PowerGen's ADRs and the remaining $6.4 billion reflecting PowerGen's debt assumed by E.ON. The preferred stock and debt obligations of KU will not be changed, converted, or otherwise exchanged in the acquisition. The Petitioners state that, unless E.ON and the Panel on Takeovers and Mergers otherwise agree, the offer will not be made in the event that any of the Pre-Conditions have not been satisfied or waived by the close of business (London time) on July 9, 2002.

The Petitioners state that the proposed acquisition of PowerGen may come about in one of two ways: by a takeover offer or by a court-supervised scheme of arrangement pursuant to Section 425 of the UK Companies Act of 1985. In a takeover offer, E.ON would need to obtain acceptances of at least 90% of the PowerGen shares outstanding (including shares already held by PowerGen) or such lesser percentage as E.ON may decide as long as it is above 50%. There is also a procedure for the exercise of compulsory acquisition where a minority of shareholders has not accepted the takeover offer. This procedure becomes exercisable when E.ON has acquired at least 90% of the PowerGen shares it does not hold on the date the offer is made. E.ON would serve the compulsory acquisition notices on shareholders who have not accepted the offer immediately upon reaching the 90% level, subject to the rights of dissenting shareholders (who may seek relief from the court). Completion of the acquisition of those shares would take place about six weeks later.

Another way of implementing the acquisition is by way of a court-sanctioned scheme of arrangement under Section 425 of the UK Companies Act of 1985. In a court-supervised scheme of arrangement, PowerGen would make an application to the court to summon a shareholders' meeting. It is at the court's discretion to order such a meeting. Assuming the court orders a shareholders' meeting, the scheme must be approved by a majority in number of those voting and 75% in value of the members voting. If approval is attained, the scheme then requires the sanction of the court at its discretion and is effective once the court order sanctioning the scheme has been delivered to the Register of Companies.

The Petitioners further state that the shareholders accepting E.ON's offer to purchase PowerGen's shares will have the option to receive loan notes to be issued by E.ON instead of some or all cash consideration. The loan notes will bear interest at a rate of 50 basis points per annum below the six months' sterling deposits LIBOR payable six months in arrears. Six months after the date of issuance, the loan notes will be redeemable, in whole or in part, on any interest payment date. Any loan note not previously repaid, redeemed, or purchased will be repaid in full on the first interest payment date falling on or after the fifth anniversary from the date of issuance. The loan notes will be transferable, but will not be registered under the United States Securities Act of 1933 (the "ACT"), as amended, or under any relevant securities laws of any state or district of the United States or any other country. Unless an exemption under such Act or laws is available, the loan notes may not be offered, sold, or delivered, directly or indirectly, in the United States, Canada, Australia, or Japan.

The Petitioners state that, upon completion of the transaction set out in the proposed Acquisition Agreement, PowerGen will become a wholly owned subsidiary of E.ON, while LG&E Energy, LG&E, and KU will survive the acquisition and retain their separate corporate existence. Immediately after the consummation of the acquisition of PowerGen, E.ON expects to make LG&E Energy a subsidiary of E.ON or of a U. S. intermediate holding company, 100 percent owned and fully controlled by E.ON. The Petitioners state that this corporate structure will allow E.ON to take into account certain international tax requirements and allow PowerGen to be classified as a Foreign Utility Company ("FUCO") under the 1935 Act, rather than a registered holding company under the 1935 Act. The Petitioners further state that PowerGen will retain responsibility for the development and operation of LG&E Energy. However, E.ON will own the shares of LG&E Energy and therefore, will directly control LG&E Energy and indirectly control KU and LG&E.

KU is expected to remain exempt from registration under the 1935 Act. LG&E and KU will remain directly owned first-tier subsidiaries of LG&E Energy, together with LG&E Capital Corp., LG&E Energy Marketing, Inc., LG&E Energy Services, Inc., and LG&E Energy Foundation, Inc. The Petitioners also state that there will be no change in the corporate structure of LG&E Energy, LG&E, or KU.

Once the proposed acquisition is completed, the Petitioners state that PowerGen's management team will be responsible for the development and operation of E.ON's Anglo-American energy business under consideration of E.ON's overall group strategy. The Board of Directors of each subsidiary and their corporate officers will continue in office, unless and until the respective Boards determine otherwise.

The Petitioners state that KU will continue to function as a public utility subject to the regulatory jurisdiction of the SCC, 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.

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[3] By Order dated July 21, 2000, in Case No. PUA000020, the Commission approved the acquisition of LG&E Energy by PowerGen and found that neither PowerGen, LG&E Energy, nor any intermediate company between them, would be a public service company as defined in § 56-1 of the Code. On December 11, 2000, PowerGen's acquisition of LG&E Energy was consummated.

[4] 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 as the surviving company. As a result of that merger, KU joined LG&E as a wholly owned subsidiary of LG&E Energy.

The Petitioners also state that they can not indicate specifically when the proposed reorganization will occur. The timing of the reorganization will take into account current and future tax developments in Germany and the United States. The German government is considering changes to the German Foreign Tax Act, causing some uncertainty concerning the treatment of multi-tier structures. The nature of the changes and the effective date will impact the timing and structuring of the proposed reorganization. The U. S. Treasury has issued proposed regulations that might have an impact on the financing of the transaction and will also influence the timing of the reorganization.

The proposed acquisition was approved by the Kentucky Public Service Commission on August 6, 2001. The Petitioners are awaiting approval from FERC, the SEC, and such regulatory approval as may be required by the Tennessee Regulatory Authority. The Petitioners also state that filings will be made under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and under the Exon-Florio provision of the Defense Production Act of 1950. In addition, the Petitioners state that the proposed acquisition requires clearance by the European Commission under the EC Merger Regulations and confirmation from the Office of Gas and Electricity Markets in the United Kingdom.

E.ON is expected, subject to SEC approval of the acquisition, to register as a holding company under the 1935 Act. As a registered holding company, it will be subject to various statutory and administrative requirements. As part of the proposed acquisition approval process, the SEC will review the Petitioners' non-utility operations and the corporate structure proposed for the merged company. E.ON states that it is possible that divestment of various non-utility assets may be required. In addition, the SEC will request certification that the SCC has the authority and resources to protect ratepayers subject to its jurisdiction and that it intends to exercise such authority.

The Petitioners state that the previous registration of PowerGen and its subsidiaries under the 1935 Act imposed a number of restrictions on their operations. Similar restrictions will be imposed upon E.ON. The restrictions include a requirement that the SEC approve in advance certain securities issuances, sales, and acquisitions of utility assets in the United States and acquisitions of other businesses. The 1935 Act will prohibit E.ON from providing services to operating utility subsidiaries, prohibit E.ON subsidiaries from providing certain services to each other, and limit the ability of E.ON and its subsidiaries to engage in various business activities. In general, the 1935 Act limits a holding companies' activities to utility operations, activities needed to support utility operations, energy-related businesses, exempt wholesale generators, and foreign utility companies.

The Petitioners state that the proposed acquisition is intended to make KU 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 E.ON, KU states it will be better able to utilize beneficial developments in transmission and distribution technology, information systems, and capital markets. Moreover, because E.ON's existing utility operations are outside the United States, there should be no increase in market concentration at either the wholesale or retail levels. In addition, E.ON's experience in other countries is expected to help in advancing KU's efforts in the wholesale market, as well as in preparing KU for restructuring and competition.

E.ON further contends that the proposed acquisition will bring benefits to KU, its customers, and its employees. After the proposed acquisition, KU will continue to enjoy the technical and managerial abilities that resulted from the merger of LG&E Energy with PowerGen, along with the additional technical and management expertise of E.ON. Petitioners represent that customers should benefit from improved service quality and energy efficiency resulting from the reciprocal adoption of "best practices." KU represents that employees should benefit from exposure to a worldwide utility entity with a more prominent international position. E.ON also represents that KU will not serve as an employer of last resort for employees, assets, or products associated with failed or troubled non-utility affiliate ventures of PowerGen, LG&E Energy, or E.ON.

E.ON states that it will maintain the same commitment to KU that was exhibited by PowerGen and LG&E Energy, and is also firmly committed to maintaining and supporting the relationships between KU and the communities it serves. In addition, KU headquarters will remain in Lexington, Kentucky, and KU will maintain its separate existence and connections and commitments to southwestern Virginia.

On June 13, 2001, the Commission issued an order directing the Petitioners to provide notice of the Petition, directed interested persons to file comments and requests for hearing on or before July 20, 2001, and directed its Staff to file a report ("Report") detailing its analysis on or before August 23, 2001. In a subsequent order dated July 6, 2001, the Commission extended the date for filing the Staff's Report to September 24, 2001.

On July 20, 2001, Petitioners filed a Motion for Leave to Accept Proof of Notice as Sufficient. In that motion, Petitioners noted that all but one publication was accomplished by the date established in the Commission Order dated June 13, 2001. The remaining publication was accomplished before the July 20, 2001, deadline for filing comments and/or requests for hearing.

Pursuant to the Order dated June 13, 2001, two persons filed comments objecting to the proposed acquisition on the basis of the future cost of energy, service reliability, job losses due to the PowerGen merger and the acquisition by a foreign entity. Enron filed notice to participate in the proceeding as necessary. There were no requests for hearing. The Commission acknowledges the comments received and has considered them in rendering this Order.

Pursuant to the Order dated July 6, 2001, Staff filed its Report on September 20, 2001. In its Report, Staff stated that it appeared that there would be no direct change in the relationship between LG&E Energy and KU. Staff also noted that KU is subject to § 56-590 of the Code (the divestiture, functional separation, and other corporate relationship provisions of the Restructuring Act). The Staff also stated that the approvals sought pursuant to the Utility Transfers Act appeared reasonable and should be granted consistent with the statutory requirements of § 56-90 of the Code ("Utility Transfers Act"). Since rates are capped in accordance with § 56-582 of the Code, it appeared to Staff that the transactions described in the joint petition would not impair or jeopardize adequate service at just and reasonable rates. Staff also recommended that the Commission address the matter of Petitioners' request for certification to the SEC under Section 33(a)(2) of the 1935 Act. Staff also recommended approval of the joint petition subject to certain conditions detailed herein.

The Petitioners' filed comments on October 1, 2001, noting several grammatical and minor corrections to the Staff Report. Staff accepted the Petitioners' comments and this Order incorporates all of the suggested changes.

NOW THE COMMISSION, having considered the above-referenced Motion, is of the opinion that such motion is reasonable and should be granted. We will, therefore, accept Petitioners' Proof of Notice filed on July 20, 2001. We are also of the opinion, pursuant to § 56-90, that approval of the

Joint Petition as discussed herein will not impair or jeopardize adequate service to the public at just and reasonable rates. We will, therefore, approve the Joint Petition subject to the conditions referenced by Staff in its Report and as set forth below.

We will not, however, address in this proceeding Petitioners' request regarding a determination that neither E.ON, PowerGen, LG&E Energy, 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. We also find that no further approval is required pursuant to Chapter 4 of Title 56 of the Code for the Services Agreement between LG&E Energy, KU, and LG&E Energy Services.

Accordingly, IT IS ORDERED THAT:

1) Petitioners' Motion for Leave to Accept Proof of Notice is hereby granted.

2) Petitioners' Proof of Notice filed on July 20, 2001, is hereby accepted.

3) The benefits customers currently receive as a result of the merger approved in Case No. PUA970041, *Petition of Kentucky Utilities Company d/b/a Old Dominion Power Company, KU Energy Corporation and LG&E Energy Corp. for Approval of the Acquisition of Control of Kentucky Utilities Company by LG&E Energy Corp.* (Consent Order dated January 20, 1998) shall continue unabated in anyway by the merger;

4) E.ON shall support and assist KU's continued maintenance of a balanced capital structure and recognize the Commission's continued ratemaking authority over the capital structure, financing, and cost of capital after the acquisition;

5) KU and its ratepayers shall not , directly or indirectly, incur any additional costs, liabilities, or obligations in conjunction with the acquisition of PowerGen by E.ON as described by Staff in its Report dated September 20,2001.

6) The Commission shall have open access to the books and records of LG&E Energy and KU, and to appropriate personnel, including the books and records of affiliates and subsidiaries as they relate to transactions between KU and other affiliates. Petitioners shall continue the same reporting process currently in place and to include such additional, special, or periodic reports, schedules, classifications, or other information that the Commission or its Staff reasonably requires in accordance with Virginia regulatory law, to monitor significant transfers of utility assets, personnel changes, business ventures, other major transactions, and to regulate effectively the operations of KU. Further, Petitioners shall continue to maintain a high level of cooperation with Staff and to take all actions necessary to ensure KU's timely response to informal data requests submitted by Staff with respect to KU's provisions of service in Virginia;

7) Petitioners shall not 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. This assertion shall also apply to any claim under the Ohio Power vs. FERC decision. However, KU shall retain the right to assert that the charges are reasonable and appropriate. Further, the Petitioners shall 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;

8) Petitioners and their affiliates shall bear the full risk of any preemptive effects of the 1935 Act. Petitioners and their affiliates shall agree to 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;

9) E.ON, PowerGen, LG&E Energy, LG&E, and KU shall not assert in any proceeding before the SCC, preemption by the United Kingdom, German, European Community, or other foreign regulator, of the review of the reasonableness of a cost. However, LG&E and KU shall retain the right to assert that the charges are reasonable and appropriate;

10) E.ON, PowerGen, LG&E Energy, LG&E, and KU shall provide the SCC with notice 30 days prior to any SEC filing that proposes new allocation factors. The notice shall include a description of the proposed factors and the reasons supporting such factors. E.ON, PowerGen, LG&E Energy, LG&E, and KU shall make a good faith attempt to resolve differences, if any, with the SCC in advance of filing with the SEC;

11) Petitioners shall notify the Commission of any changes in the proposed acquisition as a result of either the German Foreign Tax Act or the U. S. Treasury regulations;

12) If the proposed reorganization has not become effective within six months of the date of consummating the acquisition of PowerGen by E.ON, the Petitioners shall submit a written statement to the Commission explaining why the reorganization has not taken place;

13) E.ON 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 as well as copies of all orders issued by the SEC directly affecting KU's accounting practices;

14) E.ON shall abide by the conditions placed on the Service Agreement by the Commission in its August 10, 2000 Order in Case No. PUA000050; and

15) E.ON shall abide by the commitments made by KU to the Commission in the Memorandum of Agreement, date July 13, 2000, entered into by PowerGen, LG&E Energy, and KU in Case No. PUA000020.

16) There being nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUA010029
AUGUST 29, 2001

JOINT PETITION OF
QWEST COMMUNICATIONS CORPORATION OF VIRGINIA
and
LCI INTERNATIONAL OF VIRGINIA, INC.

For approval of transfer of assets and transfer of control of LCI International of Virginia, Inc.

ORDER GRANTING APPROVAL

On June 1, 2001, Qwest Communications Corporation of Virginia ("QCC/VA") and LCI International of Virginia, Inc. ("LCI/VA"), (collectively, "Petitioners"), filed a joint petition with the Commission under the Utility Transfers Act requesting approval of two transactions that would result in a merger of LCI/VA into QCC/VA. The first transaction involves a transfer of all of the assets held by LCI/VA to QCC/VA. The second transaction involves transfer of control of LCI/VA from LCI International Telecom Corporation ("LCI Telecom") to QCC/VA.

QCC/VA is incorporated in the Commonwealth of Virginia and is an indirect, wholly owned subsidiary of Qwest Services Corporation ("Qwest Services"). Qwest Services is a direct, wholly owned subsidiary of Qwest Communications International, Inc. ("Qwest Communications"). Through its subsidiaries and affiliates, Qwest Communications provides a full range of communications services, including local and interexchange telephone services, Internet access, and video and data services.

LCI/VA is a direct, wholly owned subsidiary of LCI Telecom. LCI Telecom is a wholly owned subsidiary of LCI International, Inc. ("LCI International"). Qwest Services currently holds all stock of LCI International.

QCC/VA currently holds certificates of public convenience and necessity ("CPCN(s)") to provide competitive local exchange telecommunications services and facilities based intrastate interexchange telecommunications services in Virginia and is currently providing interexchange services in Virginia. LCI/VA currently holds a CPCN to provide competitive local exchange services and provides services in Virginia under the "Qwest" brand.

The above-referenced transactions will be undertaken in order to effectuate an internal corporate restructuring. In the first transaction, all assets of LCI/VA will be transferred to QCC/VA. In the second transaction, LCI/VA will merge into QCC/VA, which will emerge as the surviving entity. Thus, control over LCI/VA will be transferred from LCI Telecom to QCC/VA.

There will be no change in the ultimate ownership or control of LCI/VA, as ultimate control will continue to be held by Qwest Communications.

THE COMMISSION, upon consideration of the joint petition and representations of QCC/VA and LCI/VA and having been advised by its Staff, is of the opinion and finds that the transactions as described herein would neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, approval is hereby granted for the above-referenced transfer of all assets.

2) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, approval is hereby granted for the transfer of control of LCI/VA from LCI Telecom to QCC/VA.

3) QCC/VA shall provide local exchange tariffs to the Commission prior to the national consummation of the merger and shall attest that only the name of the service provider has been changed.

4) QCC/VA shall provide prior notification to the Commission of the date of the actual closing of the merger.

5) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA010031
OCTOBER 12, 2001

JOINT PETITION OF
UTILITIES, INC.
and
NV NUON

For approval under the Utility Transfers Act

ORDER GRANTING APPROVAL

On June 27, 2001, Utilities, Inc., and nv Nuon ("Nuon") (collectively, "the Petitioners") filed a joint petition with the Commission under the Utility Transfers Act requesting approval of a transaction by which Nuon will acquire the ownership of Utilities, Inc., the parent company of Massanutten Public Service Corporation ("Massanutten PSC"). On August 20, 2001, the Commission issued its Order Extending Time for Review in which it extended the time period for reviewing the joint petition through October 25, 2001.

As stated in the joint petition, Massanutten PSC is a Virginia public service company that provides water and wastewater utility services to approximately 1,800 connections in Rockingham County, Virginia. Approximately 900 of these 1,800 connections are residential customers. The remaining connections are timeshare units, recreational facilities, common area facilities, and commercial facilities. Massanutten PSC also has 400 lots, which are available for service, but are not currently used. Massanutten PSC is a subsidiary of Utilities, Inc.

Utilities, Inc., is a private, investor owned water utility and water services company and is based in Northbrook, Illinois. Through its subsidiaries, Utilities, Inc., provides water and wastewater services to approximately 235,000 customers in sixteen (16) states.

Nuon is a Dutch public limited liability company. Nuon provides electricity, gas, water, and heat service to more than five million customers in The Netherlands. Nuon develops and markets products and services related to energy and water products. In addition, Nuon develops renewable energy products such as small-scale hydro-electricity, wind, and solar technologies. Nuon also develops and markets products and services related to energy and water products. However, Nuon is not involved in large-scale energy generation.

Nuon owns Norit, a leading supplier of water purification solutions for the food and beverage industry in Europe. Norit has offices in Texas and Oklahoma. Nuon and the United Kingdom firm, Biwater, own Cascal, which is an international water company. Nuon also owns North Coast Energy, Inc., an Ohio-based provider of natural gas. In addition, Nuon holds an equity interest in Green Mountain Energy Company, a U.S. based company selling renewable energy in the United States.

Nuon Acquisition Sub, Inc. ("Acquisition Sub"), is an Illinois corporation and a wholly owned subsidiary of Nuon. Acquisition Sub has been created solely for the purpose of consummating the merger involving Utilities, Inc., and Nuon.

As described in the joint petition, Utilities, Inc., and Nuon entered into a merger agreement on March 21, 2001, that will result in Utilities, Inc., becoming a wholly owned subsidiary of Nuon. The acquisition of Utilities, Inc., by Nuon will result in an indirect change of control of Massanutten PSC.

To accomplish the merger, which was approved by stockholder vote on May 16, 2001, Utilities, Inc., will first be merged with Acquisition Sub. Utilities, Inc., will be the survivor of the merger. Upon completion of the above-referenced merger, Nuon will pay cash to the stockholders of Utilities, Inc., for their shares of Utilities, Inc., stock. After Nuon has acquired all the stock of Utilities, Inc., the merger will be complete, and Utilities, Inc., will become a wholly owned subsidiary of Nuon. Massanutten PSC will remain a wholly owned subsidiary of Utilities, Inc. The merger is expected to close upon receipt of all necessary regulatory approvals in the United States.

As represented by the Petitioners, Massanutten PSC will continue as a subsidiary of Utilities, Inc., after the merger consummation. As further represented by the Petitioners, Utilities, Inc., will continue to operate with the same management team. Its customer service staff, located in Upper Marlboro, Maryland, and the local operating staff of Massanutten PSC will remain the same. There are no plans to change Utilities, Inc.'s management or customer service staff. Massanutten PSC will continue to receive the same support from Utilities, Inc. Massanutten PSC will also continue to be managed and operated by the same officers and personnel that currently run its operations. The Petitioners represent that the acquisition of Utilities, Inc.'s stock will not involve any rate increases for Massanutten PSC's customers. Massanutten PSC will adhere to the tariffs currently on file with the Commission and will continue to honor its customer obligations. Massanutten PSC will continue to be regulated by the Commission.

THE COMMISSION, upon consideration of the joint petition and representations of the Petitioners and having been advised by its Staff, is of the opinion and finds that the above-described merger involving an indirect transfer of control of Massanutten PSC 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, approval is hereby granted for the acquisition of Utilities, Inc., and, therefore, the indirect acquisition of Massanutten Public Service Corporation by nv Nuon as described herein and pursuant to the terms and conditions of the merger agreement.

2) The approval granted herein shall have no ratemaking implications.

3) As required by Chapter 10.2:1 of Title 56 of the Code of Virginia, the Small Water or Sewer Public Utility Act, Massanutten Public Service Corporation is subject to Chapter 4 of Title 56 of the Code of Virginia ("the Affiliates Act") and shall file for Commission approval of any arrangements or agreements as required under the Affiliates Act between itself and nv Nuon and/or Utilities, Inc.

4) The Petitioners shall submit a report of the action taken pursuant to the approval granted herein with the Commission's Director of Public Utility Accounting within thirty (30) days of such action taken, subject to extension by the Director of Public Utility Accounting. Such report shall include the date the acquisition took place and the total consideration paid.

5) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA010032
AUGUST 27, 2001

JOINT PETITION OF
M.C. DEAN, INC.,
OPENBAND OF VIRGINIA, INC.,
and
OPENBAND OF VIRGINIA, LLC.

For approval of transfer of ownership and control of OpenBand of Virginia, Inc., and to cancel certificates of public convenience and necessity of OpenBand of Virginia, Inc., to provide local exchange and interexchange telephone services and to amend certificates to reflect the name of the successor company, OpenBand of Virginia, LLC, and Motion for Expedited Consideration

ORDER GRANTING APPROVAL OF TRANSFR OF OWNERSHIP AND CONTROL

On June 28, 2001, M.C. Dean, Inc. ("M.C. Dean"), OpenBand of Virginia, Inc. ("Corporation"), and OpenBand of Virginia, LLC ("LLC"), (collectively, "Petitioners") filed a petition with the Commission under the Utility Transfers Act requesting approval of a transfer of assets in order to accomplish an intra-corporate merger and reorganization. This transaction involves the transfer of assets from Corporation to LLC. As a result of this reorganization, the corporation will become a limited liability company.

Corporation is a wholly owned subsidiary of M.C. Dean. Corporation is certificated to provide local and interexchange telecommunications services in Virginia. LLC was formed on June 6, 2001. M.C. Dean is the sole holder of the membership interest in LLC.

As a result of this transaction, the certificated company in Virginia, Corporation, will transfer all of its assets to LLC. This change in structure will take place by the transfer of stock of Corporation to units of membership interest in LLC. M.C. Dean represents that the transfer involves only wholly owned subsidiaries and/or sole membership in a limited liability company and that there will be no change in ultimate ownership. Control will continue to be held by M.C. Dean.

The Petitioners also request the Commission to cancel the certificates of public convenience and necessity ("CPCNs") awarded to OpenBand of Virginia, Inc., and amend the certificates to reflect the name of the successor company, OpenBand of Virginia, LLC.

THE COMMISSION, upon consideration of the joint petition and representations of the Petitioners and having been advised by its Staff, is of the opinion and finds that the transactions as described herein involving the transfer of assets and intra-corporate merger and reorganization will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved. The Petitioners' request that the Commission cancel CPCNs awarded to OpenBand of Virginia, Inc. should be dealt with in another proceeding, Case No. PUC010159, and the request to amend CPCNs to reflect the name of the successor company should be handled in Case No. PUC010161[1].

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 intra-corporate merger, reorganization, and transfer of assets from Corporation to LLC as described herein.

2) There appearing nothing further to be done in this matter, it hereby is dismissed.

[1] By Order dated August 20, 2001, OpenBand of Virginia, LLC, was granted interim authority to operate and provide telecommunications services to customers under tariffs of OpenBand of Virginia, Inc., until the Commission renders a decision in this proceeding.

CASE NOS. PUA010033 and PUF010018
AUGUST 22, 2001

JOINT APPLICATION OF
NORTHERN NECK ELECTRIC COOPERATIVE
and
NNEC ENTERPRISES, LLC

For authority to extend a line of credit and for approval of transactions with an affiliate

and

APPLICATION OF
NORTHERN NECK ELECTRIC COOPERATIVE

For authority to guarantee the debt of an affiliate

ORDER GRANTING AUTHORITY

On July 3, 2001, Northern Neck Electric Cooperative ("Cooperative" or "Northern Neck") filed a joint application with NNEC Enterprises, LLC ("Enterprises")[1] (collectively, "Joint Applicants"), under Chapter 4 of Title 56 of the Code of Virginia ("Code"). The joint application requests approval of a Management Services Agreement ("Agreement") between Northern Neck and Enterprises and authority for Northern Neck to extend a line of credit to Enterprises in an amount not to exceed $3,000,000. The application was assigned Case No. PUA010033. On August 10, 2001, the Cooperative amended its application in Case No. PUA010033 to request authority for Northern Neck to provide $750,000 in equity funding to Enterprises.

In addition, on July 3, 2001, Northern Neck filed an application under Chapter 3 of Title 56 of the Code for authority to guarantee the debt of its affiliate, Enterprises, in an amount not to exceed $3,000,000. The application was assigned Case No. PUF010018. Northern Neck paid the requisite fee of $250.

According to the August 10, 2001 amendment to the application, the proposed loan guarantee, line of credit, and equity funding, in aggregate, will not exceed $3,000,000 ("$3,000,000 investment/guarantee").[2]

In Case No. PUA010033, Northern Neck proposes to enter into an affiliate agreement with Enterprises. Pursuant to the Agreement, Northern Neck will provide, without limitation, management, accounting, administrative, legal, financial, marketing, sales, production, reception, operating, maintenance and repair services for Enterprises.

Enterprises will engage in yet-to-be-determined business activities that are, or may be, allowed by § 56-231.6 of the Code. In response to Staff's data request, the Cooperative indicates that Enterprises only plans to invest in businesses run by other companies.

In its evaluation of the application, Staff expressed a number of concerns to the Cooperative over certain provisions of the Agreement with respect to unclear and ambiguous RECITALS, bill payments by Enterprises to Northern Neck, the term of the Agreement, costs and overhead rates of Northern Neck, and priorities of service. To address these concerns, Staff recommends that the Agreement proposed by Northern Neck be revised as follows:

A) The Agreement should be amended to include in the RECITALS provisions that personnel services, equipment and vehicles, and materials and supplies may be provided to Enterprises by Northern Neck.

B) The Agreement should contain, as exhibits, the initial detailed breakdowns of actual cost elements of labor, equipment and vehicles, and material and supplies, and should identify all component costs and overhead factors applied, to insure that all direct and indirect costs incurred by Northern Neck, in providing services to Enterprises, are recovered in the charges made by Northern Neck to Enterprises. Overhead cost factors should include a factor for a reasonable return on any assets used by Northern Neck in providing services to Enterprises. Since counsel for Joint Applicants represents that the Agreement contains confidential and proprietary information, the Joint Applicants may file the cost information detailed herein on a confidential basis as provided for in the Commission's Rules of Practice and Procedure.

C) Paragraph 3 of the Agreement should be modified to read as follows: "Within 30 days of receipt of an invoice from Northern Neck, Enterprises shall pay such invoice for goods and services received from Northern Neck. If any payment due under this agreement is not paid when due and remains unpaid for 10 days thereafter, a delinquency penalty of 1.5% per month shall apply."

D) Paragraph 5 of the Agreement should be amended to read as follows: "This Management Services Agreement will continue from month to month unless and until either party terminates this Agreement by giving written notice to the other party at least sixty (60) days prior to the intended date of termination."[3]

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[1] On June 29, 2001, Enterprises was formed by Northern Neck as a wholly owned limited liability company. Joint Applicants represent that Enterprises was established in order to conduct business activities that the Cooperative may not conduct on a not-for-profit basis pursuant to the Code, but may conduct through an affiliate pursuant to § 56-231.6 of the Code.

[2] By Resolutions passed on July 16, 2001, and August 16, 2001, the Board of Directors of Northern Neck authorized the $3,000,000 guarantee and the $750,000 in equity funding, respectively.

[3] In a response to Staff's concerns regarding the term of the Agreement, the Cooperative suggested the above-referenced language.

E) The Agreement should recognize and should be modified to state that Northern Neck will give first priority to its retail consumers'/members' requirements and that the service obligations to Enterprises shall be secondary to Northern Neck's other service obligations.

With regard to Northern Neck's proposed $3,000,000 investment/guarantee, the Cooperative represents that the purpose of the loan guarantee and the line of credit is to support the operations of Enterprises and to allow Enterprises to invest in viable business ventures. Further, the Cooperative represents that the purpose of the equity investment is to provide capital to cover initial start-up and operational costs.

In a July 16, 2001, response to an inquiry from our Staff, the Cooperative, by counsel, represents that, at this time, it is unable to provide the terms and conditions of either the line of credit or the loan guarantee. The Cooperative represents that many of the terms and conditions will be dictated by market conditions in the future, the lines of business pursued by Enterprises, and the lender selected by Enterprises.

The Cooperative's proposed $3,000,000 investment/guarantee raises concerns. The Cooperative has not yet finally determined the activities of Enterprises, the interest rate of the loan guarantee/line of credit, and the terms and conditions of the loan guarantee/line of credit. We note that the $3,000,000 investment/guarantee is substantial given the size of the Cooperative. It represents a large percentage of Northern Neck's total assets[4] and almost four years' worth of its margins.

The Commission notes that in a July 16, 2001, response to our Staff, the Cooperative stated that the downside risk to its members of the loan guarantee/line of credit ". . .is minimal, compared to the importance of seeking participation in new lines of business that will result in greater financial diversity and rate stability." While rate stability is a laudable goal, the means by which the Cooperative proposes to achieve that goal are not guaranteed. Some investments prosper while others fail.

Nevertheless, the General Assembly has enacted legislation that permits electric cooperatives to engage in unregulated activities, provided such activities occur through an affiliate. Northern Neck's members, through their Board and management, authorized the formation of Enterprises as well as the $3,000,000 investment/guarantee.

Although the Cooperative authorized the $3,000,000 investment/guarantee, we, in our analysis, must consider the possibility of a catastrophic loss of the entire $3,000,000. If there were such a loss, it would likely have an impact on the Cooperative's rates and will certainly have an impact on Northern Neck's patronage capital. Our Staff, however, has advised us that it believes that the loss of $3,000,000 should not affect Northern Neck's ability to continue to provide safe and reliable electric service. Therefore, based on the particular facts presented, we do not believe it is appropriate for our concerns to override the wishes of Northern Neck's members, as expressed by their Board and managers. We hasten to add, however, that other circumstances may compel a contrary conclusion.

We are, therefore, of the opinion and find that approval of the $3,000,000 investment/guarantee will not be detrimental to the public interest. In approving the $3,000,000 investment/guarantee, we will depend on management to protect the financial well-being of the Cooperative. Moreover, management must, in planning for the activities of Enterprises, ensure that such activities will comply with all provisions of §§ 56-231.50:1 and 56-231.39 of the Code.

The Commission is of the further opinion and finds that the affiliate Agreement, with the proposed modifications, is in the public interest and should, therefore, be approved subject to the following pricing conditions. If a market exists for the services provided to Enterprises, the Cooperative shall compare the market price with its cost of providing similar services, and it shall charge Enterprises the higher of its cost, including a reasonable return on assets utilized, or the cost of obtaining the services from an outside party. We find that a modified Agreement, as detailed herein, should be filed with the Commission within 60 days from the date of this Order and should be made effective ten days after the date of such filing.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code, Northern Neck and Enterprises are hereby granted approval to enter into a modified affiliate Agreement, as described herein, subject to the following pricing restrictions. If a market exists for the services provided to Enterprises, Northern Neck shall compare the market price with its cost of providing similar services, and it shall charge Enterprises the higher of its cost or the cost of obtaining the services from an outside party. Services for which no market exists shall be priced at cost.

2) The approval granted herein shall be limited to those services specifically referenced in the modified Agreement. Any other services provided shall require subsequent Commission approval.

3) Costs of Northern Neck in providing services to Enterprises and the resulting charges to Enterprises, shall include all direct and indirect costs, including a reasonable return on any assets utilized by Northern Neck to provide such services.

4) In future rate case proceedings, Northern Neck shall bear the burden of proving that it received the higher of cost or market for any services it provided to Enterprises for which a market exists.

5) Commission approval shall be required for any changes in the terms and conditions of the affiliate Agreement between Northern Neck and Enterprises from those described herein.

6) Northern Neck is authorized to provide an amount not to exceed $750,000 in capitalization in order to provide equity funding to Enterprises.

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[4] This percentage is almost twice the proportion approved by the Commission in Case Nos. PUF980026, PUF980027, PUF000047 and PUF010005. See Applications of Central Virginia Electric Cooperative, Case No. PUF980026, 1998 S.C.C Ann. Rept. 155; Application of Mecklenburg Electric Cooperative, Case No. PUF980027, 1998 Ann. Rept. 456; Application of Shenandoah Valley Electric Cooperative, Case No. PUF010005, DCC No. 010330088, Slip Op. (March 27, 2001 Final Order).

7) Northern Neck is authorized to extend up to a $3,000,000 line of credit to Enterprises as requested in its application in Case No. PUA010033.

8) Northern Neck is authorized to guarantee up to $3,000,000 in debt of its affiliate Enterprises as requested in its application in Case No. PUF010018.

9) Not withstanding Ordering Paragraphs 6, 7 and 8 referenced herein, the total amount of the loan guarantee, line of credit, and equity funding approved herein shall not exceed $3,000,000.

10) Within ten days of Northern Neck having to make payments under the debt guarantee Northern Neck shall submit a Report of Action to the Commission's Divisions of Economics and Finance and Public Utility Accounting to include the amount of the monies paid by Northern Neck on Enterprises' behalf, the events occurring to cause such payment, and the respective terms and conditions of such payment.

11) A revised Agreement, as described herein, shall be filed by Northern Neck with the Commission within sixty (60) days of the entry of this Order, and shall become effective ten calendar days following such filing.

12) The approvals granted herein shall have no ratemaking implications.

13) The approvals granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code.

14) The Commission reserves the right and 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.

15) The Cooperative shall submit an Annual Report of Affiliate Transactions with the Director of Public Utility Accounting of the Commission by May 1 of each year, beginning May 1, 2002, subject to extension by the Director of Public Utility Accounting. Such Report shall provide and shall include: affiliate's name, description of each affiliate agreement, date(s) covered by affiliate agreement, total dollar amount of each affiliate agreement broken down by the cost of each service provided, evidence of any unsuccessful attempts to obtain market price data for services provided, the amount of equity capital provided to Enterprises during the year and the cumulative equity investment in Enterprises, the total amount of monies loaned to Enterprises during the year, the amount of monies outstanding at the end of the year with corresponding terms and conditions, and a balance sheet, income statement and cash flow statement for Enterprises.

16) The reporting requirements contained in paragraph 15 shall supersede all other affiliate-reporting requirements previously ordered.

17) If General Rate Case Filings are not based on a calendar year, the Cooperative shall include the affiliate information contained in the Annual Report of Affiliate Transactions, in such filings.

18) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUA010034
OCTOBER 26, 2001

PETITION OF
ONSITE ACCESS LOCAL, LLC

To transfer assets and discontinue and abandon service

ORDER GRANTING APPROVAL TO TRANSFER ASSETS

On July 3, 2001, OnSite Access Local, LLC ("OnSite" or "Petitioner"), filed a petition with the Commission under the Utility Transfers Act requesting approval of three transactions that would allow OnSite to withdraw from the Virginia telecommunications market. The first transaction will transfer assets to eLink Communications, Inc. ("eLink"), and Focal Financial Services, Inc. ("Focal Financial"). The second transaction will permit OnSite to discontinue the provision of telecommunications services to customers located within the Commonwealth of Virginia. The third transaction will allow OnSite to cancel its certificates of public convenience and necessity.

OnSite is a New York limited liability company headquartered in New York City. OnSite currently holds certificates of public convenience and necessity ("CPCNs") to provide local exchange and interexchange telecommunications services. OnSite currently provides voice and data services to customers in Virginia. OnSite is currently experiencing financial distress and has filed for bankruptcy protection.

Focal Financial, a Delaware corporation, is a wholly owned subsidiary of Focal Communications Corporation. Focal Financial does not provide telecommunications services and does not hold regulatory licenses from the Commission or any other regulatory commission. Focal Communications Corporation of Virginia ("Focal Virginia") is a Virginia Corporation headquartered in Chicago, Illinois. Focal Virginia holds CPCNs to provide interexchange telecommunications services and local exchange telephone services within Virginia.

On June 4, 2001, OnSite and eLink signed a letter of intent setting forth the parameters of eLink's proposed purchase of substantially all of OnSite's contract rights, customer lists, and equipment located in New York. eLink also plans to purchase a portion of OnSite's contract rights, customer lists, and equipment located in the District of Columbia, Maryland, and Virginia. In order to explore fully alternative options, OnSite submitted this proposal, along with proposed auction procedures, to the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). Pursuant to Bankruptcy Court Order, an auction was held on July 9, 2001, and a hearing was held on July 12, 2001, to approve the most favorable offers from the bidder(s) for such assets.

On July 19, 2001, OnSite amended the above-referenced petition. In its amendment, OnSite states that, at a hearing held on July 12, 2001, the Bankruptcy Court approved eLink and Focal Financial as the successful bidders in the above-referenced auction.

eLink currently does not hold CPCNs to provide local or interexchange services in Virginia. eLink has filed an application for certification and has requested interim authority to provide service under the tariffs of OnSite. In an Order issued on October 2, 2001, in Case No. PUC010151, the Commission granted eLink Telecommunications of Virginia, Inc., interim authority to operate and to provide local exchange and interexchange telecommunications services to the existing customers of OnSite under the tariffs of OnSite.

OnSite requests approval of three transactions that would allow OnSite to withdraw from the Virginia market. Under the terms of the first transaction, Petitioner requests approval to transfer assets to eLink and Focal Financial. The petition states that the successful bidders will be required to sign an asset purchase agreement and related agreements to ensure the continued provision of services to OnSite's customers, the completion of the transaction, and the seamless transition of OnSite's customers to the purchaser.

Under the terms of the second transaction, OnSite requests approval to discontinue the provision of telecommunications services to other customers within the Commonwealth of Virginia. OnSite states that, to ensure a seamless transition of customers to an alternate provider, a customer notification and transfer plan was developed. OnSite provided notice to its customers of its intent to discontinue service. OnSite states that it intends to discontinue such services as soon as practical in accordance with this Commission's rules and the Bankruptcy Court's decision.

Under the terms of the third transaction, OnSite requests approval to cancel its CPCNs in Virginia. OnSite proposes to discontinue services and cancel its CPCNs upon the completion of the transfer and the transition of OnSite's remaining customers to other carriers. OnSite requests that its CPCNs be cancelled, effective upon receipt of notice to the Commission of such transfer and the completion of transition of its customers. Petitioner seeks expedited processing of this petition.

THE COMMISSION, upon consideration of the petition and representations of the Petitioner and having been advised by its Staff, is of the opinion and finds that the transaction involving the transfer of OnSite's assets to eLink and Focal Financial, as described herein, will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and that such transfer should, therefore, be approved. The Petitioner's request to discontinue its provision of telecommunications services to those customers not being acquired and its request to cancel its CPCNs should be handled in a separate proceeding. Case No. PUC010173 has been established to address such matters.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, approval is hereby granted for the transfer of assets from OnSite to eLink and Focal Financial, as described herein.

2) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA010035
SEPTEMBER 19, 2001

PETITION OF
VIRGINIA NATURAL GAS, INC.

For authority to dispose of utility assets

ORDER GRANTING APPROVAL

On July 9, 2001, Virginia Natural Gas, Inc. ("Virginia Natural Gas," "VNG," or the "Company"), filed a petition with the Commission under the Utility Transfers Act requesting authority to sell and to transfer to Zap, Inc. ("Zap"), or assigns, a parcel of land known and identified as 3719 Virginia Beach Boulevard in the City of Norfolk, Virginia,[1] together with all of the structures and improvements thereon ("the Property").

Virginia Natural Gas states that it agreed to sell the Property as evidenced by a Sales Agreement ("the Agreement") entered into between VNG and Zap and/or its assigns ("the Buyer") dated June 22, 2001. The Company represents that the Agreement represents an arm's length transaction entered into by and between unrelated entities and that the proposed sales price of the Property as originally provided in the petition was $1,092,500.00.

In a letter dated September 5, 2001, in response to Staff interrogatories, VNG submitted a revised sales price of $1,052,000.00. VNG states that this price reduction is due to Zap's agreement to accept the Property in its present condition without any affirmative obligation on the part of VNG to perform any acts with respect to such Property.

Virginia Natural Gas represents that the agreement is the result of a decision made by the Company that the Property was no longer necessary to the proper operation of the Company's natural gas distribution operations. The Property was publicly listed for sale with a local commercial real estate company. The Buyer's offer to purchase was procured as a result of that listing.

This Property consists of land and a commercial building purchased by the company in 1995. The building was used as office space in connection with the utility operations of VNG. VNG states that the net book value of the Property on May 31, 2001, was $673,335.52.

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[1] Virginia Natural Gas was granted approval to sell this Property in Case No. PUA010008 to James E. Baylor Holding Corporation. The purchaser was unable to satisfy one of the contingencies it had placed in the sales agreement and, as a result, the transfer did not take place.

The proposed accounting entries reflecting the transaction show the Company's plans to allocate the gain between the building and the land, based on the original cost of such assets as recorded on VNG's books. The entries also record the entire gain on the sale of the commercial building to Account 108-Retirement Work in Progress and the gain on the sale of the land to Account 421.1-Gain on Disposition of Property, as approved in Case No. PUA010008. This accounting is in accordance with the Uniform System of Accounts for Gas Utilities.

Virginia Natural Gas represents that the proposed disposition of the utility assets will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates since the Property will no longer be needed to provide utility service. VNG also represents that the transaction is in the public interest and that VNG obtained a market price for the Property. The Company further states that all occupants of the facilities on the Property have been relocated to other company facilities, and it will not be necessary to obtain substitute space, by purchase or lease, to replace the facilities to be conveyed pursuant to the Agreement.

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 sale 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 Natural Gas, Inc., is hereby granted authority to dispose of the Property to Zap, Inc., and/or its assigns for the amount of $1,052,500.00, as set forth herein, or for such adjusted consideration as may result from the closing of the transaction according to the terms and conditions of the Agreement.

2) The Company shall allocate the gain on the sale of the Property between the building and the land based on their respective original cost values. This will result in a gain in the amount of $202,317.97 allocated to the building and booked as a credit to Account 108-Retirement Work in Progress. The gain in the amount of $52,498.88 shall be allocated to the land and booked as a credit to Account 421.1-Gain on Distribution of Property.

3) The authority granted herein shall have no ratemaking implications.

4) The Company 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 closing on the transaction, subject to extension by the Director of Public Utility Accounting. The report shall include the date of the sale, the actual sales price, and the actual accounting entries reflecting the transaction.

5) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NOS. PUA010036 and PUF010027
NOVEMBER 16, 2001

APPLICATION OF
NORTHERN VIRGINIA ELECTRIC COOPERATIVE

For approval of transactions with affiliates

and

APPLICATION OF
NORTHERN VIRGINIA ELECTRIC COOPERATIVE

For authority to guarantee the debt of affiliates

ORDER GRANTING AUTHORITY

On August 20, 2001, Northern Virginia Electric Cooperative ("NOVEC" or "Cooperative") filed a complete application under Chapter 4 of Title 56 of the Code of Virginia ("Code"). The application was assigned Case No. PUA010036. The Cooperative, in filings dated September 26, 2001, and October 9, 2001, amended that application. As amended, the application requests that the Commission grant NOVEC authority to:

1. Provide equity funding to NOVASTAR, Inc. ("NOVASTAR")[1], and America's Energy Alliance, Inc. ("AEA")[2], in a cumulative aggregate amount not to exceed $2,000,000, to include $390,000 in equity funding to AEA in exchange for NOVEC receiving shares of AEA's voting stock;[3]

2. Transfer the non-utility assets of America's Energy, a division of NOVEC, to AEA; such assets are valued at $42,370. NOVEC was granted authority to transfer other assets (utility assets) to its America's Energy Division in Case No. PUA00068; and

[1] On December 12, 1996, NOVEC formed NOVASTAR, a wholly owned limited liability company, to conduct business incidental or related to the Cooperative's authority under § 56-217 of the Code of Virginia. NOVEC provided NOVASTAR with $100,000 in initial equity funding.

[2] On July 20, 2000, AEA was formed as a wholly owned subsidiary of NOVASTAR to act as a competitive service provider and aggregator for electric and gas retail programs. NOVASTAR provided AEA with $1,000 in initial equity funding in return for ten voting shares of AEA stock.

[3] According to the Cooperative's application, the Board of Directors of NOVEC approved the $390,000 equity investment in AEA on May 3, 2001. The balance will be invested in NOVASTAR and AEA, respectively, only upon authorization by NOVEC's Board of Directors.

3. Provide loans, letters of credit, and other debt instruments to AEA and NOVASTAR in a cumulative aggregate amount outstanding not to exceed $10,000,000; such amount to include a letter of credit to AEA in the amount of $421,961.

The NOVEC Board of Directors, on April 4, 2001, approved the purchase/asset agreement with AEA for the transfer of operations to AEA of NOVEC's America's Energy Division, which included some non-utility assets.

On October 11, 2001, NOVEC filed an application, under Chapters 3 and 4 of Title 56 of the Code, wherein it requests approval to guarantee the loans, lines of credit, and other debt instruments referenced above. NOVEC paid the requisite fee of $250. That application was assigned Case No. PUF010027. This request modifies the approval granted by the Commission in Case No. PUF000047.

In its applications filed in the above-captioned proceedings, NOVEC is requesting the Commission to expand the authority granted to it in previous cases; specifically, Case Nos. PUA000068 and PUF000047.

In Case No. PUA000068, the Commission, in an order entered November 2, 2000, granted NOVEC authority to:

1. Provide a loan to NOVASTAR, through a $400,000 promissory note;

2. Expand the range of services that NOVASTAR could provide and permitted NOVASTAR to conduct any lawful business permitted pursuant to § 56-231.6 of the Code;

3. Modify the Cost Allocation and Service Agreement between NOVEC and NOVASTAR to permit NOVEC to receive services from NOVASTAR and for NOVEC to receive and to provide AEA with certain goods and services; and

4. Transfer certain computer software and its remaining natural gas customers/accounts to its affiliate AEA under an Asset Purchase Agreement in exchange for stock in AEA. Through such share acquisition, NOVEC became a joint owner with NOVASTAR in AEA with NOVASTAR retaining a majority of the voting shares.

In Case No. PUF000047, the Commission by Order entered January 1, 2000, granted NOVEC authority to guarantee a line of credit to AEA in an amount not to exceed $10,000,000.

NOW THE COMMISSION, having considered the applications, representations of the Cooperative and having been advised by its Staff, is of the opinion that it is not inappropriate for NOVEC to provide equity funding to its affiliates, NOVASTAR and AEA. A cumulative aggregate amount not to exceed $2,000,000 does not appear unreasonable. Granting authority for such equity funding is in the public interest and should be approved. The transfer of non-utility assets from NOVEC to AEA at $42,370, which is market value, is in the public interest and should be approved. Further, granting authority to provide $390,000 in equity to AEA, approved by the NOVEC Board of Directors on May 3, 2001, is in the public interest and should be approved.

From an evaluation of the application, Staff has concluded, and so advised the Commission, that it is appropriate for NOVEC to extend loans, letters of credit, and other debt instruments to support the operations of AEA and to allow NOVASTAR to engage in viable business activities. Granting authority for NOVEC to extend such debt instruments to its affiliates in a cumulative aggregate amount outstanding not to exceed $10,000,000 is in the public interest and should be approved. We are also of the opinion that granting authority for NOVEC to guarantee, as may be appropriate, those debt transactions with its affiliates, NOVASTAR and AEA, as requested in Case No. PUF010027 will not be detrimental to the public interest and should be approved.

We believe that the management of NOVEC is responsible for effective supervision of the activities of NOVASTAR and AEA and for ensuring that these affiliates comply with this order and all Code provisions referenced herein. Further, we expect NOVEC's Board of Directors to monitor the activities of NOVASTAR and AEA to ensure that the capital and resources of the Cooperative placed in NOVASTAR and AEA are not placed in jeopardy.

We also believe that both management and the Board of Directors of NOVEC are responsible to ensure compliance with the codes of conduct enumerated in 20 VAC 5-203-40 and the prohibitions set forth in 20 VAC 5-202-30. Further, we expect that the Cooperative will give first priority to its retail customers' and members' requirements and that the service obligations to its affiliates should be secondary to its other service obligations.

Accordingly, IT IS ORDERED THAT:

1) NOVEC is hereby granted authority to provide equity contributions to affiliates, NOVASTAR and AEA, in a cumulative aggregate amount not to exceed $2,000,000.

2) NOVEC is hereby granted authority to transfer $42,370 in miscellaneous non-utility assets of NOVEC to AEA for shares of voting stock in AEA.

3) NOVEC is hereby granted authority to provide $390,000 in capitalization to AEA for shares of voting stock of AEA.

4) NOVEC is hereby granted authority to extend loans, lines of credit, and other debt instruments to affiliates, NOVASTAR and AEA, in a cumulative aggregate amount outstanding not to exceed $10,000,000.

5) NOVEC is hereby granted authority to provide a letter of credit to AEA in the amount of $421,961.

6) The rates, charges, and terms and conditions of debt instruments as may be executed between NOVEC and its affiliates, NOVASTAR and AEA, shall be at rates and terms available for similar debt instruments that may be executed in the market, as may be appropriate.

7) NOVEC is hereby granted authority to guarantee the debt obligations of its affiliates, NOVASTAR and AEA, up to an amount not to exceed $10,000,000.

8) Not withstanding ordering paragraphs 4, 5, and 7, referenced herein, the total amount of the loans, letters of credit, other debt instruments, and guarantees shall not exceed $10,000,000.

9) No debt instruments or loan guarantees may be executed between NOVEC and its affiliates without prior approval by the NOVEC Board of Directors.

10) Any fees and charges made by NOVEC to its affiliates, NOVASTAR and AEA, related to guaranteeing affiliate debt, shall be made at terms comparable to terms for similar loan guarantees available in the market, as may be appropriate.

11) Within ten days of NOVEC having made an equity contribution to NOVASTAR and/or AEA, the Cooperative shall submit a Report of Action to the Commission's Divisions Economics and Finance and Public Utility Accounting to include the amount and form of such equity contributions and the cumulative total aggregate level of equity funding provided to each affiliate.

12) Within ten days of NOVEC having guaranteed any debt, or having extended any loans, letters of credit, or other debt instruments, to NOVASTAR or AEA, the Cooperative shall submit a Report of Action to the Commission's Divisions of Economics and Finance and Public Utility Accounting to include the amounts of any debt guarantees, the amount and form of debt instruments executed by NOVEC with NOVASTAR and/or AEA, the reasons and purposes for each executed affiliate transaction, the respective terms and conditions of each transaction, and a summary comparing rates of the executed transaction to those available in the open market, as may be appropriate.

13) Within ten days of NOVEC making payments under any default of loan guarantees of affiliate debt, or any loan or credit defaults to Cooperative by an affiliate, NOVEC shall submit a Report of Action to the Commission's Divisions of Economics and Finance and Public Utility Accounting stating the conditions under which such defaults have occurred and the measures taken to cure such defaults.

14) The approvals granted herein shall have no ratemaking implications.

15) The approvals granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code.

16) The Commission reserves the right and 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.

17) As first ordered in Case No. PUA970012, the Cooperative shall submit an Annual Report of Affiliate Transactions with the Director of Public Utility Accounting of the Commission by no later than April 1 of each year, beginning April 1, 1998, subject to extension by the Director of Public Utility Accounting. Such Report shall provide and shall include the following: affiliate's name, description of each affiliate agreement, date(s) covered by each affiliate agreement, total annual dollar amount expended under each affiliate agreement, identification and description of services provided, and the total annual expenses of each service provided. Such Report shall include the cumulative aggregate level of equity contribution by NOVEC to each affiliate, the cumulative aggregate amount of loan guarantees, loans, letters of credit, and other debt instruments made by NOVEC to its affiliates, broken down by each loan guarantee and by each debt instrument and identifying outstanding loan or debt balances of each affiliate. The report shall include all agreements with affiliates regardless of the amount involved. In the Report, the Cooperative shall include evidence or documentation of its research to obtain market price data for services provided, including any loan guarantees, loans, and letters of credit extended to affiliates, NOVASTAR and AEA, as may be appropriate.

18) The Annual Report of Affiliate Transactions and Reports of Action, as herein described, will not be treated as confidential. NOVEV may seek confidential treatment of information as provided by our Rules of Practice and Procedure, 5 VAC 5-20-170.

19) If General Rate Case Filings are not based on a calendar year, the Cooperative shall include the affiliate information contained in the Annual Report of Affiliate Transactions in such filings.

20) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUA010037
OCTOBER 26, 2001

JOINT APPLICATION OF
THE MONTANA POWER COMPANY
and
TOUCH AMERICA, INC.

For authority to conduct an internal reorganization of the company and effect a change of control pursuant to Title 56, Chapter 5, of the Code of Virginia

ORDER GRANTING AUTHORITY

On August 31, 2001, The Montana Power Company ("Montana Power") and Touch America, Inc. ("Touch America") (collectively, the "Applicants"), filed, pursuant to the Utility Transfers Act, a joint application with the Commission requesting authority to conduct an internal reorganization and change of control of Montana Power. Such reorganization will result in the indirect transfer of control of Touch America, Inc. – Virginia.

Montana Power is an electric and natural gas transmission and distribution utility providing service to the western two-thirds of the State of Montana. Montana Power does not operate in Virginia.

Entech, Inc. ("Entech"), is a wholly owned subsidiary of Montana Power. In the early 1980s, Montana Power created an intermediate holding company to separate its new unregulated business ventures from its regulated utility business. The unregulated utility businesses conducted by Entech include coal mining in Montana and Texas, independent power generation, oil and gas production in Canada and the United States, and a rapidly growing national telecommunications business. Montana Power conducts its telecommunications business through two subsidiaries owned by Entech, Touch America, Inc., and Tetragenics Company ("Tetragenics").[1] In 1999 Montana Power sold the majority of its electric generation assets.

Touch America was incorporated in 1983 as a wholly owned subsidiary of Entech to focus on telecommunications and operate as an interexchange carrier. Touch America built, and is still building, a high speed fiber optic network across the United States. This network is used for wholesale transmission as a carrier's carrier, as well as for Touch America's direct connections to individuals and businesses through various product offerings. Touch America is currently in the process of expanding its business through a combination of relationships with anchor customers, alliances with third parties, and acquisitions. Recently, Touch America acquired various telecommunications businesses from Qwest Communications International, Inc., located in U.S. West's fourteen-state region. Touch America currently holds certifications to provide interexchange telecommunications services in 44 states, including Virginia.

Touch America operates in Virginia through Touch America, Inc.-Virginia ("Touch America Virginia"). Touch America Virginia currently holds a certificate of public convenience and necessity ("CPCN") to provide interexchange telecommunications services in Virginia but has not, as yet, begun to provide such services.

Applicants request authority to conduct an internal reorganization and change of control that will result in the indirect transfer of Touch America Virginia. This reorganization will allow Montana Power to divest itself of all of its energy operations and will also allow the Applicants to shift their focus entirely to telecommunications. That shift in corporate strategy and internal restructuring includes two major components.

The first component involves Montana Power creating a new limited liability company, Entech, LLC. Entech will then merge with and into Entech, LLC.[2]

The second component involves Montana Power's forming a wholly owned subsidiary, Touch America Holdings, Inc. ("Touch America Holdings"). Touch America Holdings will, in turn, form and own 100% of The Montana Power, LLC. The Montana Power Company will then merge with and into The Montana Power, LLC. As a result of this merger, Montana Power's existing common and preferred shareholders will receive, respectively, the common and preferred stock of Touch America Holdings. As a consequence of this merger, Montana Power's state of incorporation will change the state where it is incorporated from Montana to Delaware.

Finally, The Montana Power, LLC, will then transfer its ownership of Entech, LLC,[3] to Touch America Holdings. Entech, LLC, will transfer the stock of its subsidiaries to Touch America Holdings. Entech, LLC, will remain in existence solely to satisfy any obligations or liabilities that may exist in connection with the sale of the unregulated energy business.

This restructuring will result in the change of Touch America Virginia's ultimate parent from Montana Power to Touch America Holdings. Direct ownership of Touch America Virginia will continue to be held by Touch America.

Touch America Virginia will continue to be the operating company in Virginia. The Applicants state that there appears to be no need to change or modify the existing CPCN held by Touch America Virginia.

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 that the transactions, as described herein, involving internal reorganization and change of control of Touch America 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, approval is hereby granted for the internal reorganization and the indirect change of control of Touch America Virginia, as described herein.

2) There appearing nothing further to be done in this matter, it hereby is dismissed.

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[1] Tetragenics is a smaller business that develops electronic monitoring systems for a variety of applications, including telecommunications facilities.

[2] Montana Power has already completed the sale of three businesses owned by Entech; specifically, the oil and gas business, the independent power group, and the coal-mining subsidiary.

[3] Entech, LLC, will, at this time, own Touch America and Tetragenics.

CASE NO. PUA010039
SEPTEMBER 24, 2001

JOINT PETITION OF
VIRGINIA GAS COMPANY,
VIRGINIA GAS DISTRIBUTION COMPANY,
VIRGINIA GAS STORAGE COMPANY,
H. A. STREET,
and
EDITH G. STREET

For approval of stock purchase agreements and related affiliated transactions

ORDER GRANTING APPROVAL

On July 26, 2001, Virginia Gas Company ("VGC"), a Delaware corporation organized in 1987, Virginia Gas Distribution Company ("VGDC"), a Virginia corporation, Virginia Gas Storage Company ("VGSC"), a Virginia corporation, H. A. Street, an individual, and Edith G. Street, an individual, filed a joint petition with the Commission pursuant to Chapters 4 and 5 of Title 56 of the Code of Virginia ("Code") requesting approval of a series of stock transfers among certain affiliated parties. Collectively, VGC, VGSC, VGDC, H. A. Street, and Edith G. Street are referred to as the "Petitioners."

VGC, either directly or indirectly through its subsidiaries and affiliated companies, is primarily engaged in the storage, marketing, distribution, gathering, exploration, and production of natural gas, and the distribution of propane gas.[1] VGC has four wholly owned Virginia subsidiaries: Virginia Gas Exploration Company, Virginia Gas Pipeline Company, Virginia Gas Propane Company, and Virginia Gas Marketing Company. In addition to its wholly owned subsidiaries, VGC owns a 50% interest in each of two affiliated companies that are also Virginia public service corporations, VGSC and VGDC. The remaining 50% ownership interests in VGSC and VGDC have been with H. A. Street, a private investor.

VGSC provides natural gas storage services from its Early Grove storage field in Scott and Washington Counties, Virginia, to customers located predominately in southwestern Virginia and eastern Tennessee. By Order dated September 7, 1995, the Commission authorized the issuance of a certificate of public convenience and necessity ("CPCN") to VGSC to construct and operate an underground storage facility in Scott and Washington Counties, Virginia, upon satisfaction of certain conditions. Pursuant to an Order issued on November 17, 1995, VGSC was granted a CPCN to operate such facility in the Early Grove storage field.

VGDC is a small natural gas distribution company providing natural gas service to approximately 300 customers located in Buchanan and Russell Counties, Virginia. VGDC was incorporated in Virginia in 1992. In an Order dated July 16, 1993, in Case No. PUE930013, VGDC received a CPCN to establish a natural gas distribution system in the Town of Castlewood located in Russell County, Virginia. In Case No. PUE940028, the Commission granted VGDC an amended CPCN to expand its distribution territory to include all of Russell and Buchanan Counties, Virginia. By Final Order in Case No. PUE970025, VGDC was granted a CPCN to expand its natural gas distribution territory in Virginia to include the Town of Saltville, all of Dickerson County, and a portion of Tazewell County not certificated by another public service corporation, namely, Commonwealth Public Service Corporation.

As a result of a legal proceeding, H. A. Street advised VGC, VGDC, and VGSC that he was ordered under a sealed and confidential Final Decree, dated January 18, 2000, from the Naples Circuit Court, Civil Division, Naples Florida, to convey a certain percentage of his assets, to include the conveyance of one-half of his ownership in both VGSC and VGDC, to Edith G. Street. Accordingly, both H. A. Street and subsequently Edith G. Street are considered an affiliated interest of VAC, VGDC, and VGSC pursuant to Chapter 4 of Title 56 of the Code.

VGC, VGDC, VGSC, H. A. Street, and Edith G. Street request approval of three stock transfers among certain affiliates. The first transaction involves the above-referenced transfer by H. A. Street, a private investor, of one-half of his ownership in VGSC and VGDC to Edith G. Street, also a private investor. Prior to the issuance of the above-referenced Final Decree, H. A. Street was the owner of 50% of the outstanding common stock of VGSC and VGDC. As represented by the Petitioners, H. A. Street was never actively involved in the day-to-day operations or management of either VGSC or VGDC. He is neither an officer nor a director. The daily operations are performed by the officers of the respective company. VGC's management, from time to time, assists the officers as required.

The second transaction involves the purchase by VGC of H. A. Street's 25% private investor ownership interest and Edith G. Street's 25% private investor ownership interest in VGSC. The Petitioners represent that the present ownership scenario, which incorporates an external private investor owning 50% of the stock of VGSC, imposes certain managerial constraints on VGC, and VGC is unable to obtain full synergy between its storage facilities because of such external ownership. The Petitioners also state that the two natural gas storage facilities could complement each other under one owner.

The third transaction involves the purchase by VGC of H. A. Street's 25% private investor ownership interest and Edith G. Street's 25% private investor ownership interest in VGDC. Both VGC and NUI have an interest in divesting the VGC retail operations. The retail operations include Virginia Gas Propane Company, a wholly owned subsidiary of VGC, and VGDC, a 50% affiliate company of VGC. VGC believes that the 50% ownership interest in VGDC by an external investor is a major obstacle to locating a purchaser.

H.A. Street and Edith G. Street will each receive consideration from VGC comprised of a cash payment of $750,000 plus 72,234 shares of NUI common stock. This consideration is for H. A. Street's 25% ownership interests and Edith G. Street's 25% ownership interests, respectively, in both VGSC and VGDC.

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 three transactions are in the public interest and will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved.

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[1] On March 27, 2001, in Case No. PUA000079, the Commission issued an order approving VGC's merger into a subsidiary of NUI Corporation ("NUI"), thereby making VGC a subsidiary of NUI.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to §§56-77, 56-89, and 56-90 of the Code, Virginia Gas Company, Virginia Gas Distribution Company, Virginia Gas Storage Company, H. A. Street, and Edith G. Street are hereby granted approval to enter into the series of three stock transfer transactions under the terms and conditions as described herein.

2) The approval granted herein shall have no ratemaking implications.

3) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

4) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not the Commission regulates such affiliate.

5) The transactions approved herein shall be included in the Annual Report of Affiliate Transactions submitted to the Commission's Director of Public Utility Accounting.

6) The Petitioners shall submit a report of the action taken pursuant to the approval granted herein to the Commission's Director of Public Utility Accounting within thirty (30) days of the transactions taking place, subject to extension by the Director of Public Utility Accounting, notifying the Commission that such transactions have taken place and including the date the transactions occurred.

7) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA010040
OCTOBER 30, 2001

APPLICATION OF
ATMOS ENERGY CORPORATION

For approval of Natural Gas Co-Purchase Agreement with Affiliate

ORDER GRANTING APPROVAL

On August 3, 2001, Atmos Energy Corporation ("Atmos," "Company") filed an application with the Commission pursuant to Chapter 4, Title 56 of the Code of Virginia requesting approval of a Natural Gas Co-Purchase Agreement (the "Co-Purchase Agreement") with its affiliate, Woodward Marketing, L.L.C. ("Woodward").

Atmos is a corporation organized and existing under the laws of the Commonwealth of Virginia and the State of Texas. Atmos operates in Virginia as United Cities Gas Company. Atmos is a natural gas distribution company providing gas distribution, transmission, and transportation services to its retail customers in Virginia, Tennessee, Texas, Colorado, Missouri, Kentucky, Louisiana, Kansas, Illinois, Iowa, and Georgia. Atmos is a public utility engaged in the business of selling and distributing natural gas in Abingdon, Blacksburg, Bristol, Marion, Pulaski, Radford, and Wytheville, Virginia, and surrounding areas.

Atmos has one wholly owned subsidiary, Atmos Energy Holdings, Inc. ("AEH"). AEH, in turn, has a number of wholly owned subsidiaries through which Atmos conducts its non-utility business. One of those subsidiaries, Woodward, purchases natural gas for Atmos' benefit and then re-sells it to Atmos under an existing gas purchasing contract between Woodward and Atmos, effective April 1, 1996 (the "Gas Purchase Contract"). The Commission approved the Gas Purchase Contract by Order dated May 27, 1997, in Case No. PUA960025.

Atmos and Woodward propose to enter into the Agreement, which will provide that Atmos and Woodward will be co-purchasers of any natural gas that Woodward commits to purchase under certain gas purchase agreements identified in the application as the "Gas Contracts." The Co-Purchase Agreement will, in effect, amend the Gas Purchase Contract to add Atmos as a buyer under the Co-Purchase Agreement. Under the Co-Purchase Agreement, both Atmos and Woodward will execute the Gas Contracts as co-purchasers. The term of the Co-Purchase Agreement, unless earlier terminated under provisions in the Co-Purchase Agreement, will expire upon the date of the expiration or termination of the last of the Gas Contracts. The Co-Purchase Agreement, as it impacts the Company's Virginia jurisdictional business, will be in effect until March 31, 2002, when the existing gas contract approved by the Commission in Case No. PUA960025 expires.

Pursuant to, and in accordance with, the terms of the gas purchase agreements between Atmos and Woodward identified in the application as the "Woodward Contracts," Woodward will commit, on behalf of Atmos, to purchase those volumes of gas under the Gas Contracts as may be required to fulfill Atmos' requirements to serve its customers. No purchases may be made under the Gas Contracts on account of any person, firm, or entity other than Atmos. Should Woodward fail to make required payments under the Gas Contracts, Atmos will make such payments and will be entitled to deduct an equivalent amount together with any late penalties or other charges, from any sums due to Woodward by Atmos under the Woodward Contracts. Any and all gas purchased under the Gas Contracts will become the property of and titled to Atmos. In the event Woodward causes any default under the Gas Contracts, Atmos may immediately terminate the Co-Purchase Agreement upon written notice to Woodward.

Currently, Woodward purchases the natural gas directly from suppliers and, in turn, sells it to Atmos. Atmos and Woodward represent that the Co-Purchase Agreement will be in the public interest because it will facilitate the Company's purchase of natural gas for its customers. In addition, the Company will pay no more for the natural gas under the Co-Purchase Agreement than it does under its current purchasing arrangement approved by the Commission in Case No. PUA960025. Furthermore, Atmos and Woodward represent that the Co-Purchase Agreement will not add any additional costs to the Company or its ratepayers.

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 Co-Purchase Agreement will be in the public interest and should, therefore, be approved.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Atmos Energy Corporation is hereby granted approval to enter into the Co-Purchase Agreement with its affiliate, Woodward Marketing, L.L.C., under the terms and conditions and as described herein.

2) Gas purchases by Woodward and Atmos on behalf of Atmos shall be on the same terms and conditions as those approved in Case No. PUA960025.

3) The approval granted herein and in Case No. PUA960025 shall continue until the date of the expiration or termination of the last of the Gas Contracts.

4) Continuation under the Co-Purchase Agreement or the Gas Purchase Contract beyond the date of the expiration or termination of the last of the Gas Contracts shall require further Commission approval.

5) Any changes in the terms and conditions of the Co-Purchase Agreement or the Gas Purchase Contract from those contained herein shall require Commission approval.

6) The approval granted herein shall have no ratemaking implications.

7) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

8) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not the Commission regulates such affiliate.

9) Atmos shall include the Agreement approved herein in its Annual Report of Affiliate Transactions.

10) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA010041
DECEMBER 7, 2001

APPLICATION OF
VIRGINIA GAS COMPANY,
VIRGINIA GAS DISTRIBUTION COMPANY,
VIRGINIA GAS PIPELINE COMPANY,
and
VIRGINIA GAS STORAGE COMPANY

For approval of a comprehensive affiliates application

ORDER GRANTING INTERIM APPROVAL

On August 9, 2001, Virginia Gas Company, Virginia Gas Distribution Company, Virginia Gas Pipeline Company, and Virginia Gas Storage Company ("the Applicants") filed an application with the Commission under the Public Utilities Affiliates Act requesting approval of a comprehensive affiliates application. On October 10, 2001, the Applicants filed an amendment to the application. However, the Staff has certain issues that need to be resolved resulting in a further amendment to the application. The Staff's concerns are as follows: (1) in order to facilitate the tracking of services provided and received by each utility to and from the affiliates as well as allocation of costs, separate agreements should be filed for each regulated entity; (2) Article 3.2 (k) in the agreement, as related to charges passed down from the ultimate parent, NUI Corporation, to VGC and then to its affiliates needs to be changed; and (3) certain allocations of common facilities costs need to be changed to present a more equitable method of allocating common facilities costs. The amendment will require a significant amount of time on the part of the Applicants to complete.

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 Applicants should be granted interim approval for the comprehensive affiliates application to allow them the amount of time needed to complete and file an amended application that will address Staff's concerns.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, the Applicants are hereby granted interim approval of the comprehensive affiliates application until further order of the Commission.

2) On or before April 1, 2002, the Applicants shall file an amended comprehensive affiliates application addressing the following Staff concerns: (1) separate agreements shall be filed for each regulated utility, (2) a separate agreement shall be filed for NUI Corporation charges to be passed down to VGC and allocated or charged to VGC's regulated affiliates, and (3) allocated charges for buildings, furniture, and equipment shall include all costs related to those assets.

3) This matter shall be continued until further order of the Commission.

CASE NO. PUA010042
NOVEMBER 16, 2001

APPLICATION OF
SHENANDOAH TELEPHONE COMPANY,
SHENANDOAH TELECOMMUNICATIONS COMPANY,
SHENANDOAH CABLE TELEVISION COMPANY,
SHENTEL SERVICE COMPANY,
SHENANDOAH VALLEY LEASING COMPANY,
SHENANDOAH MOBILE COMPANY,
SHENANDOAH LONG DISTANCE COMPANY,
SHENANDOAH NETWORK COMPANY,
VIRGINIA 10 RSA LIMITED PARTNERSHIP,
SHENTEL FOUNDATION,
SHENANDOAH PERSONAL COMMUNICATIONS COMPANY
and
SHENTEL COMMUNICATIONS COMPANY

For approval of transactions pursuant to the Affiliates Act

ORDER GRANTING APPROVAL

On September 13, 2001, Shenandoah Telephone Company ("Shenandoah"), Shenandoah Telecommunications Company ("Shencom"), Shenandoah Cable Television Company ("Cableco"), ShenTel Service Company ("ShenTel"), Shenandoah Valley Leasing Company ("Leasing"), Shenandoah Mobile Company ("Mobile"), Shenandoah Long Distance Company ("ShenLong"), Shenandoah Network Company ("ShenNet"), Virginia 10 RSA Limited Partnership ("VA10"), ShenTel Foundation ("Foundation"), Shenandoah Personal Communications Company ("ShenPc"), and ShenTel Communications Company ("ShenTelCom") (collectively, the "Applicants") filed an application with the Commission pursuant to the Affiliates Act requesting approval to amend its existing Affiliates Agreement (the "Agreement") to include ShenTelCom and to exclude Virginia 10 RSA Resale Limited Partnership, d/b/a Shenandoah Cellular Company ("ShenCell"), and Shenandoah Financing Company ("ShenFin").

Shenandoah and its affiliates, Shencom, Cableco, ShenTel, Leasing, and Mobile received Commission approval on June 20, 1986, in Case No. PUA840067 for authority to allocate expenses and return on asset allocations among affiliates. Since the 1986 Order, Shenandoah has received approval to include other affiliates, ShenLong, ShenNet, VA10, ShenCell, Foundation, and ShenPc, in these allocation procedures. In Case No. PUA960035, by Order dated July 18, 1996, Shenandoah received approval to include ShenFin.

Shenandoah proposes to modify the Agreement to include its new affiliate ShenTelCom as part of the allocations procedures. As indicated in the application, ShenTelCom is a stock corporation authorized to provide competitive local exchange ("CLEC") service in Virginia. In addition to CLEC service, ShenTelCom will provide unregulated telecommunications services as well. Shenandoah represents that ShenTelCom will not provide CLEC services within Shenandoah's certificated area.

Shenandoah states that no allocation methods will change, and ShenTelCom will pay tariffed charges to Shenandoah for any services Shenandoah provides under tariff, in addition to the allocation of general overhead expenses.

Shenandoah states that ShenCell ceased to exist on September 30, 1999, as the result of a merger with VA10. Also, the debt attributed to ShenFin has since been transferred to ShenCom. Therefore, ShenFin will be dissolved as a legal entity. For these reasons, Shenandoah proposes to exclude ShenCell and ShenFin as participants in the Agreement and as part of the allocation procedures.

Shenandoah has updated its matrix of services to include ShenTelCom and to remove ShenCell and ShenFin.

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 changes in the Affiliates Agreement will be in the public interest and should, therefore, be approved.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, approval is hereby granted to modify the existing Affiliates Agreement, previously approved in Case No. PUA840067 and subsequently modified, to include ShenTel Communications Company and to exclude Virginia 10 RSA Resale Limited Partnership, d/b/a Shenandoah Cellular Company, and Shenandoah Financing Company and to continue to allocate assets and expenses according to the methods contained in the Agreement.

2) The approval granted herein shall have no ratemaking implications.

3) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

4) Any future changes in the Affiliates Agreement shall require Commission approval.

5) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not the Commission regulates such affiliate.

6) Shenandoah shall continue to file its Annual Report of Affiliate Transactions with the Director of Public Utility Accounting by April 1 of each year, subject to extension by the Director of Public Utility Accounting. The amendment to the Affiliates Agreement approved herein shall be incorporated in such report.

7) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA010051
NOVEMBER 28, 2001

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY
and
ENERWISE GLOBAL TECHNOLOGIES, INC.

For approval of a transaction under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On October 9, 2001, Delmarva Power & Light Company ("Delmarva," "Company") and Enerwise Global Technologies, Inc. ("Enerwise"), a Delaware corporation, filed an application requesting authority under Chapter 4 of Title 56 of the Code of Virginia ('the Code") for assignment by Delmarva to Enerwise of a purchase order.

Delmarva provides electric utility service to approximately 21,500 retail customers in Accomack and Northampton Counties in Virginia. Delmarva is a wholly owned subsidiary of Conectiv, which is incorporated in Delaware and is a registered holding company under the federal Public Utility Holding Company Act of 1935. Enerwise is an affiliate of Conectiv Solutions LLC, which is, in turn, a wholly owned subsidiary of Conectiv. Therefore, Delmarva and Enerwise are affiliates within the meaning of § 56-76 of the Code.

By orders dated June 18 and June 29, 1998, in Case No. PUA970040, the Commission approved a transfer to Conectiv of companies engaged in non-utility activities that were, at the time, subsidiaries of Delmarva. In that proceeding, the Commission also approved the provision of services using appropriate cost allocations by a new service company, Conectiv Resource Partners, Inc., to Delmarva. In Case No. PUA010003, by Order dated April 9, 2001, the Commission approved the transfer of various purchase and sales contracts from Delmarva to Conectiv Energy Supply, Inc. The purpose of the transfer was Delmarva's focus on utility functions and the elimination from Delmarva of non-utility, competitive functions.

On March 19, 1998 Delmarva d/b/a Conectiv Energy entered into a Purchase Order contract with Southern California Edison Company ("SCE") under which Conectiv Energy would make available to SCE a computer-based system that would enable SCE to deliver certain energy usage, rate, and financial information to SCE customers via the Internet.

In this application, Delmarva proposes to enter into an Assignment and Consent Agreement Between Delmarva, Enerwise, and Southern California Edison Company (the "Assignment Agreement") pursuant to which Delmarva will assign its interest in the Purchase Order to Enerwise. The Company states that the planned transfer is consistent with the approaches taken by Conectiv over the last few years of focusing its utility business on Delmarva and eliminating competitive, non-utility functions from Delmarva. No compensation will be provided or received in connection with the proposed Assignment Agreement. However, Delmarva will no longer have the obligations and liabilities associated with the Purchase Order, and the non-utility function will be transferred or assigned to a non-regulated affiliate.

THE COMMISSION, upon consideration of the application and representations of Company and having been advised by its Staff, is of the opinion and finds that the above-described Purchase Order requires approval under Chapter 4 of Title 56 of the Code. We believe that the Purchase Order is in the public interest and should be approved.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code, Delmarva Power & Light Company is hereby granted approval to assign the Purchase Order to Enerwise Global Technologies, Inc., as described herein.

2) The approval granted herein shall have no ratemaking implications.

3) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code hereafter.

4) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not the Commission otherwise regulates such affiliate.

5) Delmarva shall include the transaction approved herein in its Annual Report of Affiliate Transactions submitted to the Commission's Director of Public Utility Accounting.

6) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA010053
DECEMBER 10, 2001

JOINT APPLICATION OF
THE 1818 FUND III, L.P.,
Z-TEL TECHNOLOGIES, INC.,
and
Z-TEL COMMUNICATIONS OF VIRGINIA, INC.

For approval of the acquisition of up to approximately 32.8% of the voting stock of Z-Tel Technologies, Inc., ultimate parent of Z-Tel Communications of Virginia, Inc.

ORDER GRANTING APPROVAL

On October 11, 2001, The 1818 Fund III, L.P., ("The 1818 Fund" or "The Fund"), Z-Tel Technologies, Inc. ("Z-Tel"), and Z-Tel Communications of Virginia, Inc. ("Z-Tel Virginia"), filed a joint application with the Commission under the Utility Transfers Act requesting authority for The Fund to convert recently issued, non-voting preferred stock into common stock and for The Fund to exercise warrants that would result in The Fund holding a 32.8% voting interest in Z-Tel Technologies, Inc., ultimate parent of Z-Tel Virginia.

Z-Tel Virginia is a direct, wholly owned subsidiary of Z-Tel Communications, Inc. ("Z-Tel Communications"), and an indirect subsidiary of Z-Tel. Z-Tel is a publicly held Delaware corporation and is traded on the NASDAQ stock market under the symbol ZTEL. Collectively, Z-Tel Virginia, Z-Tel, and The 1818 Fund are referred to as the "Applicants."

Z-Tel Communications began offering telecommunications services to the public in 1998 and provides services primarily to residential and small business customers. Currently, Z-Tel Communications offers both local and long distance telephone services in combination with Internet-based enhanced communications features.

Z-Tel Virginia received its certificate of public convenience and necessity, No. T-417, to provide local exchange telecommunications services in Virginia in September 1998. Z-Tel Virginia currently offers local exchange service and resold interexchange service in combination with Internet-based enhanced communications features.

The 1818 Fund is one of a family of private equity partnerships formed by Brown Brothers Harriman Co. ("BBH"). BBH serves as the general partner of The Fund. The 1818 Fund is organized to take substantial non-controlling, long-term ownership positions in growing companies.

The Applicants seek authority for The 1818 Fund to convert recently issued, non-voting preferred stock in Z-Tel into common stock and to exercise certain warrants to acquire additional Z-Tel common stock. These transactions result in The Fund holding approximately 32.8% of the voting interest in Z-Tel Technologies, Inc.

Pursuant to a Stock and Warrant Purchase Agreement dated July 2, 2001, Z-Tel issued non-voting convertible preferred stock ("New Preferred Stock") to The Fund and other existing investors in Z-Tel together with certain warrants to purchase additional common shares. This arrangement was structured as an equity line of credit so that Z-Tel could issue stock to the investors to raise additional funds. The New Preferred Stock is convertible into common stock and will have voting rights upon conversion.

Z-Tel issued 175 shares of the New Preferred Stock, each with a face value of $100,000. The 1818 Fund previously acquired 4,166,667 shares of Z-Tel Technologies, Inc., voting preferred stock, in addition to a warrant to purchase up to 2,083,333 shares of common stock pursuant to a stock and warrant purchase agreement dated October 19, 2000. The 1818 Fund received 125 shares of the New Preferred Stock which, upon conversion, will provide The Fund with approximately 26.2% of the Company's voting power, including the shares already owned by the Fund.

Pursuant to the same July 2, 2001 Stock and Warrant Purchase Agreement, Z-Tel issued to The 1818 Fund a warrant to acquire 2,142,857 shares of common stock. The Fund may also acquire 3,293,241 shares of common stock through previously issued warrants. Should The 1818 Fund choose to exercise all of its warrants to acquire voting common stock, it will gain an additional 6.6% interest in Z-Tel with the result that The Fund will have approximately 32.8% ownership in the voting stock of Z-Tel.

The Applicants state that because Z-Tel itself is not a utility, Commission approval is not normally required for Z-Tel to issue stock or warrants. However, the voting interest The Fund would acquire in Z-Tel if the New Preferred Stock were converted or the warrants exercised exceeds the ownership threshold that would not require approval pursuant to the Utility Transfers Act. Therefore, the Applicants seek the Commission's approval to permit the conversion of the New Preferred shares into voting common stock and the exercise of the warrants.

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-referenced transactions, involving the conversion of the New Preferred Stock into voting common stock and the exercise of the warrants held by The 1818 Fund will neither impair nor jeopardize Z-Tel Virginia's 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, approval is hereby granted for The 1818 Fund III, L.P., to acquire up to approximately a 32.8% voting interest in Z-Tel Technologies, Inc., upon conversion of its New Preferred Stock into voting common stock and exercise of the warrants, as described herein.

2) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA010057
DECEMBER 21, 2001

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY
and
CONECTIV ENERGY SUPPLY, INC.

For approval of transactions under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On October 26, 2001, Delmarva Power & Light Company ("Delmarva," the "Company") and Conectiv Energy Supply, Inc. ("CESI"), filed an application requesting approval under Chapter 4 of Title 56 of the Code of Virginia for approval of: (1) a power purchase transaction between Delmarva and CESI for a period of more than one year; and (2) an assignment by Delmarva to CESI of its power purchase agreement with NRG Trading Inc. ("NRG Trading").

Delmarva Power and Light Company ("Delmarva," "Company") is a Delaware and Virginia corporation that provides electric service to approximately 21,500 retail customers and one wholesale customer in Accomack and Northampton Counties on Virginia's Eastern Shore. Delmarva is a wholly owned subsidiary of Conectiv, which is incorporated in Delaware and is a registered holding company under the federal Public Utility Holding Company Act of 1935.

Conectiv Energy Supply, Inc. ("CESI"), is a Delaware corporation wholly owned by Conectiv Energy Holding, Inc. ("CEH"). CEH is, in turn, a wholly owned subsidiary of Conectiv. CESI engages in competitive wholesale electric power and natural gas transactions at market based rates subject to Federal Energy Regulatory Commission ("FERC") jurisdiction and in retail natural gas and electric power transactions at market based rates pursuant to the authorization of various state regulatory commissions. CEH is also a 100% owner of Conectiv Delmarva Generation, Inc. ("CDG"), which owns certain power plant units previously owned by Delmarva but transferred to CDG, consistent with the Commission's Orders entered on June 29, 2001, in Case Nos. PUE000086 and PUA000032 (the "June 29, 2000 Order").

Conectiv has been involved in a corporate restructuring that has resulted in CESI taking over responsibility for Conectiv's wholesale and retail competitive marketing functions and Delmarva becoming a provider only of regulated utility services. As part of this process, Delmarva and CESI filed an application with the Commission describing a proposed Risk Limitation Plan that would limit Delmarva's exposure to risk caused by the combination of retail sales at fixed and capped rates and wholesale power purchases at fluctuating market based rates.

In its Order dated April 9, 2001, in Case No. PUA010003, the Commission authorized Delmarva to implement the following two components of the Risk Limitation Plan: (1) the assignment by Delmarva to CESI of certain of its power purchase agreements; and (2) the sale to CESI by Delmarva of power from Delmarva's generating plants until the sale of those plants was completed.

The final component of the Risk Limitation Plan was for Delmarva to enter into one or more agreements (collectively referred to as the "Long-Term Supply Arrangement") for the supply and coordination of the power supply requirements of its retail customers who do not select a competitive power supplier. The Long-Term Supply Arrangement would protect Delmarva in circumstances in which it would: (1) be obligated to serve retail customers in Virginia and in its other jurisdictions at capped or frozen rates; (2) no longer own generation; and (3) be exposed to fluctuations in wholesale power prices that might exceed the power supply component of its capped or frozen retail rates.

Delmarva now proposes a modification of the Risk Limitation Plan ("Modified Risk Limitation Plan") that will further reduce its risk associated with wholesale energy prices. Under the proposed modification, Delmarva will execute a power supply transaction with CESI under which CESI will provide all of the power supply requirements for Delmarva's sales obligations.

The Modified Risk Limitation Plan states the following. First, Delmarva must be relieved of all of its obligations to acquire power supply from entities other than CESI. Second, CESI and Delmarva must enter into the contractual relationship required to make CESI the full requirements supplier for Delmarva.

In its June 29, 2000 Order, the Commission permitted CESI and Delmarva to enter into transactions of one year or less ("Short-term Transactions") without first seeking Commission approval. CESI and Delmarva have, thus far, entered into three Short-term Transactions. The Full Requirements Transaction will operate as Transaction No. 4 under the Purchase and Sale Agreement for Unforced Capacity, Energy, and Ancillary Services between Conectiv Energy Supply, Inc., and Delmarva Power & Light Company ("the CESI to Delmarva PPA"). Since Transaction No. 4 is currently for an initial term of five months beginning on September 1, 2001, it operates as a permitted Short-term Transaction and does not require further Commission approval.

Delmarva requests approval to extend the Full Requirements Transaction between Delmarva and CESI for a period of more than one year. Under the Full Requirements Transaction, CESI will provide all of the power supply requirements for Delmarva's sales obligations at prices that are equal to the sum of the power supply components of the frozen, capped, and contract rates that Delmarva charges to its customers when it resells the capacity and energy that it purchases from CESI. Delmarva states that, upon implementation of the Full Requirements Transaction, it will be fully protected from a price squeeze that would result from wholesale prices exceeding power supply components of the Company's capped, frozen, or contract rates. The Full Requirements Transaction will, therefore, extend Transaction No. 4 for the entire term of Delmarva's current "default service" obligation.

Delmarva states that the Full Requirements Transaction operates as a specific long-term transaction entered into by Delmarva and CESI under the CESI to Delmarva PPA approved in Case Nos. PUA000032 and PUE000086 by Order dated June 29, 2000. The Full Requirements Transaction will terminate on June 30, 2004, and it will terminate on December 31, 2003, with respect to Virginia customers. Neither Delmarva nor CESI has any right to cancel or to renew the Full Requirements Transaction.

Under the Full Requirements Transaction, the sale of capacity and energy from CESI to Delmarva is subject to CESI's FERC approved market rate based sales tariff. The pricing arrangement for the Full Requirements Transaction shifts market risks away from Delmarva to CESI. Under the arrangement, Delmarva will be assured of a reliable supply of power from CESI resources as well as approximately 60,000 MW of installed capacity from the PJM power pool.[1] The Company will be able to reduce its risk regarding energy prices.

Delmarva also requests approval to assign to CESI its power purchase agreement with NRG Trading ("NRG PPA"). This is a one-time transaction. The assignment of the NRG PPA is consistent with previous approvals of Delmarva's divestiture of generating plants and its previous assignment of purchased power agreements.

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 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 is hereby granted approval of the Full Requirements Transaction, as described herein.

2) Pursuant to § 56-77 of the Code of Virginia, Delmarva is hereby granted approval of the Assignment and Assumption Agreement between Delmarva Power & Light Company and Conectiv Energy Supply, Inc., for the Assignment of the NRG PPA, as described herein.

3) Should any terms and conditions of the transactions change from those contained herein, Commission approval shall be required for such changes.

4) The transactions approved herein shall be subject to the same terms and conditions as detailed in the Commission's June 29, 2000 Order in Case Nos. PUE000086 and PUA000032.

5) The approvals granted herein shall have no ratemaking implications, except as provided for in the Commission's June 29, 2000 Order in Case Nos. PUE000086 and PUA000032.

6) The approvals granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia.

7) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not the Commission regulates such affiliate.

8) Delmarva shall include the transactions approved herein in its Annual Report of Affiliate Transactions submitted to the Commission's Director of Public Utility Accounting.

9) There appearing nothing further to be done in this matter, it hereby is dismissed.

[1] Delmarva is a member of the PJM power pool.

CASE NO. PUA010058
DECEMBER 21, 2001

APPLICATION OF
MOTIENT SERVICES INC.
and
MOBILE SATELLITE VENTURES LLC

For authority to transfer control pursuant to the Utility Transfers Act

ORDER GRANTING APPROVAL

On October 30, 2001, Motient Services Inc. ("Motient Services" or "MSI") and Mobile Satellite Ventures LLC ("Mobile Satellite Ventures" or "MSV")(collectively, "Applicants") filed an application with the Commission requesting authority, pursuant to the Utility Transfers Act, for the transfer of stock in a Virginia competitive local exchange carrier, Motient Services Inc. of Virginia ("Motient of Virginia"), from Motient Services to Mobile Satellite Ventures.

Motient of Virginia is a competitive local exchange carrier in Virginia. Currently, Motient of Virginia does not provide any telecommunications services in Virginia. Motient Services owns all stock of Motient of Virginia. Motient Services is a direct subsidiary of Motient Holdings Inc. ("Motient Holdings"). Motient Holdings is a direct subsidiary of Motient Corporation.

Mobile Satellite Ventures is an eighty- percent (80%) owned subsidiary of Motient Corporation. MSV was formed exclusively for Motient's satellite communications product and services. Mobile Satellite Ventures is currently expanding its business to provide mobile satellite services across North America.

As part of its proposed expansion, MSV will acquire all of the assets of Motient Services for $60 million, consisting of $45 million in cash and a $15 million promissory note. The assets that MSV will acquire include 1,000 shares of common stock of Motient of Virginia.[1]

The Applicants state that the money used to purchase the stock of Motient of Virginia was originally accounted for as an intangible asset and was essentially written off Motient Services' books. Thus, the stock currently has no value on Motient Services' financial statements.

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 transaction, as described herein, involving the transfer of stock in Motient of Virginia from Motient Services to Mobile Satellite Ventures will neither impair nor jeopardize Motient of Virginia's 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, approval is hereby granted for the transfer of stock in Motient of Virginia from Motient Services to Mobile Satellite Ventures, as described herein.

2) There appearing nothing further to be done in this matter, it hereby is dismissed.

[1] Motient Services acquired that stock in 1998 for an original cost of $45,000.

CASE NO. PUA010060
DECEMBER 13, 2001

PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY
and
DOMINION NUCLEAR MARKETING II, INC.

For extension of approval of wholesale power service agreement

ORDER GRANTING APPROVAL

On November 7, 2001, Virginia Electric and Power Company ("Dominion Virginia Power" or "the Company") and Dominion Nuclear Marketing II, Inc. ("DNM II") (collectively, the "Applicants"), filed a petition with the Commission under the Affiliates Act requesting an extension through December 31, 2002, of its approval for new transactions under the wholesale power sales agreement between Dominion Virginia Power and DNM II (the "Service Agreement") granted by Commission's Order Denying Exemption and Granting Affiliates Act approval entered on July 25, 2001, in Case No. PUA010017.

DNM II is a Delaware corporation engaged in the wholesale sale of electric power in interstate commerce, subject to regulation under the Federal Power Act by the Federal Energy Regulatory Commission ("FERC"). DNM II is a wholly owned, indirect subsidiary of Dominion Resources, Inc. ("DRI"). DNM II is authorized by FERC to sell power at wholesale in interstate commerce at market-based rates. DNM II's market-based rates tariff ("DNM II MR Tariff") became effective November 24, 2000. As stated in the petition, DNM II was created in connection with the acquisition of the Millstone Nuclear Generating Station by Dominion Nuclear Connecticut, Inc. ("DNC"), an indirect subsidiary of DRI.

The Service Agreement allows DNM II, on a temporary basis, to make wholesale sales of power to Dominion Virginia Power under a market-based rates tariff subsequently approved by the FERC. The power sold under the Service Agreement represents a portion of the power generated from the Millstone Nuclear Generating Station in Connecticut and purchased by DNM II from Dominion Nuclear Connecticut, Inc.

Dominion Virginia Power represents that it has a long-standing market-based rate authority from FERC and has many power sales contracts and transactions in place with third parties in the New England market. DNM II and Dominion Virginia Power propose to continue the Service Agreement for a limited time period until DNM II establishes sufficient contracts with purchasers in New England to allow it to compete effectively in the New England market. DNM II will sell power out of the Millstone units to Dominion Virginia Power, which, in turn, will sell the power to third parties in the New England market.

Dominion Virginia Power states that DNM II is not yet at the point where it can compete effectively in the New England market and will be able to do so only if it is able to maximize the number of potential purchasers for its power. Dominion Virginia Power proposes to continue the Service Agreement under the same terms and conditions as approved in Case No. PUA010017 through the end of 2002.

Pursuant to the Service Agreement, Dominion Virginia Power will purchase power from DNM II at the same price at which Dominion Virginia Power will make such off-system sales. These purchases will be excluded from its wholesale and retail ratepayer accounts. The Service Agreement also states that DNM II will hold Dominion Virginia Power harmless from any economic loss for transactions under the Service Agreement. The Service Agreement further obligates DNM II and Dominion Virginia Power to maintain, for a period of at least two years, records of each transaction under the Service Agreement. Such records must be in detail sufficient to permit verification of compliance with the protective provisions of the Service Agreement that require the price paid by Dominion Virginia Power to be established by the price paid to Dominion Virginia Power by a non-affiliated wholesale purchaser in New England. DNM II will bear the cost of Dominion Virginia Power's expenses to negotiate power sales from DNM II to third parties. Dominion Virginia Power will also abide by FERC's prohibitions against the sharing of market information between two affiliates. These prohibitions are reflected in the DNM II MR Tariff.

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 requested extension of the approval of the Service Agreement through the end of 2002 to allow time for DNM II to establish contracts in the New England wholesale power market will be in the public interest as long as Dominion Virginia Power charges its affiliate a price equal to Dominion Virginia Power's cost of providing the service plus a market return.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to §56-77 of the Code of Virginia, Dominion Virginia Power is hereby granted an extension through December 31, 2002, of approval of the Service Agreement previously approved in Case No. PUA010017.

2) Services provided by Dominion Virginia Power for DNM II shall be provided at a price equal to Dominion Virginia Power's cost of providing the service plus a market return.

3) Dominion Virginia Power shall maintain documentation supporting determination of the market component to be provided to Staff upon request.

4) Any extensions of the Service Agreement beyond December 31, 2002, shall require prior approval pursuant to the Affiliates Act.

5) Any changes in the terms and conditions of the Service Agreement from those contained herein shall require Commission approval.

6) The approval granted herein shall have no ratemaking implications.

7) The approval granted herein shall in no way be detrimental to Dominion Virginia Power's ability to make off-system sales in the New England market.

8) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

9) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not the Commission regulates such affiliate.

10) The Company shall include the Service Agreement approved herein in its Annual Report of Affiliate Transactions to be submitted to 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.

11) If Annual Informational and/or General Rate Case Filings are not based on a calendar year, then Dominion Virginia Power shall include the affiliate information contained in the Annual Report of Affiliate Transactions in such filings.

12) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA010061
DECEMBER 7, 2001

PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY,
PLEASANTS ENERGY, LLC,
ARMSTRONG ENERGY LIMITED PARTNERSHIP, L.L.L.P,
and
TROY ENERGY, LLC

For approval of service agreements with affiliates for purchase of test power

ORDER GRANTING APPROVAL

On November 8, 2001, Virginia Electric and Power Company ("Dominion Virginia Power") and its affiliates, Pleasants Energy, LLC ("Pleasants"), Armstrong Energy Limited Partnership, L.L.L.P. ("Armstrong"), and Troy Energy, LLC ("Troy") filed a petition with the Commission under Chapter 4 of Title 56 of the Code of Virginia for approval of service agreements with its affiliates. The affiliates are referenced herein as "Project Entities."

Dominion Virginia Power is a Virginia public service corporation providing retail electric service to customers in its service territory in Virginia and North Carolina. Dominion Virginia Power is a wholly owned subsidiary of Dominion Resources, Inc. ("DRI"). DRI is a holding company as defined in the Public Utility Holding Company Act of 1935 ("the 1935 Act") and subject to regulation as such by the Securities and Exchange Commission.

Pleasants is a Delaware limited liability company that is developing an approximately 310 MW natural gas-fired generation facility currently under construction in Pleasants County, West Virginia. Troy is a Delaware limited liability company that is developing an approximately 620 MW natural gas-fired peaking generation facility currently under construction in Troy Township, Ohio. Armstrong is a Delaware limited liability limited partnership that is developing an approximately 620 MW natural gas-fired generation facility currently under construction in Armstrong County, Pennsylvania. Each of the Project Entities has been determined by the Federal Energy Regulatory Commission ("FERC") to be an exempt wholesale generator under § 32 of the 1935 Act. Each of the Project Entities is an indirect, wholly owned subsidiary of DRI and, therefore, is an affiliate of Dominion Virginia Power.

Dominion Virginia Power requests approval to enter into a Power Purchase Agreement ("the Service Agreement") with each of the Project Entities for sales to Dominion Virginia Power of test power from each of the Project Entities. Dominion Virginia Power states that the price that it will pay for the test power will be a price up to the incremental cost of the power (fuel cost plus variable costs). The price will be consistent with FERC precedent that sales from a marketing affiliate to a regulated utility affiliate must be no higher than the lowest price at which the regulated utility affiliate purchases power from a non-affiliate. The Project Entities will compensate Dominion Virginia Power for expenses the Company has or will incur to negotiate power sales to non-affiliate wholesale purchasers of test power. This compensation will be in accordance with Dominion Virginia Power's Code of Conduct under its FERC market-based rate tariff. The Project Entities will hold Dominion Virginia Power harmless for any economic transactions under the Service Agreements.

Dominion Virginia Power states in the application that the Project Entities and Dominion Virginia Power will maintain, for a period of not less than two years, records of each transaction in sufficient detail to permit verification that the price for each such transaction does not exceed the incremental cost and is no higher than the lowest price at which Dominion Virginia Power purchases power from a non-affiliate. Dominion Virginia Power states that it will abide by the FERC's prohibitions, which are reflected in its FERC-approved market-based rate tariff, against the sharing of market information between it and the Project Entities. The Company states that the Service Agreements will be implemented on a basis that will assure non-discrimination and protection against abuse of the affiliate relationship between Dominion Virginia Power and the Project Entities. The test power purchases are estimated to be 47,000 mWh per project.

Once construction of its generation facility has been completed, each respective Project Entity will implement a start-up and testing process designed to insure that its as-built generation facility meets required specifications for performance and interconnection with the transmission grid. Commercial operation will begin upon completion of this start-up testing process, which the Company states is expected to take 3-4 months.

Dominion Virginia Power has agreed that each of the Project Entities will pay the Company for the services provided by the Company at a price equal to the higher of cost plus a yet-to-be-determined return or the market price. Such price or cost and its determination will be submitted to the Commission upon termination of the services. To the extent the purchases from the Project Entities displace Dominion Virginia Power's plants or market purchases based upon economic dispatch, such purchases will be included in the Company's fuel clause in the same manner as any other purchase.

The Project Entities have requested that each Service Agreement become effective on the respective dates for the beginning of start-up and testing of each facility. In the case of Pleasants, however, the Company requests expedited consideration for the proposed purchases of test power from Pleasants because Pleasants is scheduled to begin generating test power on or about December 10, 2001. The Pleasants facility is or will be interconnected with Allegheny Power, which will become part of PJM on January 1, 2002. Until then, test power from the Pleasants facility cannot be sold into the PJM energy market. The Company states that, as a result, there is no ready market other than Dominion Virginia Power.

THE COMMISSION, upon consideration of the petition and representations of Dominion Virginia Power and having been advised by its Staff, is of the opinion and finds that the Service Agreements, with the pricing modifications and reporting agreed to by the Company, will be in the public interest and should, therefore, be approved.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Dominion Virginia Power is hereby granted approval of the proposed Service Agreements under the terms and conditions and for the purposes as described herein.

2) Each of the Project Entities shall pay Dominion Virginia Power for the services provided by the Company at a price equal to the higher of cost plus a yet-to-be-determined return or the market price. Such price or cost, including return, shall be submitted to the Commission's Director of Public Utility Accounting upon termination of the services.

3) Dominion Virginia Power shall maintain records and report to the Commission's Director of Public Utility Accounting upon termination of services the date and amount of test power purchased by Dominion Virginia Power, the price paid for such power, and the amount of revenue derived from the sale of such power purchases from the Project Entities if sold to the competitive market.

4) Should there be any changes in the terms and conditions of the Service Agreements from those contained herein, Commission approval shall be required for such changes.

5) The approval granted herein shall have no ratemaking implications.

6) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 80 of the Code of Virginia hereafter.

7) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not the Commission otherwise regulates the affiliate.

8) The Service Agreements approved herein shall be included in the Company's Annual Report of Affiliate Transactions submitted to the Commission's Director of Public Utility Accounting.

9) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA010071
DECEMBER 21, 2001

JOINT APPLICATION OF
WESTLAKE WATER COMPANY, INC.,
and
LAKE AREA DEVELOPMENT, INC.,

For approval of utility transaction

ORDER GRANTING APPROVAL

On November 30, 2001, Westlake Water Company, Inc. ("Westlake" or "Westlake Water Company"), and Lake Area Development, Inc. ("Lake Area Development")(collectively, the "Applicants"), filed a joint application with the Commission under the Utility Transfers Act requesting approval for Westlake Water Company to acquire Arrowhead Water Company ("Arrowhead") from Lake Area Development.

Arrowhead is currently owned by Lake Area Development and has been in operation as a community water works since 1991. Ownership of Arrowhead was transferred to Lake Area Development as part of a real estate transaction in 1988. Currently, Arrowhead serves thirty-five (35) connections in the Arrowhead and Indian Point subdivisions in the Commonwealth of Virginia.

Westlake Water Company is a Virginia corporation headquartered in Roanoke, Virginia. Westlake is operated by Petrus Environmental Services, Inc. ("Petrus"), and provides professional management, administration, operation, and maintenance services to the water and wastewater utility industry.

The Applicants request approval for Westlake to acquire Arrowhead from Lake Area Development. Under this transaction, all assets will be transferred from Lake Area Development to Westlake. The assets being transferred include two wells, pump systems and related equipment for the two wells, a 30,000 gallon storage tank, Indian Point and Arrowhead Subdivision water distribution lines, the Arrowhead Village treatment plant and booster pump station, and a treatment plant building, as well as the land on which these assets are located.

Westlake and Lake Area Development have agreed upon a sales price of $5,000.00. The Applicants state that the negotiated price is based on the value of assets including age, condition of the system, the current rates, annual revenue, and expenses. Petrus states that the transaction is the result of Lake Area Development's desire to rid itself of the obligation and responsibility of owning the water system.

Petrus currently provides the Arrowhead water system with contract operation, maintenance, and administrative services. After the acquisition, Petrus, through Westlake, will continue to operate the Arrowhead water system and to furnish water to its connected customers.

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 acquisition 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, approval is hereby granted for Westlake Water Company to acquire the Arrowhead water system from Lake Area Development for the amount of $5,000.00 as described herein.

2) Applicants shall submit to the Commission's Director of Public Utility Accounting a report of the action taken pursuant to the approval granted herein within thirty (30) days of the transaction taking place, subject to extension by the Director of Public Utility Accounting. Such report shall include the date the acquisition took place, the actual sales price, and the actual accounting entries reflecting the transaction

3) The approval granted herein shall have no ratemaking implications.

4) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA010074
DECEMBER 21, 2001

JOINT PETITION OF
NET2000 COMMUNICATIONS OF VIRGINIA, LLC
and
CAVALIER TELEPHONE, L.L.C.

For authority to transfer the assets of Net2000 Communications of Virginia, LLC, to Cavalier Telephone, L.L.C.

ORDER GRANTING AUTHORITY

On December 3, 2001, Net2000 Communications of Virginia, LLC ("Net2000-VA), and Cavalier Telephone, L.L.C. ("Cavalier"), (collectively, "Petitioners") filed an application with the Commission pursuant to § 56-88.1 of the Code of Virginia for authority to transfer the assets of Net2000-VA to Cavalier. Petitioners represent that granting such authority will permit Net2000-VA to consummate a transaction arising out of its Chapter 11 status and will enable Net2000-VA's current Virginia operations to be continued by a substitute carrier without interruption to Net2000-VA's customers.

Net2000-VA is a Virginia limited liability company with principal offices located in Herndon, Virginia. Net2000-VA is a wholly owned subsidiary of Net2000 Communications Services, Inc. ("Net2000"), a provider of broadband voice and data telecommunications services. Net2000-VA provides businesses with local, long distance, data, interactive video, and Internet services delivered over a single broadband connection. Through its subsidiary, Net2000-VA, Net2000 operates sales offices in Northern Virginia, Norfolk, and Richmond. Net2000-VA has certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in Virginia.

Cavalier is a Virginia limited liability company with its principal offices in Richmond, Virginia. Cavalier is a wholly owned operating subsidiary of Cavalier Telephone Corporation, a Delaware corporation. Cavalier has certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in Virginia.

On November 16, 2001, Net2000 and its subsidiaries, including Net2000-VA, filed a petition with the U.S. Bankruptcy Court for the State of Delaware seeking protection pursuant to Chapter 11 of the U.S. Bankruptcy Code. Pursuant to a proposed transaction filed with that Court, Cavalier will acquire substantially all of Net2000-VA's assets used in providing service to the public in Virginia, including all of its customer accounts and contracts. Following that transfer of assets, Cavalier will provide facilities-based and resold local exchange, exchange access, and interexchange telecommunications services to the former customers of Net2000-VA.

Petitioners state that to ensure a seamless transition and avoid customer confusion or inconvenience, Petitioners will give written notice to Net2000-VA's customers at least thirty (30) days prior to that transfer. Petitioners also state that Cavalier will amend its tariff to include the rates and charges currently in effect in the Net2000-VA tariff. Thus, Cavalier will provide service to the existing Net2000-VA customers at the same rates and service arrangements as those currently in effect.

THE COMMISSION has been advised by its Staff that neither Net2000-VA nor Cavalier has provided notice of the proposed transfer of assets and customers from Net2000-VA to Cavalier. Moreover, Cavalier has not submitted revised tariffs to the Division of Communications. Therefore, to ensure that that proposed transfer neither impairs or jeopardizes the provision of adequate service to the public at just and reasonable rates, any authority granted herein shall be conditioned as follows: (1) Net2000-VA shall file a request with the Commission to discontinue service pursuant to 20 VAC 5 400 180 D 7 and shall include with its request proof of notification to customers of the transfer to Cavalier; and (2) Cavalier shall submit tariff revisions to the Commission's Division of Communications reflecting the current services, rates, and terms charged to the Net2000-VA customers.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, Net2000-VA is hereby granted authority to sell and Cavalier to acquire the assets used by Net2000-VA to provide telecommunications services to the public in Virginia, including all customer accounts and contracts, subject to conditions detailed herein.

2) Petitioners shall provide notice of the proposed transfer to the existing customers of Net2000-VA thirty (30) days prior to the transfer of such customers from Net2000-VA to Cavalier. Copies of such notices shall be submitted to the Commission's Division of Communications.

3) Cavalier shall submit revised tariffs to the Commission's Division of Communications; such tariffs shall include the rates and charges currently being charged to customers of Net2000, consistent with the Net2000-VA's tariff currently on file with the Division of Communications.

4) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA010075
DECEMBER 21, 2001

JOINT PETITION OF
AT&T COMMUNICATIONS OF VIRGINIA, INC.
and
AT&T COMMUNICATIONS OF VIRGINIA, LLC

For approval of merger

ORDER GRANTING APPROVAL

On December 11, 2001, AT&T Communications of Virginia, Inc. ("AT&T-VA Inc."), and AT&T Communications of Virginia, LLC (AT&T-VA LLC"), (collectively, "Joint Petitioners") filed a joint petition with the Commission under the Utility Transfers Act for approval of a merger whereby the organizational form of AT&T-VA Inc. will be converted from a corporation to a limited liability company.[1]

AT&T-VA Inc. was created as a result of the divestiture of the Bell operating companies in 1984 and has provided telecommunications services in Virginia since that time. AT&T-VA Inc. is certificated in Virginia to provide local exchange and interexchange telecommunications services.[2] AT&T-VA LLC is a limited liability company that was organized in Virginia on July 29, 1999.

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[1] Simultaneously, with the filing of this application, AT&T-VA LLC filed an application with the Commission for certificates of public convenience and necessity to provide both local and interexchange telecommunications services in Virginia.

[2] AT&T Communications of Virginia, Inc., was issued Certificate No. TT-1G on January 1, 1984, for authority to provide interexchange telecommunications services and Certificate No. T-363 on June 28, 1996, for authority to provide local exchange telecommunications services in Virginia.

AT&T Corp. ("AT&T") is a New York corporation and the direct parent corporation of both AT&T-VA Inc. and AT&T-VA LLC. AT&T has provided telecommunications services for over a century.

AT&T-VA Inc. and AT&T-VA LLC propose a merger between the two entities with AT&T-VA LLC as the surviving entity. As a result of the merger, AT&T-VA LLC will then own all of the assets of AT&T-VA Inc. Once the merger has been consummated, the operations conducted by AT&T-VA Inc. will then be conducted by AT&T-VA LLC.

The Joint Petitioners represent that the proposed conversion to a limited liability company is being done pursuant to a company wide restructuring plan. In addition, the new form of entity will provide certain state tax benefits not currently available to AT&T-VA Inc.

The Joint Petitioners represent that the merger will not jeopardize or impair the provision of adequate service to the public at just and reasonable rates and that the new entity will remain a direct subsidiary of AT&T. The only change is the business form from a corporation to a limited liability company. AT&T-VA LLC will be run by the same management and personnel. The transaction will not change the financial condition, construction plans, or the financial backing that the Virginia entity receives from AT&T. AT&T-VA LLC will provide the same telecommunications services to Virginia customers as currently provided by AT&T-VA Inc., and it will provide those services at the same price and terms as detailed in the tariffs of AT&T-VA Inc.

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 merger 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, AT&T Communications of Virginia, Inc., and AT&T Communications of Virginia, LLC, are hereby granted approval of the above-described merger.

2) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA010081
DECEMBER 21, 2001

APPLICATION OF
GAMEWOOD DATA SYSTEMS, INC.

For approval pursuant to Title 56, Chapter 5 of the Code of Virginia

ORDER GRANTING APPROVAL

On December 20, 2001, Gamewood Data Systems, Inc. ("Applicant"), filed an application, pursuant to Title 56, Chapter 5 of the Code of Virginia, requesting approval, on an expedited basis, for a corporate reorganization involving change of control of Gamewood Telecom, Inc.,[1] a public service company that has authority to provide both local exchange and interexchange telecommunications services in Virginia.

As stated in the application, Gamewood Telecom, Inc., is wholly owned by Gamewood Data Systems, Inc. Gamewood Data Systems, Inc., is, in turn, owned by two individuals, with each individual owning fifty per cent (50%) of the stock. Although Gamewood Telecom, Inc., holds certificates of public convenience and necessity to provide local and interexchange telecommunications services in Virginia, Applicant represents that Gamewood Telecom, Inc., does not currently provide telecommunications services in Virginia and that it has no plans to do so in the immediate future.

Applicant requests approval to merge with Gamewood Healthcare Network, Inc. The same two individuals who own Gamewood Data Systems, Inc., will each own fifty per cent (50%) of the stock of Gamewood Healthcare Network, Inc. As a result of the merger, Gamewood Healthcare Network, Inc., will be the surviving entity and will change its name to Gamewood, Inc. Each issued and outstanding share of common stock, par value $1.00 per share, of Gamewood Data Systems, Inc., will be converted into and exchangeable for 2,000 shares of the presently authorized and unissued common stock of Gamewood Healthcare Network, Inc.

Following the merger, Gamewood, Inc., will be the sole direct owner of Gamewood Telecom, Inc. Gamewood, Inc., will continue to be owned by the same two individuals with the same percentage interests as represented in the pre-merger entity.

THE COMMISSION, upon consideration of the application and representations made in the application and having been advised by its Staff, is of the opinion and finds that the above-described merger and transfer of control will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, approval is hereby granted for the merger and transfer of control of Gamewood Telecom, Inc., as described herein.

2) There appearing nothing further to be done in this matter, it hereby is dismissed.

[1] On May 10, 2000, Gamewood Telecom, Inc. was granted Certificate No. T-486 to provide local exchange telecommunications services in Virginia and Certificate No. TT-93A to provide interexchange telecommunications services in Virginia.

DIVISION OF COMMUNICATIONS

CASE NO. PUC940009
MAY 9, 2001

APPLICATION OF
GTE SOUTH INCORPORATED (Contel, Virginia)

Annual Informational Filing

FINAL ORDER

On March 31, 2000, the State Corporation Commission ("Commission") entered an Order Directing Refund of Remaining Excessive Earnings requiring GTE South Incorporated (Contel, Virginia) n/k/a Verizon South Inc. ("Verizon South") to refund to its customers the remaining balance of $1,959,482 in excessive earnings for 1993, plus accrued interest. The sum of all refunds remaining unclaimed after 12 months from the Order of March 31, 2000, was ordered forwarded to the Controller of the Commission. On March 30, 2001, Verizon South forwarded the remaining unclaimed refunds as ordered.

The Commission finds that Verizon South has complied with the Orders of this Commission in this proceeding and that this case should be closed.

Accordingly, IT IS THEREFORE ORDERED THAT this case is hereby closed.

CASE NO. PUC960021
AUGUST 22, 2001

APPLICATION OF
VERIZON VIRGINIA INC. f/k/a BELL ATLANTIC-VIRGINIA, INC.

For a change in access rates for switched access services

DISMISSAL ORDER

On March 25, 1996, Verizon Virginia Inc. f/k/a Bell Atlantic-Virginia, Inc. ("Verizon Virginia"), filed with the State Corporation Commission ("Commission") revisions to its intrastate access service tariffs that would restructure its switched access rates for transport and local switching and for directory assistance transport services.

On April 24, 1996, the Commission issued an Order inviting comments from interested parties on Verizon Virginia's proposed revisions to tariff rates. On April 19, 1996, AT&T Communications of Virginia, Inc. ("AT&T"), filed a protest requesting that the Commission move forward with an access pricing docket and conclude its work on the Universal Service investigation, Case No. PUC950081. On June 10, 1996, MCI Telecommunications Corporation of Virginia, Inc. ("MCI") filed comments objecting to the revisions proposed by Verizon Virginia and asking the Commission to schedule a proceeding to establish cost-based access rates. That same day, Sprint Communications Company, L.P. ("Sprint") filed comments objecting to Verizon Virginia's proposed customer-specific access pricing. Verizon Virginia subsequently removed that provision. Also on June 10, 1996, AT&T filed additional comments and requested a hearing. Verizon Virginia responded to the comments on June 28, 1996.

On August 21, 1996, Verizon Virginia filed a letter indicating that it intended to place the revisions into effect on August 22, 1996. On August 22, 1996, AT&T filed its Supplemental Comments in Support of Rejection of Proposed Tariff. On August 23, 1996, the Commission Staff filed its Motion for Inviting Comments and Scheduling Hearing.

On August 26, 1996, the Commission granted the Staff Motion in part by requiring Verizon Virginia to submit a bond for Commission approval and requiring Verizon Virginia to institute an intricate tracking mechanism that would enable it to recalculate all customer bills.

On August 28, 1996, Verizon Virginia filed a Motion to Modify asking that the August 26, 1996, Order of the Commission be modified to provide that proposed rates become effective as of August 22, 1996, and that a bond, if necessary, be set at no more than $1,000,000. Also on August 28, 1996, the Commission issued an Order inviting interested parties to comment on an appropriate time to schedule a hearing on the pricing of access services. On August 29, 1996, the Commission amended its Order of August 26, 1996, finding that rates became effective as of August 22, 1996, and required that Verizon Virginia submit a bond in the form of a corporate promise to make appropriate refunds to customers for any over-collection of rates.

In Case No. PUC990100, in an Order dated November 29, 1999, the Commission approved the merger of Bell Atlantic Corporation ("Bell Atlantic") and GTE Corporation ("GTE"). In that Order, the Commission stated it would examine access charges levied by Bell Atlantic and GTE in Case Nos. PUC960021 and PUC990043 or in another docket it may establish. Indeed, on February 2, 2000, the Commission established Case No. PUC000003 to address the issue of the appropriate prices for access services provided by, among others, what is now Verizon Virginia.

On August 8, 2000, Verizon Virginia and the 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. 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. The portion of Case No. PUC000003 relating to the investigation of intrastate access service prices of Verizon Virginia and the proposed Agreement filed therein was severed from that docket and placed in Case No. PUC000242 on September 13, 2000.

On December 4, 2000, the Commission issued an Order in Case No. PUC000242 approving the Agreement and adopting its provisions. That Order, in effect, extinguished the unresolved issues left over from Case No. PUC960021. Because there is no further action required by the Commission in this case, we find that it should be closed.

Accordingly, IT IS ORDERED THAT this case be, and hereby is, DISMISSED from the docket of active cases.

CASE NO. PUC960111
MARCH 20, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of investigating whether Verizon Virginia Inc. f/k/a Bell Atlantic-Virginia, Inc. meets the requirements of § 271 of the Telecommunications Act of 1996

ORDER CLOSING INVESTIGATION

On August 12, 1996, the State Corporation Commission ("Commission") issued an Order Requiring Report ("Order of August 12, 1996") which initiated the above-captioned investigation to consider the expected application under § 271 of the Telecommunications Act of 1996 ("Act") of Bell Atlantic-Virginia, Inc. n/k/a Verizon Virginia Inc. (hereinafter "Verizon Virginia") with the Federal Communications Commission ("FCC"). Pursuant to the Order of August 12, 1996, Verizon Virginia was required to file a report with the Commission ("§ 271 report") at least sixty (60) days prior to Verizon Virginia's § 271 application with the FCC. This report was to include all Verizon Virginia's supporting evidence and documentation detailing its compliance with § 271 of the Act.

On February 17, 2000, the Commission issued an Order in this Case and in Case No. PUC000035, which provided that third-party testing of Verizon Virginia's Operation Support Systems ("OSS") be conducted by KPMG Peat Marwick n/k/a KPMG Consulting, LLC (hereinafter "KPMG") and to be undertaken in Case No. PUC000035. The Commission appointed a Project Leader to supervise the third-party OSS testing and to make a final report to the Commission. While the Project Leader has adopted a Master Test Plan and Metrics (performance standards), the actual third-party testing of Verizon Virginia's OSS is still in its initial phases.

NOW THE COMMISSION, having considered the length of time since the commencement of this investigation and record of the proceedings in this Case, is of the opinion that for administrative purposes this present docketed investigation should be closed. When KPMG has completed its third-party OSS testing and the results have been reported to the Commission by the Project Leader and Verizon Virginia has filed its complete § 271 report, at least sixty (60) days prior to its application with the FCC, then the Commission will investigate that report in a new proceeding.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) Verizon Virginia is required to file its § 271 report with the Commission, including all supporting evidence and documentation detailing its compliance with § 271 of the Act, at least sixty (60) days prior to filing its § 271 application with the FCC, as previously ordered in this Case.

(2) This Case is now closed and placed in the files for ended causes.

CASE NO. PUC970006
MARCH 30, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: To determine prices GTE South, Inc. is authorized to charge Competitive Local Exchange Carriers and wholesale discounts for services available for resale in accordance with the Telecommunications Act of 1996 and applicable state law

ORDER CLOSING CASE

On December 11, 1996, the Commission entered its Order Resolving Rates for Unbundled Network Elements and Interconnection, Wholesale Discount for Services Available for Resale, and Other Matters in Case Nos. PUC960117, PUC960118, PUC960124, and PUC960131. This Order established, inter alia, interim prices for unbundled network elements that GTE South, Inc. n/k/a Verizon South Inc. ("Verizon South") is obligated under the Telecommunications Act of 1996, 47 U.S.C. § 251 ("Act") to make available to requesting telecommunications carriers who wish to provide services in Verizon South's operating area.

By Order dated February 19, 1997, the Commission established this proceeding and directed Verizon South and other interested parties to file, inter alia, pricing and rate proposals, along with cost models and studies to support their proposed prices and rates. The Order also set out a procedural schedule for this case.

On March 27, 1997, Verizon South filed a motion to modify this procedural schedule, and by Order dated April 30, 1997, the Commission suspended the procedural schedule. On September 4, 1997, the Commission invited interested parties to submit comments as to rescheduling the proceeding. Comments on this issue were received by the Commission from a number of parties on September 26, 1997.

On December 2, 1997, the Commission issued an Order continuing the case generally, finding that there was not an urgent need to re-establish the procedural schedule. The Commission stated that the interim prices established by the December 11, 1996, Order of the Commission remain available to parties interested in negotiating interconnection agreements with Verizon South and permit an avenue by which the market for local exchange telecommunications services in Verizon South's service territory may be opened. We found that until such time as there are more interconnection agreements in place between Verizon South and its competitors, the need for permanent prices remained largely theoretical.

On November 29, 1999, the Commission entered an Order approving the merger of Bell Atlantic Corporation and GTE Corporation in Case No. PUC990100. In that Order, we noted that Verizon South was providing unbundled network elements and services under interim prices. We stated that, upon appropriate request, we would consider establishing permanent prices for Verizon South in this case.

Since the date of that Order, the Commission has received no requests for the establishment of permanent prices for Verizon South. Therefore, since there have been no requests for further Commission action in this case for more than a year, we find that this case should be closed without prejudice.

Accordingly, IT IS ORDERED THAT this case be, and hereby is, DISMISSED from the docket of active cases.

CASE NO. PUC970014
MAY 25, 2001

APPLICATION OF
VERIZON VIRGINIA INC. f/k/a BELL ATLANTIC-VIRGINIA, INC.

For approval of collocated interconnection tariff

ORDER PERMITTING WITHDRAWAL OF TARIFF

On April 27, 2001, Verizon Virginia Inc. (f/k/a Bell Atlantic-Virginia, Inc.) ("Verizon Virginia"), filed a letter with the State Corporation Commission ("Commission") seeking to withdraw Section 15 of its Virginia Access Service Tariff No. 217, Collocated Interconnection Service. Verizon Virginia's letter states that the rates, terms, and conditions included in this tariff are in parity with Verizon's Interstate Access Collocation Tariff, F.C.C. No. 1, and that, therefore, customers requiring collocation for access will continue to be able to order these services from the interstate tariff under regulations identical to those contained in the Virginia tariff.[1] Verizon Virginia states that collocation customers will not be affected by this change.

Verizon Virginia initially filed its Collocated Interconnection Service tariff on December 27, 1996. By Commission Orders of January 27, 1997, February 25, 1997, and March 27, 1997, the effective date of this tariff was suspended in accordance with § 56-238 of the Code of Virginia on three occasions, ultimately until April 14, 1997. On April 11, 1997, Verizon Virginia filed a letter requesting that its December 27, 1997, tariff be withdrawn and replaced with a new Collocated Interconnection Service tariff filed with its letter. The Commission entered its Order Permitting Tariff Withdrawal and Substitution on April 11, 1997, which granted Verizon Virginia's request.[2]

NOW THE COMMISSION , upon consideration of Verizon Virginia's April 27, 2001, filing, is of the opinion that the requested tariff withdrawal should be granted. The Commission understands that no customers will be affected by the withdrawal of this tariff.

Accordingly, IT IS ORDERED THAT:

(1) Section 15, Collocated Interconnection Service of Verizon Virginia's Access Service Tariff No. 217, is withdrawn.

(2) This matter is dismissed from the Commission's docket of active cases, and the papers herein shall be placed in the file for ended causes.

[1] We also note that telecommunications carriers may purchase collocation services from Verizon Virginia's Network Interconnection Services Tariff SCC-Va.-No. 218, which is the subject of investigation in Case No. PUC990101.

[2] In the April 11, 1997, Order, we reminded the parties that a request of this nature should be filed as a motion rather than as a letter. Inasmuch as Verizon Virginia's April 27, 2001, request is again filed as a letter, we reiterate our earlier reminder.

CASE NO. PUC970021
OCTOBER 10, 2001

APPLICATION OF
VERIZON SOUTH INC. f/k/a GTE SOUTH INCORPORATED
and
360° COMMUNICATIONS COMPANY

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

DISMISSAL ORDER

On February 26, 1997, Verizon South Inc. f/k/a/ GTE South Incorporated ("Verizon South") and 360° Communications Company of Virginia, 360° Communications Company of Charlottesville, 360° Communications Company of Danville Limited Partnership, 360° Communications Company of Lynchburg, Virginia Metronet, Inc., Petersburg Cellular Partnership, Virginia RSA 1 Limited Partnership, and Virginia RSA 2 Limited Partnership, collectively 360° Communications ("360°") filed an interconnection agreement ("Agreement"), entered under §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, for State Corporation Commission ("Commission") approval pursuant to § 252(e) of the Act, 47 U.S.C. § 252(e). The Commission entered an Order Approving Agreement on May 27, 1997, in Case No. PUC970021.

On July 21, 1998, Verizon South filed a joint application for approval of an interconnection agreement between Verizon South and 360°. This agreement was assigned Case No. PUC980110 and approved on September 29, 1998. Through discussions with Verizon South and the Staff as verified by letter from counsel dated May 2, 2001, PUC970021 was replaced by PUC980110. The effect of Verizon South's verification is to affect the dismissal of Case No. PUC970021 and for the agreement approved in Case No. PUC980110 to supersede the agreement approved in Case No. PUC970021.

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that the agreement approved in Case No. PUC980110 should supersede the agreement approved in Case No. PUC970021 and that the captioned proceeding should be dismissed.

Accordingly, IT IS ORDERED THAT the agreement approved in Case No. PUC980110 shall supersede the agreement approved in Case No. PUC970021, and the captioned matter is hereby dismissed from the Commission's docket of active cases.

CASE NO. PUC970029
MAY 11, 2001

PETITION OF
PAYTEL COMMUNICATIONS, INC.,
PEOPLES TELEPHONE COMPANY, INC.,
and
PHON TEL TECHNOLOGIES, INC.,

For rejection of and investigation of tariffs filed by Virginia local exchange carriers pursuant to § 276 of the Telecommunications Act of 1996

FINAL ORDER

On March 21, 1997, PayTel Communications, Inc. ("PayTel"), Peoples Telephone Company ("Peoples Telephone"), Phon Tel Technologies, Inc. ("Phone Tel"), and Communications Central, Inc. ("Communications Central"),[1] (collectively, the "Payphone Service Providers" or "PSPs") filed with the State Corporation Commission ("Commission") their Motion to reject tariffs filed by certain named Virginia incumbent local exchange companies ("ILECs")[2] and Petition asking the Commission to investigate, determine, and establish cost-based rates for basic payphone services ("Motion to Reject and Petition"). The tariffs were filed by the ILECs pursuant to § 276 of the Telecommunications Act of 1996 (the "Act")[3] and pursuant to implementing orders of the Federal Communications Commission ("FCC").[4]

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[1] Communications Central withdrew from this proceeding on April 24, 1998, and requested that its name be removed from the caption.

[2] The Motion and Petition specifically addressed proposed payphone tariffs filed by Bell Atlantic-Virginia, Inc. n/k/a Verizon Virginia Inc. ("Verizon Virginia"), GTE South Incorporated n/k/a Verizon South Inc. ("Verizon South"), United Telephone-Southeast, Inc. ("United"), and Central Telephone Company of Virginia ("Centel"). Proposed payphone tariffs also were filed by Clifton Forge-Waynesboro Telephone Company n/k/a NTELOS ("NTELOS") and TDS subsidiaries, Amelia Telephone Company ("Amelia"), New Castle Telephone Company ("New Castle"), and Virginia Telephone Company.

[3] 47 U.S.C. § 276.

[4] Implementation of the Pay Phone Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, CC Docket No. 96-128, Report and Order, 11 F.C.C.R. 20541 (1996) (hereafter "Report and Order"); and Order on Reconsideration, 11 F.C.C.R. 21233 (1996) (hereafter "Order on Reconsideration"), aff'd in part and remanded in part, sub nom. Illinois Public Telecommunications Assn. v. F.C.C., 117 F.3d 555 (D.C. Cir. 1997). The FCC issued its Third Report and Order and Order on Reconsideration of the Second Report and Order, 14 F.C.C.R. 2545 (1999), to reestablish how PSPs should be compensated for "dial around" calls, following the court's supplemental opinion, clarifying the portions of the FCC's Report and Order and Order on Reconsideration that were vacated. 123 F.3d 693 (D.C. Cir. 1997).

Section 276 of the Act required the FCC to "establish a per call compensation plan to ensure that all [PSPs] are fairly compensated for each and every completed intrastate and interstate call using their payphone . . .".[5] Section 276 of the Act also prohibited a Bell operating company ("BOC") from subsidizing its payphone operations with its telephone exchange service or exchange access operations and prohibited discrimination in favor of the BOC's payphone service.[6] In addition, § 276 of the Act directed the FCC to "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 . . . [and to] prescribe a set of nonstructural safeguards for [BOC] payphone service . . .".[7]

In its Report and Order released September 20, 1996, and Order on Reconsideration released November 8, 1996, the FCC adopted regulatory requirements for the payphone industry to implement § 276 of the Act. Among other things, the Report and Order and Order on Reconsideration directed LECs to file intrastate tariffs for basic payphone lines used for basic payphone services. Such tariffs were required to be: (1) market based, (2) nondiscriminatory, and (3) consistent with the requirements of § 276 of the Act.[8]

On March 28, 1997, the Commission issued its Order Authorizing Interim Rates and Initiating Investigation. Among other things, the proposed payphone tariffs of Verizon Virginia, Verizon South, United, Centel, NTELOS, New Castle, and Virginia Telephone Company were ordered to take effect subject to investigation and refund if the Commission ultimately determined that different rates were to be imposed. The Commission's Order of March 28, 1997, also cautioned that by allowing the proposed tariffs to take effect, it was not indicating or implying that these tariffs were determined to be in compliance with § 276 of the Act or with the FCC's Report and Order and Order on Reconsideration.

Subsequent to the Commission's March 28, 1997, Order, the Commission joined other state regulatory commissions and the National Association of the State Utility Consumer Advocates ("NASUCA") in seeking review of a portion of the FCC's Report and Order and Order on Reconsideration. The state regulatory commissions and NASUCA argued on appeal that the Act did not give the FCC authority to preempt the states' power to regulate local coin rates.[9]

The Court of Appeals for the District of Columbia Circuit held that the Act did authorize the FCC to set local coin rates for payphones.[10] The Court of Appeals stated that when Congress directed the FCC to ensure that PSPs were fairly compensated for each and every completed intrastate and interstate call, it did not intend to exclude local coin rates from the term "compensation." Rather, the term "compensation" was intended to encompass rates paid by callers in the form of coins deposited into phones.[11] Therefore, according to the Court of Appeals, § 276 of the Act unambiguously granted the FCC the authority to regulate local coin call rates. The FCC chose to ensure that PSPs were "fairly compensated" by completely deregulating the rates, allowing PSPs to establish rates at the price the market would bear for such local calls.

In sum, by virtue of the Act, the FCC has directly preempted the Commission's historic authority over local coin call rates as well as certain other intrastate payphone rates and services. This preemption, therefore, means that the Commission cannot investigate the proposed intrastate tariffs independent of the FCC's Report and Order and Order on Reconsideration. The FCC regulations attempt to place significant regulatory responsibilities on state commissions, including this Commission. In this case, the FCC regulations, among other things, would require us to evaluate the proposed intrastate tariffs for compliance with FCC regulations regardless of whether they are consistent with this Commission's rules and practices.[12] We find this an awkward, if not an unworkable, prospect. These responsibilities delegated by the FCC attempt to impose upon the Commonwealth, in its sovereign capacity, a role pursuant to § 276 of the Act that is in violation of the Tenth Amendment. The Tenth Amendment has been broadly interpreted to prohibit the federal government from compelling states or state officials to implement federal regulatory programs through state actions.[13] Moreover, the Commission can only act as authorized by the Constitution of Virginia and state statute.[14] Its jurisdiction must be found either in constitutional grants or in statutes that do not contravene the Constitution of Virginia.[15] The Commission does not have the authority independent of our Constitution and state statutes to strictly assist the FCC in fulfilling the FCC's statutory and regulatory duties.

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[5] 47 U.S.C. § 276(b)(1)(A).

[6] 47 U.S.C. § 276(a).

[7] 47 U.S.C. § 276(b)(1)(B), (C).

[8] See Order on Reconsideration at Paragraph 163. The FCC later issued an order clarifying that the intrastate tariffs must satisfy the requirements applied to new interstate access services proposed by incumbent LECs subject to price cap regulation, the so-called new services test of the Computer III tariffing guidelines. Implementation of the Pay Phone Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, CC Docket No. 96-128, Report and Order, 12 F.C.C.R. 21370 (1997).

[9] Illinois Public Telecommunications Ass'n. v. F.C.C., 117 F.3d 555, 561 (D.C. Cir. 1997), decision clarified on reh'g, 123 F.3d 693 (D.C. Cir. 1997), cert. denied, 523 U.S. 1046 (1998).

[10] Id. at 562.

[11] Id.

[12] On November 24, 1993, the Commission adopted Regulations for Pay Telephone Service and Instruments ("Pay Telephone Rules") pursuant to Va. Code §§ 56-508.15 and 56-508.16 (20 VAC 5-400-90). Among other requirements, these rules established the pricing requirements for local exchange carriers' payphone access lines. In addition, the pricing of Basic Local Exchange Services (including payphone lines) of Verizon Virginia, Verizon South, United, and Centel are controlled by the Alternative Regulatory Plans for these companies approved by this Commission.

[13] See New York v. United States, 505 U.S. 144; 112 S. Ct. 2408 (1992); Printz v. United States, 521 U.S. 898; 117 S. Ct. 2365 (1997).

[14] Va. Const. art. IX, § 2.

[15] City of Norfolk v. Virginia Electric and Power Company, 197 Va. 505; 90 S.E.2d 140 (1955).

The FCC's Order on Reconsideration provides that:

> States unable to review these tariffs may require the LECs operating in their state to file these tariffs with the [FCC] Commission. (para. 163)

The FCC retains jurisdiction under § 276 of the Act "to ensure that all requirements of section 276 and the Payphone Reclassification Proceeding are met."[16] That being so, we decline to assist the FCC further in this instance.

THEREFORE, upon consideration of this matter, the Commission finds that the proposed payphone tariffs filed with this Commission shall for the present time remain in effect. However, any party may directly request the FCC to require the ILECs to file payphone tariffs with the FCC which comply with § 276 of the Act.

The Commission declines to further investigate the proposed payphone tariffs and dismisses this docketed proceeding without prejudice.

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.

[16] In the Matter of Wisconsin Public Service Commission Order Directing Filings, CCB/CPD Docket No. 00-1, DAOO-347, 15 F.C.C.R. 9978 (2000).

CASE NO. PUC970048
OCTOBER 10, 2001

APPLICATION OF
VERIZON VIRGINIA INC. f/k/a BELL ATLANTIC-VIRGINIA, INC.
and
NETWORK ACCESS SOLUTIONS, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

DISMISSAL ORDER

On April 24, 1977, Verizon Virginia Inc. f/k/a/ Bell Atlantic-Virginia, Inc. ("Verizon Virginia"), and Network Access Solutions, Inc. ("NAS"), filed an interconnection agreement ("Agreement"), entered under §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, for State Corporation Commission ("Commission") approval pursuant to § 252(e) of the Act, 47 U.S.C. § 252(e). The Commission entered an Order Approving Agreement on July 23, 1997, in Case No. PUC970048.

On November 29, 2000, Verizon Virginia filed an interconnection agreement between Verizon Virginia and NAS. This agreement was assigned Case No. PUC000318 and approved on February 21, 2001. Through discussions with Verizon Virginia and the Staff, it has been verified that PUC970048 was replaced by PUC000318. The effect of Verizon Virginia's verification is to affect the dismissal of Case No. PUC970048 and for the agreement approved in Case No. PUC000318 to supersede the agreement approved in Case No. PUC970048.

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that the agreement approved in Case No. PUC000318 should supersede the agreement approved in Case No. PUC970048 and that the captioned proceeding should be dismissed.

Accordingly, IT IS ORDERED THAT the agreement approved in Case No. PUC000318 shall supersede the agreement approved in Case No. PUC970048, and the captioned matter is hereby dismissed from the Commission's docket of active cases.

CASE NO. PUC970060
OCTOBER 10, 2001

APPLICATION OF
VERIZON VIRGINIA INC. f/k/a BELL ATLANTIC-VIRGINIA, INC.
and
AMERICAN COMMUNICATIONS SERVICES OF VIRGINIA, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

DISMISSAL ORDER

On June 2, 1997, Verizon Virginia Inc. f/k/a Bell Atlantic-Virginia, Inc. ("Verizon Virginia"), and American Communications Services of Virginia, Inc. ("ACSI") filed an interconnection agreement ("Agreement"), entered under §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, for State Corporation Commission ("Commission") approval pursuant to § 252(e) of the Act, 47 U.S.C. § 252(e). The Commission entered an Order Approving Agreement on August 5, 1997, in Case No. PUC970060.

On December 8, 1999, Verizon Virginia filed an interconnection agreement between Verizon Virginia and ACSI Local Switched Services, Inc. d/b/a e.spire. This agreement was assigned Case No. PUC990233 and approved on March 3, 2000. Through discussions with Verizon Virginia and the

Staff, it was verified by Verizon Virginia that PUC970060 was replaced by PUC990233. The effect of Verizon Virginia's verification is to affect the dismissal of Case No. PUC970060 and for the agreement approved in Case No. PUC990233 to supersede the agreement approved in Case No. PUC970060.

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that the agreement approved in Case No. PUC990233 should supersede the agreement approved in Case No. PUC970060 and that the captioned proceeding should be dismissed.

Accordingly, IT IS ORDERED THAT the agreement approved in Case No. PUC990233 shall supersede the agreement approved in Case No. PUC970060, and the captioned matter is hereby dismissed from the Commission's docket of active cases.

CASE NOS. PUC970073 and PUC990235
OCTOBER 10, 2001

JOINT APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA
AND UNITED TELEPHONE-SOUTHEAST, INC.
and
360° COMMUNICATIONS COMPANY
AND 360° COMMUNICATIONS OF CHARLOTTESVILLE d/b/a ALLTEL

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

DISMISSAL ORDER

On June 19, 1997, United Telephone-Southeast, Inc. and Central Telephone Company of Virginia ("United/Centel") and 360° Communications Company of Charlottesville ("360°") filed an interconnection agreement ("Agreement"), entered under §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S. C. §§ 251 and 252, for State Corporation Commission ("Commission") approval pursuant to § 252(e) of the Act, 47 U.S.C. § 252(e). The Agreement was approved by Order Approving Agreement dated September 17, 1997, in Case No. PUC970073. A revised agreement was filed in Case No. PUC970073 on November 5, 1997, and an Order Approving Agreement was issued February 3, 1998.

On December 10, 1999, United/Centel filed an interconnection agreement between United/Centel and 360°. This agreement was assigned Case No. PUC990235 and approved on March 3, 2000.

On May 10, 2000, United/Centel filed an interconnection agreement between United/Centel and 360° Communications Company of Charlottesville d/b/a Alltel ("Alltel"). This agreement was assigned Case No. PUC000139 and approved on August 1, 2000. Through discussions with United/Centel and the Staff, as verified by letter from counsel dated June 18, 2001, PUC970073 was replaced by PUC990235 and PUC990235 was replaced by PUC000139. The effect of United/Centel's verification is to effect the dismissal of Case Nos. PUC970073 and PUC990235 and for the agreement approved in Case No. PUC000139 to supersede the agreements approved in Case Nos. PUC970073 and PUC990235.

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that the agreement approved in Case No. PUC000139 should supersede the agreements approved in Case Nos. PUC970073 and PUC990235 and that the captioned proceeding should be dismissed.

Accordingly, IT IS ORDERED THAT the agreement approved in Case No. PUC000139 shall supersede the agreements approved in Case Nos. PUC970073 and PUC990235, and the captioned matters are hereby dismissed from the Commission's docket of active cases.

CASE NO. PUC970130
NOVEMBER 16, 2001

APPLICATION OF
VERIZON SOUTH INC. f/k/a GTE SOUTH INCORPORATED
and
NEXTEL COMMUNICATIONS OF THE MID-ATLANTIC, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

DISMISSAL ORDER

On August 13, 1997, Verizon South Inc. f/k/a GTE South Incorporated ("Verizon South") and Nextel Communications of the Mid-Atlantic, Inc. ("Nextel"), filed an interconnection agreement ("Agreement"), entered under §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, for State Corporation Commission ("Commission") approval pursuant to § 252(e) of the Act, 47 U.S.C. § 252(e). The Commission entered an Order Approving Agreement on October 28, 1997, in Case No. PUC970130.

On December 8, 1998, Verizon South filed a joint application for approval of an interconnection agreement between Verizon South and Nextel. This agreement was assigned Case No. PUC980186 and approved on March 2, 1999. Through discussions with Verizon South and the Staff, as verified by letter from counsel dated May 1, 2001, PUC970130 was replaced by PUC980186. Therefore, Case No. PUC970130 should be dismissed.

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that the agreement approved in Case No. PUC980186 supersedes the agreement approved in Case No. PUC970130 and that the captioned proceeding should be dismissed.

Accordingly, IT IS ORDERED THAT the agreement approved in Case No. PUC980186 shall supersede the agreement approved in Case No. PUC970130, and the captioned matter is hereby dismissed from the Commission's docket of active cases.

CASE NOS. PUC970134 and PUC970133
NOVEMBER 16, 2001

JOINT APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA
and
WINSTAR WIRELESS OF VIRGINIA, INC.

UNITED TELEPHONE-SOUTHEAST, INC.
and
WINSTAR WIRELESS OF VIRGINIA, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

DISMISSAL ORDER

On August 20, 1997, United Telephone-Southeast, Inc., and Central Telephone Company of Virginia (collectively "United/Centel") and WinStar Wireless of Virginia, Inc. ("WinStar"), filed interconnection agreements ("Agreements"), entered under §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S. C. §§ 251 and 252, for State Corporation Commission ("Commission") approval pursuant to § 252(e) of the Act, 47 U.S.C. § 252(e). These Agreements were approved by Orders Approving Agreements dated October 28, 1997, in Case Nos. PUC970134 and PUC970133.

On December 13, 2000, United/Centel filed an interconnection agreement between United/Centel and WinStar Wireless of Virginia, LLC. This agreement was assigned Case No. PUC000329 and approved on March 7, 2001. Through discussions with United/Centel and the Staff, as verified by letter from counsel dated June 18, 2001, PUC970134 and PUC970133 were replaced by PUC000329. Therefore, Case Nos. PUC970134 and PUC970133 should be dismissed.

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that the agreement approved in Case No. PUC000329 supersedes the agreements approved in Case Nos. PUC970134 and PUC970133 and that the captioned proceedings should be dismissed.

Accordingly, IT IS ORDERED THAT the agreement approved in Case No. PUC000329 shall supersede the agreements approved in Case Nos. PUC970134 and PUC970133, and the captioned matters are hereby dismissed from the Commission's docket of active cases.

CASE NO. PUC970139
NOVEMBER 16, 2001

APPLICATION OF
VERIZON SOUTH INC. f/k/a GTE SOUTH INCORPORATED
and
AT&T WIRELESS SERVICES, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

DISMISSAL ORDER

On September 4, 1997, Verizon South Inc. f/k/a GTE South Incorporated ("Verizon South") and AT&T Wireless Services, Inc. ("AWS"), filed an interconnection agreement ("Agreement"), entered under §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, for State Corporation Commission ("Commission") approval pursuant to § 252(e) of the Act, 47 U.S.C. § 252(e). The Commission entered an Order Approving Agreement on November 4, 1997, in Case No. PUC970139.

On October 29, 1999, Verizon South filed a joint application for approval of an interconnection agreement between Verizon South and AWS. This agreement was assigned Case No. PUC990204 and approved on February 10, 2000. Through discussions with Verizon South and the Staff, as verified by letter from counsel dated May 1, 2001, PUC970139 was replaced by PUC990204. Therefore, Case No. PUC970139 should be dismissed.

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that the agreement approved in Case No. PUC990204 supersedes the agreement approved in Case No. PUC970139 and that the captioned proceeding should be dismissed.

Accordingly, IT IS ORDERED THAT the agreement approved in Case No. PUC990204 shall supersede the agreement approved in Case No. PUC970139, and the captioned matter is hereby dismissed from the Commission's docket of active cases.

CASE NO. PUC970140
DECEMBER 14, 2001

APPLICATION OF
VERIZON VIRGINIA INC.
and
U.S. TELCO, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

DISMISSAL ORDER

On September 4, 1997, Verizon Virginia Inc. ("Verizon Virginia") and U.S. Telco, Inc. ("U.S. Telco"), filed an interconnection agreement ("Agreement"), entered under §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, for State Corporation Commission ("Commission") approval pursuant to § 252(e) of the Act, 47 U.S.C. § 252(e). This Agreement was approved by Order Approving Agreement dated December 3, 1997, in Case No. PUC970140. On August 19, 1999, Verizon Virginia filed a Letter Agreement of Assignment providing for the assignment of the interconnection agreement from U.S. Telco to 1-800-Reconex, Inc.

On October 31, 2001, Verizon Virginia filed a joint application for approval of an interconnection agreement between Verizon Virginia and 1-800-Reconex, Inc. This agreement was assigned Case No. PUC010225 and has been approved by separate Order. As verified by counsel for Verizon Virginia through communications with the Commission Staff, we find that the Agreement approved in Case No. PUC970140 has been replaced by the Agreement approved in Case No. PUC010225. Therefore, Case No. PUC970140 should be dismissed.

Accordingly, IT IS ORDERED THAT the agreement approved in Case No. PUC010225 shall supersede the agreement approved in Case No. PUC970140, and the captioned matter is hereby dismissed from the Commission's docket of active cases.

CASE NO. PUC970142
NOVEMBER 16, 2001

JOINT APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA
and
UNITED TELEPHONE-SOUTHEAST, INC.
and
GTE WIRELESS OF THE SOUTH, INCORPORATED

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

DISMISSAL ORDER

On September 9, 1997, United Telephone-Southeast, Inc., and Central Telephone Company of Virginia ("United/Centel") filed an interconnection agreement ("Agreement"), entered under §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S. C. §§ 251 and 252, for State Corporation Commission ("Commission") approval pursuant to § 252(e) of the Act, 47 U.S.C. § 252(e), between United/Centel and GTE Wireless of the South, Incorporated ("GTE Wireless"). The Agreement was approved by Order Approving Agreement dated December 8, 1997, in Case No. PUC970142.

On July 25, 2000, United/Centel filed an interconnection agreement between United/Centel and GTE Wireless. This agreement was assigned Case No. PUC000206 and approved on September 22, 2000. Through discussions with United/Centel and the Staff, as verified by letter from counsel dated June 18, 2001, PUC970142 was replaced by PUC000206. Therefore, Case No. PUC970142 should be dismissed.

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that the agreement approved in Case No. PUC000206 supersedes the agreement approved in Case No. PUC970142 and that the captioned proceeding should be dismissed.

Accordingly, IT IS ORDERED THAT the agreement approved in Case No. PUC000206 shall supersede the agreement approved in Case No. PUC970142, and the captioned matter is hereby dismissed from the Commission's docket of active cases.

CASE NO. PUC970144
SEPTEMBER 14, 2001

APPLICATION OF
UNITED TELEPHONE - SOUTHEAST, INC.
and
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996 with Virginia RSA 5 Limited Partnership

DISMISSAL ORDER

On August 6, 2001, Central Telephone Company of Virginia and United Telephone - Southeast, Inc. (collectively "Sprint"), and Cellco Partnership, Virginia RSA 5 Limited Partnership, and Washington, D.C. SMSA Limited Partnership, all d/b/a Verizon Wireless (collectively, "Verizon Wireless") filed an interconnection agreement ("Agreement"), entered under §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, for State Corporation Commission ("Commission") approval pursuant to § 252(e) of the Act, 47 U.S.C. § 252(e). The Commission entered an Order Approving Agreement on August 28, 2001, in Case No. PUC010168.

On September 4, 2001, Sprint, by counsel, filed a letter requesting that the prior agreement dated August 21, 1997, approved in Case No. PUC970144 by the Commission's December 8, 1997, Order Approving Agreement, be replaced with the agreement approved in Case No. PUC010168. The effect of Sprint's request is to affect the dismissal of Case No. PUC970144 and for the agreement approved in Case No. PUC010168 to supersede the agreement approved in Case No. PUC970144.

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that the agreement approved in Case No. PUC010168 should supersede the agreement approved in Case No. PUC970144 and that the captioned proceeding should be dismissed.

Accordingly, IT IS ORDERED THAT: the agreement approved in Case No. PUC010168 shall supersede the agreement approved in Case No. PUC970144; and the captioned matter is hereby dismissed from the Commission's docket of active cases.

CASE NO. PUC970146
JULY 13, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of revising rules governing service standards for local exchange telephone companies

ORDER CLOSING CASE

By Order of June 10, 1993, the State Corporation Commission ("Commission") adopted Regulations Governing Service Standards for Local Exchange Telephone Companies (20 VAC 5-400-80).

After the enactment of the Telecommunications Act of 1996, 47 U.S.C. § 251 et seq., the Commission's Staff ("Staff") reviewed these service rules to reflect anticipated changes in the local service marketplace. On September 17, 1997, the Commission entered an Order establishing a rulemaking proceeding and inviting comments on the Staff's proposed revised rules. Comments were received from numerous parties.

Since these comments were received, the competitive environment in the telecommunications marketplace has changed. To date, the Commission has certificated more than 200 telephone companies to provide local exchange telecommunications services in the Commonwealth. While these new entrants have collectively captured less than 5% of the local exchange market, this initial development of local exchange competition is significant.

It is also important to recognize the transitional nature of local competition. The incumbent local exchange telephone companies still provide much of the underlying network infrastructure used by reseller and unbundled network element-based competitors. Until there are separate networks proving local exchange alternatives, we should consider that service quality standards may need to be transitional as the shape of competition continues to evolve.

In addition, the Commission needs to take a fresh look at whether the emergence of local competition has changed customer expectations. Most service standards, including those currently in place in Virginia, rely on customer satisfaction models that pre-date competition. Moreover, the standards do not take into account the many technological changes that have occurred.

We believe that, given the Commission's role in ensuring satisfactory service in the Commonwealth, the creation of a new set of rules governing retail service standards is warranted. Wholesale service standards are currently being addressed in Case No. PUC000026.

Therefore, since the current proposed rules in this case are dated and may not address new issues raised by competition, we find that this case should be closed without prejudice. By this Order, we direct the Staff to prepare new rules governing retail service standards, taking into consideration the competitive environment and the differences between incumbent local exchange carriers and competitive local exchange carriers. In preparing these new rules, the Staff should also consider standards to measure customer satisfaction. We will establish a new docket to consider adopting the new rules.

Accordingly, IT IS ORDERED THAT:

(1) The proposed regulations governing service standards for local exchange companies located at Volume 14 of Issue 2 of the Virginia Register of Regulations be withdrawn.

(2) This case be, and hereby is, dismissed from the Commission's docket of active cases.

CASE NO. PUC970163 and CASE NO. PUC000012
NOVEMBER 16, 2001

APPLICATION OF
VERIZON VIRGINIA INC. f/k/a BELL ATLANTIC-VIRGINIA, INC.
and
JONES TELECOMMUNICATIONS OF VIRGINIA, INC.

For approval of interconnection agreements under § 252(e) of the Telecommunications Act of 1996

DISMISSAL ORDER

On October 14, 1997, Verizon Virginia Inc. f/k/a Bell Atlantic-Virginia, Inc. ("Verizon Virginia"), and Jones Telecommunications of Virginia, Inc. ("Jones"), filed an interconnection agreement ("Agreement"), entered under §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, for State Corporation Commission ("Commission") approval pursuant to § 252(e) of the Act, 47 U.S.C. § 252(e). The Commission entered an Order Approving Agreement on January 12, 1998, in Case No. PUC970163.

On January 14, 2000, Verizon Virginia filed an interconnection agreement between Verizon Virginia and Jones. This agreement was assigned Case No. PUC000012 and approved on April 6, 2000.

On June 22, 2001, Verizon Virginia filed an agreement between Verizon Virginia and Jones Telecommunications of Virginia, Inc. d/b/a Comcast Communications of Virginia. This agreement was assigned PUC010144 and approved on August 8, 2001. Through discussions with Verizon Virginia and the Staff, as verified by letter from counsel dated September 27, 2001, PUC970163 and PUC000012 were superseded by PUC010144. Therefore, Case Nos. PUC970163 and PUC000012 should be dismissed.

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that the agreement approved in Case No. PUC010144 supersedes the agreements approved in Case Nos. PUC970163 and PUC000012 and that the captioned proceedings should be dismissed.

Accordingly, IT IS ORDERED THAT the agreement approved in Case No. PUC010144 shall supersede the agreements approved in Case Nos. PUC970163 and PUC000012, and the captioned matters are hereby dismissed from the Commission's docket of active cases.

CASE NO. PUC980110
NOVEMBER 16, 2001

APPLICATION OF
VERIZON SOUTH INC. f/k/a GTE SOUTH INCORPORATED
and
360° COMMUNICATIONS COMPANY

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

DISMISSAL ORDER

On July 21, 1998, Verizon South Inc. f/k/a GTE South Incorporated ("Verizon South") and 360° Communications Company filed an interconnection agreement ("Agreement"), entered under §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, for State Corporation Commission ("Commission") approval pursuant to § 252(e) of the Act, 47 U.S.C. § 252(e). The Commission entered an Order Approving Agreement on September 29, 1998, in Case No. PUC980110.

On May 15, 2000, Verizon South filed a joint application for approval of an interconnection agreement between Verizon South and 360° Communications Company of Charlottesville d/b/a Alltel. This agreement was assigned Case No. PUC000141 and approved on July 26, 2000. Through discussions with Verizon South and the Staff, as verified by letter from counsel dated May 1, 2001, PUC980110 was replaced by PUC000141. Therefore, Case No. PUC980110 should be dismissed.

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that the agreement approved in Case No. PUC000141 supersedes the agreement approved in Case No. PUC980110 and that the captioned proceeding should be dismissed.

Accordingly, IT IS ORDERED THAT the agreement approved in Case No. PUC000141 shall supersede the agreement approved in Case No. PUC980110, and the captioned matter is hereby dismissed from the Commission's docket of active cases.

CASE NO. PUC980137
DECEMBER 14, 2001

APPLICATION OF
VERIZON VIRGINIA INC.
and
PREFERRED CARRIER SERVICES OF VIRGINIA, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

DISMISSAL ORDER

On September 10, 1998, Verizon Virginia Inc. ("Verizon Virginia" or "Applicant") and Preferred Carrier Services of Virginia, Inc. ("PCS-V"), filed an interconnection agreement ("Agreement"), entered under §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, for State Corporation Commission ("Commission") approval pursuant to § 252(e) of the Act, 47 U.S.C. § 252(e). This Agreement was approved by Order Approving Agreement dated December 8, 1998, in Case No. PUC980137.

On November 8, 2001, Verizon Virginia filed a joint application for approval of an interconnection agreement between Verizon Virginia and PCS-V. This agreement was assigned Case No. PUC010236 and has been approved by separate Order. As verified by letter from counsel for the Applicant dated November 8, 2001, we find that the Agreement approved in Case No. PUC980137 has been replaced by the Agreement approved in Case No. PUC010236. Therefore, Case No. PUC980137 should be dismissed.

Accordingly, IT IS ORDERED THAT the agreement approved in Case No. PUC010236 shall supersede the agreement approved in Case No. PUC980137, and the captioned matter is hereby dismissed from the Commission's docket of active cases.

CASE NOS. PUC980175 and PUC990081
MAY 10, 2001

KMC TELECOM OF VIRGINIA, INC.
v.
VERIZON VIRGINIA INC. f/k/a BELL ATLANTIC-VIRGINIA, INC.

PETITION OF
KMC TELECOM OF VIRGINIA, INC.

Investigation to Require Bell Atlantic - Virginia, Inc. To provide its Long-term Contract Customers with a "Fresh Look" Opportunity

FINAL ORDER

On March 27, 2001, the State Corporation Commission ("Commission") issued an Order of Consolidation of the above-captioned cases and noted:

> the discontinuance of Verizon Virginia's offering of intrastate advanced services would appear to substantially impact the scope of relief which KMC seeks this Commission to address.

The Order of March 27, 2001, then granted the parties leave to file comments.

On May 1, 2001, KMC Telecom of Virginia, Inc. ("KMC"), filed its Request to Withdraw Petition, which we deem to apply to its amended Petition filed in this consolidated proceeding.

The Commission finds that KMC's Request to Withdraw Petition should be granted and that both consolidated cases should be dismissed.

Accordingly, IT IS ORDERED THAT:

(1) The Request to Withdraw Petition by KMC is hereby granted.

(2) There being nothing further to come before the Commission, Case Nos. PUC980175 and PUC990081 are hereby dismissed and the cases placed in the files for ended causes.

CASE NO. PUC980181
NOVEMBER 16, 2001

APPLICATION OF
VERIZON SOUTH INC. f/k/a GTE SOUTH INCORPORATED
and
PREFERRED CARRIER SERVICES OF VIRGINIA, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

DISMISSAL ORDER

On December 1, 1998, Verizon South Inc. f/k/a GTE South Incorporated ("Verizon South") and Preferred Carrier Services of Virginia, Inc. ("PCS"), filed an interconnection agreement ("Agreement"), entered under §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, for State Corporation Commission ("Commission") approval pursuant to § 252(e) of the Act, 47 U.S.C. § 252(e). The Commission entered an Order Approving Agreement on March 1, 1999, in Case No. PUC980181.

On January 4, 2001, Verizon South filed a joint application for approval of an interconnection agreement between Verizon South and PCS. This agreement was assigned Case No. PUC010005 and approved on February 23, 2001. Through discussions with Verizon South and the Staff, as verified by letter from counsel dated May 1, 2001, PUC980181 was replaced by PUC010005. Therefore, Case No. PUC980181 should be dismissed.

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that the agreement approved in Case No. PUC010005 supersedes the agreement approved in Case No. PUC980181 and that the captioned proceeding should be dismissed.

Accordingly, IT IS ORDERED THAT the agreement approved in Case No. PUC010005 shall supersede the agreement approved in Case No. PUC980181, and the captioned matter is hereby dismissed from the Commission's docket of active cases.

CASE NOS. PUC990005 and PUC990006
DECEMBER 19, 2001

APPLICATION OF
UNITED TELEPHONE - SOUTHEAST, INC.,
and
PREFERRED CARRIER SERVICES OF VIRGINIA, INC.

CENTRAL TELEPHONE COMPANY OF VIRGINIA
and
PREFERRED CARRIER SERVICES OF VIRGINIA, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

DISMISSAL ORDER

On January 11, 1999, United Telephone - Southeast, Inc., and Central Telephone Company of Virginia (collectively "United/Central"), and Preferred Carrier Services of Virginia, Inc. ("Preferred"), filed interconnection agreements ("Agreements"), entered under §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, for State Corporation Commission ("Commission") approval pursuant to § 252(e) of the Act, 47 U.S.C. § 252(e). These Agreements were approved by Orders Approving Agreements dated April 7, 1999, in Case Nos. PUC990005 and PUC990006.

On September 27, 2001, United/Central filed a joint application for approval of an interconnection agreement between United/Central and Preferred. This agreement was assigned Case No. PUC010200 and has been approved by separate Order. As verified by letter from counsel for the Applicant dated September 26, 2001, we find that the Agreements approved in Case Nos. PUC990005 and PUC990006 have been replaced by the Agreement approved in Case No. PUC010200. Therefore, Case Nos. PUC990005 and PUC990006 should be dismissed.

Accordingly, IT IS ORDERED THAT the agreement approved in Case No. PUC010200 shall supersede the agreements approved in Case Nos. PUC990005 and PUC990006, and the captioned matters are hereby dismissed from the Commission's docket of active cases.

CASE NOS. PUC990010 and PUC990011
FEBRUARY 9, 2001

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For approval of tariff revisions to offer Sprint Solutions, a new residential service packaged offering

and

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

For approval of tariff revisions to offer Sprint Solutions, a new residential service packaged offering

FINAL ORDER

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 and United Telephone-Southeast, Inc. (collectively "the Companies"), 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, the Companies filed a joint petition to amend their Plan in Case No. PUC990160.

By Orders dated December 22, 1999, and June 15, 2000, the Commission further extended the interim approval of Sprint Solutions pending the Commission's review of the joint petition in Case No. PUC990160.

The Commission's Final Order of September 5, 2000, in Case No. PUC990160 approved, with agreed-upon amendments, the Companies' joint petition to amend their Plan. The Companies' Plan now includes explicit provisions for bundled services such as Sprint Solutions. The Commission, therefore, now grants final approval of the Sprint Solutions tariff revisions, superseding the interim approval previously granted.

Accordingly, IT IS ORDERED THAT:

(1) The Companies' tariff revisions to offer Sprint Solutions are approved.

(2) There being nothing further to come before the Commission, these consolidated cases are dismissed.

CASE NO. PUC990085
JULY 12, 2001

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

To implement extended local service from its Marion exchange to its Konnarock exchange

FINAL ORDER

On May 7, 1999, United Telephone-Southeast, Inc. ("United" 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. United proposed to notify its Marion exchange customers of the increases in monthly rates that would be necessary tc extend their local service to include the Konnarock exchange. Telephone customers in the Konnarock exchange had previously petitioned the Commission for local calling to Marion. In a poll conducted in response to the petition, a majority of Konnarock customers responding to the poll supported paying higher rates for local calling to Marion. A poll of Marion 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 of the existing monthly one-party residential flat rate.

By Order dated July 28, 1999, the Commission directed United to publish notice of the proposed increase. Affected telephone customers were given until October 7, 1999, to file comments or to request a hearing on the proposal. On September 13, 1999, United filed proof of notice as required by the Commission's July 28, 1999, Order. One comment opposing the proposal was received.

On October 15, 1999, the Commission Staff submitted its report. Since the Konnarock customers originally had been polled concerning their willingness to pay higher rates to the Marion, Chilhowie, Saltville, and Sugar Grove exchanges, and since customers in the Sugar Grove exchange had voted against extending local service to Konnarock, the Staff recommended that no further action be taken until Konnarock customers could be given notice and opportunity to comment on extended local service to the remaining three exchanges at slightly lower rates.

On August 30, 2000, Hearing Examiner Alexander F. Skirpan, Jr., issued his Report in Case No. PUC990211, Application of United Telephone-Southeast, Inc., For authority to provide notice to its Konnarock customers of revised ELS proposal. The Hearing Examiner 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. By Final Order dated November 9, 2000, the Commission adopted the findings of the August 30, 2000, Report and ordered that extended local service be implemented between United's Konnarock exchange and its Marion, Chilhowie, and Saltville exchanges.

NOW UPON CONSIDERATION of the foregoing and the applicable law, we are of the opinion and find that because United's application for extended local service from its Marion exchange to its Konnarock exchange has been granted in Case No. PUC990211, this case should be dismissed.

Accordingly, IT IS ORDERED THAT 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. PUC990086
JULY 12, 2001

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

To implement extended local service from its Chilhowie exchange to its Konnarock exchange

FINAL ORDER

On May 7, 1999, United Telephone-Southeast, Inc. ("United" 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. United proposed to notify its Chilhowie exchange customers of the increases in monthly rates that would be necessary to extend their local service to include the Konnarock exchange. Telephone customers in the Konnarock exchange had previously petitioned the Commission for local calling to Chilhowie. In a poll conducted in response to the petition, a majority of Konnarock customers responding to the poll supported paying higher rates for local calling to Chilhowie. A poll of Chilhowie 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 of the existing monthly one-party residential flat rate.

By Order dated July 28, 1999, the Commission directed United to publish notice of the proposed increase. Affected telephone customers were given until October 7, 1999, to file comments or to request a hearing on the proposal. On September 13, 1999, United filed proof of notice as required by the Commission's July 28, 1999, Order. One comment opposing the proposal was received.

On October 15, 1999, the Commission Staff submitted its report. Since the Konnarock customers originally had been polled concerning their willingness to pay higher rates to the Marion, Chilhowie, Saltville, and Sugar Grove exchanges, and since customers in the Sugar Grove exchange had voted against extending local service to Konnarock, the Staff recommended that no further action be taken until Konnarock customers could be given notice and opportunity to comment on extended local service to the remaining three exchanges at slightly lower rates.

On August 30, 2000, Hearing Examiner Alexander F. Skirpan, Jr., issued his Report in Case No. PUC990211, Application of United Telephone-Southeast, Inc., For authority to provide notice to its Konnarock customers of revised ELS proposal. The Hearing Examiner 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. By Final Order dated November 9, 2000, the Commission adopted the findings of the August 30, 2000, Report and ordered that extended local service be implemented between United's Konnarock exchange and its Marion, Chilhowie, and Saltville exchanges.

NOW UPON CONSIDERATION of the foregoing and the applicable law, we are of the opinion and find that because United's application for extended local service from its Chilhowie exchange to its Konnarock exchange has been granted in Case No. PUC990211, this case should be dismissed.

Accordingly, IT IS ORDERED THAT 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. PUC990087
JULY 12, 2001

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

To implement extended local service from its Saltville exchange to its Konnarock exchange

FINAL ORDER

On May 7, 1999, United Telephone-Southeast, Inc. ("United" 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. United proposed to notify its Saltville exchange customers of the increases in monthly rates that would be necessary to extend their local service to include the Konnarock exchange. Telephone customers in the Konnarock exchange had previously petitioned the Commission for local calling to Saltville. In a poll conducted in response to the petition, a majority of Konnarock customers responding to the poll supported paying higher rates for local calling to Saltville. A poll of Saltville 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 of the existing monthly one-party residential flat rate.

By Order dated July 28, 1999, the Commission directed United to publish notice of the proposed increase. Affected telephone customers were given until October 7, 1999, to file comments or to request a hearing on the proposal. On September 13, 1999, United filed proof of notice as required by the Commission's July 28, 1999, Order. One comment opposing the proposal was received.

On October 15, 1999, the Commission Staff submitted its report. Since the Konnarock customers originally had been polled concerning their willingness to pay higher rates to the Marion, Chilhowie, Saltville, and Sugar Grove exchanges, and since customers in the Sugar Grove exchange had voted against extending local service to Konnarock, the Staff recommended that no further action be taken until Konnarock customers could be given notice and opportunity to comment on extended local service to the remaining three exchanges at slightly lower rates.

On August 30, 2000, Hearing Examiner Alexander F. Skirpan, Jr., issued his Report in Case No. PUC990211, Application of United Telephone-Southeast, Inc., For authority to provide notice to its Konnarock customers of revised ELS proposal. The Hearing Examiner 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. By Final Order dated November 9, 2000, the Commission adopted the findings of the August 30, 2000, Report and ordered that extended local service be implemented between United's Konnarock exchange and its Marion, Chilhowie, and Saltville exchanges.

NOW UPON CONSIDERATION of the foregoing and the applicable law, we are of the opinion and find that because United's application for extended local service from its Saltville exchange to its Konnarock exchange has been granted in Case No. PUC990211, this case should be dismissed.

Accordingly, IT IS ORDERED THAT 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. PUC990101
MAY 25, 2001

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

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, May 17, 2000, and November 21, 2000, has been revised again pursuant to a tariff filing by Verizon Virginia on April 27, 2001. The proposed effective date of the April 27, 2001, tariff revision is May 28, 2001.

According to Verizon Virginia, the Company's collocation tariff is being amended to comply with the Federal Communications Commission's requirements in Docket 98-147, in Order FCC 00-297, released August 10, 2000.

The Commission finds that the April 27, 2001, tariff revision should be accepted on an interim basis. Because this tariff change is primarily a clarification, we believe there is no need to provide an opportunity for comment on the revision.

Accordingly, IT IS ORDERED THAT:

(1) Verizon Virginia's April 27, 2001, tariff revision is hereby approved on an interim basis, effective May 28, 2001, subject to refunds of collocation charges and/or modifications in terms and conditions.

(2) This matter is continued generally.

CASE NO. PUC990101
OCTOBER 12, 2001

APPLICATION OF
VERIZON VIRGINIA INC. F/K/A BELL ATLANTIC – VIRGINIA, INC.

For approval of its Network Services Interconnection Tariff, SCC-Va.-No. 218

ORDER

On December 21, 2000, Verizon Virginia Inc. f/k/a Bell Atlantic – Virginia, Inc. ("Verizon Virginia"), filed with the State Corporation Commission ("Commission") a Joint Petition for Approval of Settlement Agreement Addressing Collocation Rates, Terms, and Conditions ("Settlement Agreement") on behalf of itself, AT&T Communications of Virginia, Inc. ("AT&T"), Sprint Communications Company of Virginia, Inc. ("Sprint"), and WorldCom Inc. ("WorldCom") (collectively, the "Settlement Agreement Parties"). The Settlement Agreement claims to resolve all of the pricing issues arising from Verizon Virginia's proposed Network Services Interconnection Tariff, SCC-Va.-No. 218 ("218 Collocation Tariff"), and many non-price terms and conditions. There are several motions regarding the 218 Collocation Tariff and the Settlement Agreement pending before the Commission. The Settlement Agreement Parties request that the Commission resolve certain non-pricing issues and defer certain cageless collocation issues pending further rulings by the Federal Communications Commission ("FCC") or courts. The Settlement Agreement Parties request that the Commission approve the Settlement Agreement without modification.

Also in this proceeding, Verizon Virginia filed tariff revisions with the Commission on September 12, 2001, and September 28, 2001 ("September 12 and 28, 2001, tariff revisions"), to introduce a new collocation service alternative and, according to Verizon Virginia, to comply with a recent order of the FCC.

Verizon Virginia initiated this proceeding on May 28, 1999, when it filed its proposed 218 Collocation Tariff to be effective on July 28, 1999. Verizon Virginia stated that the 218 Collocation Tariff sets forth the terms, conditions, and pricing under which it provides collocation services to requesting competitive local exchange carriers ("CLECs") for the purpose of local interconnection and access to unbundled network elements pursuant to § 251 of the Telecommunications Act of 1996 (the "Act").[1] On June 23, 1999, the Commission Staff (the "Staff") filed a motion asserting that, upon its initial analysis, contrary to the requirements of § 251(c)(6) of the Act, certain of the rates, terms, and conditions proposed may not be just, reasonable, and nondiscriminatory. The Staff requested that a proceeding be initiated to investigate this tariff, that CLECs be provided an opportunity to comment, and that the tariff be permitted to go into effect on an interim basis, subject to refund and/or modification.

On June 25, 1999, the Commission issued an Order Accepting Tariff on Interim Basis and Opening Investigation. The tariff went into effect June 28, 1999, on an interim basis, subject to refund and/or modification. The Commission directed Verizon Virginia to comment on whether the 218 Collocation Tariff complies with the Act, FCC requirements, and the Commission's determination in Case No. PUC970005, and whether such a filing reviewed outside an arbitration proceeding initiated under § 252 of the Act must or should comply with the Act and FCC requirements. Interested parties objecting to certain terms were encouraged to propose in comments alternative tariff language they deemed appropriate. Verizon Virginia filed comments in support of its application, while other parties filed comments in opposition to various portions of the tariff.[2]

On October 27, 1999, the Staff filed its Staff Report. The Staff recommended that the Commission adopt the Staff's revised interim rates for six collocation rate elements. The Staff also stated that Verizon Virginia should be allowed to file a cageless collocation construction charge to allow it to recover appropriate nonrecurring conditioning costs and that Verizon Virginia should be required to modify the tariff to reflect only the cost of reasonable security measures. The Staff determined that, overall, the rates in the 218 Collocation Tariff are not based on Virginia-specific costs and, in certain instances, are overstated. In its report, the Staff stated that ideally Verizon Virginia should be required to base all its 218 Collocation Tariff rates on state-specific cost support and such costs should be forward-looking. However, the Staff recommended that, at a minimum, Verizon Virginia should be required to modify its cost studies and support data as recommended by the Staff. In addition, the Staff recommended that Verizon Virginia be required to modify its tariff to comply with the Staff's recommendations regarding certain non-pricing issues including standard provisional intervals, verification of space availability, forecasting requirements, capacity constraints, reservation of space, minimum separation distances, additional space, and denial of space. Further, the Staff recommended that interested parties should be required to negotiate remaining non-pricing issues with Verizon Virginia. Verizon Virginia and several other parties filed comments on the Staff Report.[3]

On May 17, 2000, and November 21, 2000, Verizon Virginia filed revisions to the 218 Collocation Tariff that it claimed were necessary to comply with recent FCC rulings. The Commission allowed these revisions to go into effect on an interim basis and requested comments on the tariff revisions. The Commission received comments from interested parties.[4] On October 20, 2000, Cavalier filed a motion requesting the Commission adopt the recommendations contained in the Staff Report on an expedited basis and investigate additional issues raised. This motion is pending before the Commission.

As noted above, the Settlement Agreement was filed with the Commission on December 21, 2000. On February 23, 2001, the Commission issued an Order requesting comments on specific questions regarding the settlement proposed by the Settlement Agreement Parties and its effect on this proceeding. The Commission received comments from ALLTEL, Broadslate Networks of Virginia, Inc. ("Broadslate"), and Cavalier, which highlighted the fact that they had not been parties to the settlement and did not have input on the rates, terms, and conditions compromised on by the Settlement Agreement Parties. In particular, these comments objected to the stipulation found in the Settlement Agreement that CLECs would not be entitled to any refunds or true-ups resulting from the differences between the interim tariffed rates and the rates set forth in the Settlement Agreement. ALLTEL, Cavalier, and Broadslate argued they should not be bound by the provisions of the Settlement Agreement.

In support of the Settlement Agreement, Verizon Virginia countered that the Settlement Agreement took seven months of difficult negotiation, settled all of the collocation rates and a number of non-price issues, covered seven states, and the Delaware and Pennsylvania Commissions have approved the Settlement Agreement. Verizon Virginia argued that the Settlement Agreement is a fair compromise on complex and contentious issues and is in the public interest. Verizon Virginia stated that the comments filed by ALLTEL, Broadslate, and Cavalier did not present evidence that the Settlement Agreement is unreasonable or not in the public interest. In addition, Verizon Virginia argued that approval of the Settlement Agreement will avoid the time, expense, and uncertainty involved in litigation in this matter.

On May 16, 2001, ALLTEL filed a motion for leave to file additional comments and comments on the Settlement Agreement and Verizon Virginia's response to the comments of ALLTEL, Broadslate, and Cavalier. On June 4, 2001, Verizon Virginia filed a motion requesting that the Commission deny ALLTEL's motion as untimely and only argumentative and that the Commission strike ALLTEL's additional comments. These motions are pending before the Commission.

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[1] Verizon Virginia represented that the rates and charges in the 218 Collocation Tariff were developed in accordance with the pricing methodology established by the Commission in Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: To determine prices Bell-Atlantic-Virginia, Inc. is authorized to charge Competitive Local Exchange Carriers in accordance with the Telecommunications Act of 1996 and applicable State law, Case No. PUC970005, 1999 S.C.C. Ann. Rept. 225.

[2] Comments in opposition to the 218 Collocation Tariff were filed by AT&T, WorldCom, ACI Corp.-Virginia, Cavalier Telephone LLC ("Cavalier"), Covad Communications Company, Focal Communications Corporation, KMC Telecom of Virginia, Inc. ("KMC"), Network Access Solutions ("Network Access"), NorthPoint Communications, Rhythms Links, Inc ("Rhythms Links"), and SBC National, Inc.

[3] Comments on the Staff Report were filed by Advanced Telecom, Inc., ALLTEL Communications, Inc. ("ALLTEL"), AT&T, Cavalier, Cox Virginia Telecom, Inc., KMC, Rhythms Links, and WorldCom.

[4] Comments were filed by ALLTEL, AT&T, Cox, DEICA Communications, Network Access, Rhythms Links, and WorldCom on the May 17, 2000, revisions. Comments were filed by ALLTEL and Sprint on the November 21, 2000, revisions.

On July 16, 2001, Cavalier filed a motion for leave to file supplemental comments and proposed supplemental comments on the Settlement Agreement. On October 9, 2001, the Settlement Agreement Parties filed a joint motion for leave to file a response to Cavalier's supplemental comments and a joint response. These motions are pending before the Commission.

As noted, on September 12, 2001, and September 28, 2001, Verizon Virginia filed additional tariff revisions. The September 12, 2001, filing introduces Microwave Collocation, a new collocation service alternative. The proposed effective date of these revisions is October 12, 2001. According to Verizon Virginia, its September 28, 2001, filing is being made to comply with the FCC's order in CC Docket No. 98-147, released August 8, 2001. The proposed effective date of these revisions is October 28, 2001.

NOW THE COMMISSION, upon consideration of the 218 Collocation Tariff and the revisions thereto, the Staff Report, the Settlement Agreement, and all comments and motions filed in this proceeding, is of the opinion and finds that the Settlement Agreement should be rejected; that Verizon should be encouraged to include all interested parties in settlement negotiations on pricing and non-pricing issues in this proceeding; that Verizon, along with all interested parties,[5] should identify and attempt to resolve all non-pricing issues on or before December 14, 2001, and on such date file with the Commission a stipulation of those non-pricing issues which have been resolved and those which remain outstanding; and that, in the event that negotiations between the parties on cost issues are not productive, Verizon Virginia should file state-specific cost studies with the Commission on or before January 15, 2002.

We will deny Cavalier's motion requesting the Commission adopt the recommendations contained in the Staff Report and investigate certain issues raised by the tariff. We believe, however, that the directives contained within this Order may adequately address Cavalier's concerns in this matter. We will grant ALLTEL's motion for leave to file additional comments on the Settlement Agreement and Verizon Virginia's response to comments filed on the Settlement Agreement. We will deny Verizon Virginia's motion to strike. We will also grant Cavalier's motion for leave to file supplemental comments on the Settlement Agreement. In addition, we will grant the Settlement Agreement Parties' motion to file a joint response to Cavalier's supplemental comments.

Further, the 218 Collocation Tariff and the revisions subsequently filed on May 17, 2000, and November 21, 2000, will remain in effect on an interim basis, subject to refund and/or modification. We will accept the September 12 and 28, 2001, tariff revisions effective October 12, 2001, and October 28, 2001, respectively, on an interim basis, subject to refund and/or modification.

Since the Settlement Agreement attempts to resolve many of the issues regarding the 218 Collocation Tariff, which sets forth the terms, conditions, and pricing under which Verizon Virginia provides collocation services to CLECs for local interconnection and access to unbundled network elements, CLECs have a keen interest in its provisions. Although Verizon Virginia, AT&T, Sprint, and WorldCom were able to settle many of the issues in this matter, CLECs such as ALLTEL, Broadslate, and Cavalier were not parties to the Settlement Agreement and object to its application to all parties to this proceeding. We agree with these CLECs that such a Settlement Agreement should not bind those that were not invited to participate in the negotiations.[6] We do not consider this a true settlement.

Therefore, we will encourage all interested parties in Virginia to work toward settlement of the disputed collocation pricing issues as well as the non-pricing issues arising from the 218 Collocation Tariff. Verizon Virginia should initiate these negotiation efforts; however, the Staff will be available to assist in the identification and resolution of these issues if the parties so request. We hope that the Settlement Agreement Parties will not abandon their positions on the previously identified non-pricing issues that have been resolved. We will require the parties to identify all non-pricing issues and on or before December 14, 2001, file with the Commission a stipulation containing those non-pricing issues which have been resolved and those which remain outstanding. The Commission may address such issues prior to, or separate from, any determinations on cost issues.

The Commission recognizes that it may not be possible to get all interested parties to agree to a settlement or even to participate in the process. Verizon Virginia and other interested parties are not prevented from submitting another proposed settlement that does not include all parties to this case. However, any proposed settlement will be evaluated in light of its impact on all CLECs.

If negotiations on the pricing issues do not result in a settlement, the Commission will require that on or before January 15, 2001, Verizon Virginia file state-specific cost studies in this proceeding. We are cognizant of the Staff's concerns identified in the Staff Report regarding Verizon Virginia's cost studies previously submitted in this case and, in particular, agree that state-specific costs should be used whenever possible. Therefore, we will require Verizon Virginia to submit new or revised cost studies using state-specific costs, where possible, to support the collocation rate elements as set forth in the 218 Collocation Tariff.

The Commission previously found in Case No. PUC970005 that prices for interconnection and network elements should be based on their total, forward-looking, long run incremental costs to meet the requirements of the Act. If the Commission is to determine that Verizon Virginia's collocation prices meet the requirements of the Act, then these prices should be determined in the same manner. Specifically, collocation costs should reflect the most efficient method that can be reasonably employed in the near future for partitioning and provisioning space, power, and cross connects at Verizon Virginia's premises. Further, we shall require that these costs include only those that benefit, and are caused by, customers of collocation space.

Moreover, we strongly recommend that Verizon Virginia incorporate other Staff pricing recommendations and concerns found in the Staff Report in Verizon Virginia's resubmitted cost studies.

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[5] At a minimum, all interested parties that have submitted comments in this matter should be encouraged and permitted to participate in settlement negotiations.

[6] We note that the Settlement Agreement Parties, in their October 9, 2001, joint response to Cavalier's supplemental comments on the Settlement Agreement, argue in part that the Settlement Agreement dramatically lowers the cost of collocation for all CLECs, including Cavalier, and substantially reduces risk and uncertainty for competitors. If this indeed is the case, we are unclear as to why the other CLECs were not, at a minimum, briefed on the potential impact of the Settlement Agreement before it was filed in Virginia in an effort to gain support or limit potential opposition. There is nothing that prevents the Settlement Agreement Parties from using the Settlement Agreement as a proposal with other CLECs operating in Virginia, such as Cavalier, in the further negotiations required by this Order.

The Commission further finds that the September 12 and 28, 2001, tariff revisions should be accepted on an interim basis subject to refund and/or modification. The Commission will not request comments on these revisions at this time as we will require the parties to include any issues arising from these revisions into any settlement discussions and/or stipulation on non-pricing issues.

Accordingly, IT IS ORDERED THAT:

(1) Cavalier's October 20, 2000, motion to adopt the Staff Report and to investigate additional issues raised by the tariff is hereby denied.

(2) ALLTEL's May 16, 2001, motion for leave to file additional comments on the Settlement Agreement and Verizon Virginia's response to comments filed on the Settlement Agreement are hereby granted.

(3) Verizon Virginia's June 4, 2001, motion to strike ALLTEL's comments is hereby denied.

(4) Cavalier's July 16, 2001, motion for leave to file supplemental comments on the Settlement Agreement is hereby granted.

(5) The Settlement Agreement Parties' October 9, 2001, joint motion for leave to file a response to supplemental comments of Cavalier is hereby granted.

(6) The Settlement Agreement filed December 21, 2000, is hereby rejected.

(7) Verizon Virginia is encouraged to include all interested parties in negotiations, as described herein, toward settlement of the disputed collocation pricing issues, if possible, and non-pricing issues arising from the 218 Collocation Tariff.

(8) The parties shall identify all non-pricing issues, and on or before December 14, 2001, shall file with the Commission a stipulation containing those non-pricing issues that have been resolved and those that remain outstanding.

(9) Should negotiations on the pricing issues prove to be ineffective, the Commission will require that Verizon Virginia file state-specific cost studies on January 15, 2002. These cost studies shall meet our requirements as described herein.

(10) Verizon Virginia's September 12 and 28, 2001, tariff revisions are hereby accepted on an interim basis, effective October 12, 2001, and October 28, 2001, respectively, subject to refunds of collocation charges and/or modification in terms and conditions. Any issues arising from these revisions shall be included in any settlement negotiations and/or the stipulation on non-pricing issues filed with the Commission.

(11) Verizon Virginia shall serve upon all parties having previously filed comments, as well as the Office of the Attorney General, copies of its September 12 and 28, 2001, tariff revisions 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 September 12 and 28, 2001, tariff revisions to any person requesting a copy. Requests may be directed to Lydia R. Pulley, Vice President, General Counsel, and Secretary, Verizon Virginia Inc., 600 East Main Street, Suite 1100, Richmond, Virginia 23219-2441.

(12) The 218 Collocation Tariff and the revisions subsequently filed on May 17, 2000, and November 21, 2000, shall remain in effect on an interim basis, subject to refund and/or modification.

(13) This matter is continued for further orders of the Commission.

CASE NO. PUC990157
AUGUST 22, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
ROBERT E. LEE JONES, JR.
v.
MCI WORLDCOM NETWORK SERVICES OF VIRGINIA, INC,
and
MCI WORLDCOM COMMUNICATIONS OF VIRGINIA, INC.

FINAL ORDER

On September 17, 1999, Robert E. Lee Jones, Jr. ("Mr. Jones" or "Complainant") filed with the State Corporation Commission ("Commission") a petition seeking relief against MCI Telecommunications Corporation ("MCI") and the Virginia Department of Corrections ("DOC") concerning the rates charged to consumers for collect toll calls placed by inmates on pre-subscribed institutional telephones at DOC facilities (the "Inmate Telephone System" or "ITS"). Mr. Jones is an inmate at a DOC facility.

By Preliminary Order of February 4, 2000, the Commission docketed this matter and consolidated it with a second, similar complaint against MCI, treating the two filings as formal complaints against MCI WORLDCOM Network Services of Virginia, Inc.,[1] pursuant to Rule 5:6 of the Commission's

[1] Upon the merger of the MCI and WORLDCOM parent companies, MCI Telecommunications Corporation of Virginia, which has on file with the Commission a "Maximum Security Collect" tariff for collect calls from prisons, became MCI WORLDCOM Network Services of Virginia, Inc. The company's certificate to provide interexchange telecommunications services in Virginia was reissued in its new name on January 20, 2000, in Case No. PUC990220. Accordingly, in our Preliminary Order the Commission deemed these complaints as filed against MCI WORLDCOM Network Services of Virginia, Inc., and we instituted this proceeding against that company.

Rules of Practice and Procedure ("Procedural Rules").[2] We directed MCI WORLDCOM and invited DOC to respond to the complaints and permitted the complainants to file a reply.[3]

By our Order on Motions of April 25, 2000, we denied motions to dismiss filed by DOC and MCI WORLDCOM on March 29, 2000, and March 30, 2000, respectively. We permitted them to file supplemental responsive pleadings and afforded the complainants the opportunity to reply.

Citizens United for Rehabilitation of Errants–Virginia ("Virginia CURE") also filed a petition requesting an examination of the rates charged by MCI WORLDCOM to the families of callers incarcerated in DOC facilities. Its petition stated that Virginia CURE is a non-profit membership organization whose major purpose is to promote family and community ties during incarceration. We permitted Virginia CURE to join as a party to this proceeding by our Order of September 26, 2000. We also permitted other persons who place or receive and pay for intrastate calls on the Inmate Telephone System to become parties to this proceeding. In addition, James R. Kibler Jr., Esquire, filed an appearance in this matter as Special Counsel for the Division of Consumer Counsel, Office of Attorney General.

MCI WORLDCOM and DOC supplemented their initial responses with additional responsive pleadings on May 10, 2000, wherein they renewed their assertion that § 56-234 of the Code of Virginia divests the Commission of jurisdiction to regulate telephone rates charged pursuant to the Inmate Telephone System.[4]

Our Order of September 26, 2000, responded in detail to MCI WORLDCOM's and DOC's supplemental responsive pleadings. We explained that § 56-234 does not divest the Commission of jurisdiction over this matter, noting that the service at question here is not rendered to the state government. MCI WORLDCOM itself treats those persons who receive and pay for the collect calls placed from DOC facilities as its customers.

MCI WORLDCOM also asserted in its supplemental responsive pleading that § 56-481.1 of the Code of Virginia governs rates for intrastate interexchange service rather than Chapter 10 of Title 56 of the Code.[5] We recognized in our September 26, 2000, Order that the rates of interexchange carriers in Virginia, including MCI WORLDCOM, are not now established by traditional rate base, rate of return regulation but are instead provided by the carriers "on a competitive basis" pursuant to § 56-481.1.[6] We further recognized that the rates MCI WORLDCOM charges for service provided under the Inmate Telephone System are in line with the rates the Company (and other interexchange carriers) charges for collect call service to the general public.

Another MCI WORLDCOM company, MCI WORLDCOM Communications of Virginia, Inc., obtained an interexchange certificate on July 12, 2000, in Case PUC000120. This company made a tariff filing on September 1, 2000. The tariff filing states, among other things, that although MCI Telecommunications Corporation of Virginia became MCI WORLDCOM Network Services of Virginia, Inc., upon the MCI WORLDCOM merger, the retail services of the former MCI Telecommunications Corporation of Virginia "such as the VDOC contract" were "transferred" to MCI WORLDCOM Communications of Virginia, Inc.

There had been no claim in the initial pleadings filed in this matter by MCI Telecommunications Corporation of Virginia, Inc.'s successor, MCI WORLDCOM Network Services of Virginia, Inc., that it was not the proper corporate entity before the Commission. Nevertheless, we substituted MCI WORLDCOM Communications of Virginia, Inc., for MCI WORLDCOM Network Services of Virginia, Inc., inasmuch as it is that corporate entity providing the service that is the subject of the complaints raised.

As used in this Order, "MCI WORLDCOM" or "the Company" will describe both MCI WORLDCOM Communications of Virginia, Inc., and, in reference to previous filings in these proceedings, MCI WORLDCOM Network Services of Virginia, Inc.

[2] 5 VAC 5-10-310. The Procedural Rules were amended and recodified at 5 VAC 5-20-10 et seq. effective June 1, 2001.

[3] The second, similar complaint against MCI was filed on December 21, 1999, by Jeffrey D. Barnes, another inmate at a DOC facility. Barnes's complaint was docketed as Case No. PUC990246. The Commission dismissed this complaint by Order entered on May 7, 2001, after Mr. Barnes failed to prosecute his claim.

[4] Section 56-234, in relevant part, states:

> It shall be the duty of every public utility to furnish reasonably adequate service and facilities at reasonable and just rates to any person, firm or corporation along its lines desiring same. It shall be their duty to charge uniformly therefor all persons, corporations or municipal corporations using such service under like conditions. . . . But . . . nothing herein contained shall be construed as applicable to schedules of rates, or contracts for service rendered by any telephone company to the state government, or by any other public utility to any municipal corporation or to the state or federal government.

[5] Section 56-481.1 states:

> If under Chapter 10.1 of this title a certificate of public convenience and necessity is issued to a telephone company to provide interexchange service, the Commission may, if it determines that such service will be provided on a competitive basis, approve rates, charges, and regulations as it may deem appropriate for the telephone company furnishing the competitive service, provided such rates, charges, and regulations are nondiscriminatory and in the public interest. In making such determination, the Commission may consider (i) the number of companies providing the service; (ii) the geographic availability of the service from other companies; (iii) the quality of service available from other companies; and (iv) any other factors the Commission considers relevant to the public interest. . . .

[6] See Applications of MCI Telecommunications Corp. of Va., et al., For Certificates of Public Convenience and Necessity to Provide Inter-LATA, Interexchange Telecommunications Service and to Have Rates Established on Competitive Factors, Case Nos. PUC840022, et al., Final Order and Opinion, 1984 SCC Ann. Rep't 333, aff'd sub nom. GTE Sprint Communications Corp. of Va. v. AT&T Communications of Va., et al. 230 Va. 295 (1985).

We explained, however, that while we have elected to permit MCI WORLDCOM and other interexchange carriers to have the competitive marketplace determine rates and charges for their services, we have also maintained regulatory oversight over the activities of all interexchange carriers and retained the authority to reimpose traditional regulatory requirements on any carrier in the event the competitive marketplace does not function properly.[7]

We concluded that the complaints presented a factual question as to whether the intrastate interexchange telecommunications service under the Inmate Telephone System is being provided on a competitive basis and, if so, whether the rates charged for such service are nondiscriminatory and in the public interest as required by § 56-481.1. We scheduled a hearing for taking evidence on this issue, as well as the issue of whether MCI WORLDCOM had charged rates inconsistent with its filed tariff, and, if so, what action should be taken.[8]

This matter was heard before the Commission on February 14 and 15, 2001. Mr. Jones appeared pro se. Eric M. Page, Esquire, and Vishwa B. Link, Esquire, appeared on behalf of MCI WORLDCOM, and JoAnne L. Nolte, Esquire, and Mark R. Davis, Esquire, appeared on behalf of DOC. C. Meade Browder, Jr., Esquire, appeared for the Staff of the Commission. Anthony Gambardella, Esquire, appeared for Virginia CURE, and Robert W. Partin, Esquire, appeared for Mr. Kibler as the Special Consumer Counsel.

The Commission received into evidence the prefiled testimony of Mr. Jones, the other parties, and the Staff. In addition, Mr. Jones called as a witness Mr. Craig M. Burns of the Joint Legislative Audit Review Commission.

Virginia CURE filed testimony of Mark E. Evans, Barbara M. Witherow, Jean Williams Auldridge, and Kelly H. Evans. Dr. Michael J. Ileo submitted testimony for the Special Consumer Counsel. Mr. David C. Parcell adopted Dr. Ileo's testimony at the hearing. Ms. Kathleen A. Cummings testified for the Staff. Mr. Edward C. Morris and Mr. John M. Jabe testified for the DOC. MCI WORLDCOM offered the testimony of Mr. Ian Hicks and Ms. Sandra Chandler.

On April 17, 2001, the parties and the Staff filed briefs on the following issues identified by the Commission at the close of the hearing:

(1) Whether the intrastate interexchange telecommunications service furnished by MCI WORLDCOM to consumers under the ITS is provided on a competitive basis and, if so, whether the rates charged for such service are non-discriminatory and in the public interest as required by Va. Code § 56-481.1;

(2) What action should be taken in view of MCI WORLDCOM having charged rates under the ITS inconsistent with its Maximum Security Collect tariff on file with the Commission; and

(3) Whether § 56-481.1 of the Code of Virginia permits some interexchange services of a carrier to be provided on a competitive basis while other such services provided by the same carrier could be considered not competitive, i.e., whether § 56-481.1 requires an "all or nothing" approach to competitive pricing of interexchange services.

The Commission also invited further argument on the question of whether § 56-234 of the Code of Virginia divests it of jurisdiction in this matter.

NOW THE COMMISSION, upon consideration of the evidence and the pleadings received herein and the applicable law, is of the opinion and finds that the intrastate interexchange service furnished by MCI WORLDCOM to consumers under the ITS is not provided on a competitive basis in accordance with § 56-481.1 of the Code of Virginia; that MCI WORLDCOM must perform an accounting of all ITS charges that have been billed at rates inconsistent with its tariffs on file with the Commission; and that § 56-481.1 permits the Commission to re-impose rate regulation on any interexchange telecommunications service found not to be provided on a competitive basis.

I.

We first note that we have considered MCI WORLDCOM's and DOC's additional arguments that § 56-234 precludes the Commission from exercising jurisdiction over the rates charged customers under the ITS. These parties assert that we have no jurisdiction over a contract between MCI WORLDCOM and DOC, a state agency. They contend that this matter is governed by Commonwealth v. Virginia Elec. and Power Co. ("VEPCO"), 214 Va. 457 (1974). In that case, the Supreme Court held the Commission lacked jurisdiction over rates charged certain government entities for purposes such as lighting streets and public buildings.

In their briefs, MCI WORLDCOM and DOC equate a municipality's citizens as "users" of street lights in the VEPCO case with the "users" of the ITS. We do not find this argument convincing. Unlike the citizen "users" of street lights, the evidence in this case demonstrates that users of MCI WORLDCOM's collect call services offered through the ITS are a discrete set of consumers who have made arrangements with MCI WORLDCOM to receive service directly from the Company. The Court in VEPCO noted it had previously stated "that the SCC 'is given no jurisdiction . . . over rates charged the municipalities themselves for electric current.'"[9] It is clear from the evidence in this case that the DOC is not itself charged for the ITS service. It is the

[7] Id. at 344, 350.

[8] Complainant alleged that the rates MCI WORLDCOM charges for service pursuant to the ITS do not comport with the Company's rate schedule for its Maximum Security Collect calls classification on file with the Commission. (MCI WORLDCOM Communications of Virginia, Inc., Va. SCC Tariff No. 2, § 3.0233 (formerly MCI Telecommunications Corp. of Virginia, Inc., Va. SCC Tariff No. 3)). On September 1, 2000, MCI WORLDCOM filed a proposed replacement Maximum Security Collect tariff accompanied with a motion to accept the filing and to waive the public notice requirements of the Commission's Rules Governing the Certification of Interexchange Carriers (20 VAC 5-400-60(L)). In the motion, the Company explains that the rates, terms, and conditions in the proposed tariff took effect on January 1, 1999, in accordance with the terms of a contract with DOC.

We deferred ruling on MCI WORLDCOM's September 1, 2000, motion until resolution of the issues in this case. We will enter an order on the Company's tariff filing in a separate docket, Case No. PUC000237, and will conduct further proceedings in that docket.

[9] 214 Va. at 462 (quoting Virginia-Western Power Co. v. City of Clifton Forge, 125 Va. 469, 478 (1919) (omission in original, emphasis added)).

people receiving collect calls placed by inmates who are charged by MCI WORLDCOM for the telecommunications services they use. For these reasons, and for those stated previously in our Order of September 26, 2000, we do not find that § 56-234 permits the Commission to abstain from adjudicating the specific issues we have identified relative to the telecommunications service furnished by MCI WORLDCOM under the ITS.

II.

MCI WORLDCOM and the DOC both point to the fact that DOC competitively bids the ITS contract as evidence of the intrastate interexchange telecommunications services under ITS being provided on a competitive basis.[10] Mr. Hicks testified that MCI WORLDCOM's ITS contract with DOC is a package of services including attendant security features to meet the unique needs and requirements of DOC.[11] DOC used eight criteria to evaluate carriers' bids on the ITS contract. One criterion was the proposed rates and surcharges for the collect call.[12]

We recognize that DOC is vitally interested in the array of services encompassed by the ITS contract that provide necessary security features. The only component of the ITS at issue in this proceeding (and indeed within this Commission's jurisdiction) is the collect call intrastate interexchange telecommunications service offered to consumers using the ITS, and it is this element of the ITS that must be provided on a competitive basis in conformity with § 56-481.1 of the Code.

The evidence presents little doubt that DOC's bidding process does not result in the telecommunications service being "provided on a competitive basis" under any reasonable interpretation of that term in § 56-481.1. Indeed, to our dismay, the evidence at the hearing revealed DOC's bidding process resulted in rates to consumers higher than they otherwise would have been. DOC disclosed that it rejected a bid proposal from MCI WORLDCOM for collect call surcharge rates substantially below the "consumer" rates charged the public for comparable service. DOC Witness Morris offered this explanation:

> Mr. Morris: During -- in the 1999 contract, the selection of this vendor was done by a panel composed of a number of people representing several agencies, including the Department of Information technology. The role played by the Department of Information Technology was to review the rates, the surcharge and the commission and advise the [DOC] as to that part of the negotiations, which they did, and their recommendation and the one we adopted was that we would accept the consumer rate for these calls.
>
> MCI actually proposed a discounted rate, and that was rejected.
>
> . . .
>
> MCI submitted what they were charging their consumers. That was what we considered.
>
> . . .
>
> It was discussed with members of the Administration, and it was not felt that it was in the public interest to offer rates to inmates less than what the public would pay.
>
> . . .
>
> Commissioner Moore: You turned down the discounted rate?
>
> Mr. Morris: Yes.[13]

Mr. Morris contended that DOC's refusal of MCI WORLDCOM's lower rate proposal was unrelated to the reduced commission payment associated with lower rates.[14]

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[10] Ex. IH-16 at 6-7; Ex. ECM-1 at 4-9.

[11] Ex. IH-16 at 3.

[12] Id. at 5-6.

[13] Tr. at 67, 69-70. The record was left open to receive from MCI WORLDCOM a copy of its rate proposal that was rejected by DOC. This document reveals that the Company proposed an Interlata/Intrastate Surcharge of 44% less than the consumer rate with a 29% commission to DOC, and an Interlata/Intrastate Surcharge of 77% less than the consumer rate with a 24% commission to DOC. (The per minute rate was to equal the consumer rate.) MCI WORLDCOM also offered the consumer rate for all rates and surcharges with a 36% commission to DOC. (S.C.C. Document Control Ctr. No. 010220256 (filed Feb. 28, 2001).

[14] Tr. at 76. The evidence reveals that MCI WORLDCOM pays to the DOC a percentage, presently 40%, of the Company's billable gross revenues from the ITS collect call service. This practice of paying commissions to the owner of facilities where phones are located is not atypical in the provisioning of pay telephone services.

Regardless of any public policy considerations that resulted in DOC rejecting a lower rate proposal from MCI WORLDCOM,[15] the bidding process employed by DOC is clearly not "competitive" as to rates from the standpoint of the consumer.[16] We therefore find that intrastate interexchange telecommunications services furnished by MCI WORLDCOM to consumers under the ITS are not provided on a competitive basis pursuant to § 56-481.1. Because we find the service is not provided on a competitive basis, we need not determine under § 56-481.1 whether the rates charged for this service are nondiscriminatory and in the public interest.

III.

The second issue is not contested. MCI WORLDCOM acknowledges that during the period January 1, 1999, through August 31, 2000, the intrastate interexchange rates charged its customers using the ITS did not comport with its tariff on file with the Commission.[17] Because we have found that the service at issue is not exempt from our jurisdiction, and thus it must be provided pursuant to a Commission tariff, we are afforded little discretion in resolving this issue. A public utility may charge customers only the rates specified in the company's tariffs. Deviating from filed tariffs is prohibited.[18] We will accept, for purposes of mitigating the Company's potential liability, MCI WORLDCOM's "Maximum Security Tariff" filed September 1, 2000, with the Company's Motion to Accept Tariff Filing.[19] We will docket this in Case No. PUC000237 by separate order of the Commission.

As there is no evidence MCI WORLDCOM willfully violated the law in failing to have proper tariffs on file, we will not take punitive measures against the Company. However, MCI WORLDCOM shall perform an accounting of its charges to customers receiving its Maximum Security collect call service during the January 1, 1999, to August 31, 2000, period, and the Company shall file with the Commission the results of said accounting within 90 days of our Order docketing Case No. PUC000237. The Commission will consider this matter further, including possible refunds, in that docket.

IV.

MCI WORLDCOM and the DOC contend in their briefs that the Company's Maximum Security Collect call service provided through ITS cannot be singled out and judged whether it is being provided on a competitive basis. MCI WORLDCOM states that the Commission has never conducted such an analysis before when awarding certificates pursuant to § 56-481.1. The DOC notes that the language of the statute does not require that each component of interexchange service be reviewed individually to determine whether the service is competitive.

The Staff's brief, on the other hand, notes that § 56-481.1 does give the Commission flexibility in that the statute permits the Commission to "approve rates, charges, and regulations as it may deem appropriate" and requires the Commission to consider the public interest. The DOC is correct that the statute does not require that each component of interexchange service be reviewed individually to determine whether the service is competitive prior to the issuance of a certificate. The statute does not prevent us, however, from undertaking such a review, and we believe the public interest requirement of § 56-481.1 permits, if not obligates, us to do so upon a valid complaint that a service provided pursuant to the statute is not, in fact, provided on a competitive basis. We agree with the view expressed in the Staff brief that it would be illogical to assume that the General Assembly left the Commission with no recourse but to stand by and allow a noncompetitive service to continue or, alternatively, to revoke competitive pricing for all other interexchange services due to a single uncompetitive service.

Section 56-481.1 does not irrevocably extinguish Chapter 10 ratemaking for interexchange carriers. The evidence demonstrates that MCI WORLDCOM's intrastate interexchange service under ITS is unrestrained by competition. We cannot refrain from re-imposing traditional regulatory ratemaking when the competitive marketplace cannot function as an effective regulator on rates in conflict with the public interest. We will direct MCI WORLDCOM to file just and reasonable rates under Chapter 10 of Title 56 for its non-competitive Maximum Security Collect call service.

V.

Because we find that the intrastate interexchange collect call service provided by MCI WORLDCOM under the DOC Inmate Telephone System is not provided on a competitive basis consistent with § 56-481.1, we must impose traditional ratemaking procedures for this interexchange service.

Contrary to assertions by these parties, the Commission does not seek to exert jurisdiction "over the contract" between DOC and MCI WORLDCOM. We recognize that the Inmate Telephone System consists of a panoply of services provided by MCI WORLDCOM to the DOC, including important security features protecting the general welfare of the public. Our interest in this matter extends only to the intrastate telecommunications service provided to the public pursuant to that contract. The rates for this service are within this Commission's jurisdiction and are indeed not found anywhere within the DOC/MCI WORLDCOM contract itself.

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[15] Mr. Morris noted that it was not felt that it was in the public interest to offer rates to inmates less than what the public would pay. We noted at the hearing that it is typically not the inmates themselves but rather the non-inmate members of the public that receive the collect calls who are actually being charged for the service. Tr. at 69-70.

[16] We are well aware of our precedent, affirmed by the Supreme Court, that the mere threat of competition is sufficient to permit interexchange carriers to provide their services on a competitive basis pursuant to § 56-481.1. See note 6, supra. This standard does not help MCI WORLDCOM and DOC. While we can accept that the ITS service must be provided by a single carrier for security reasons, we cannot ignore the evidence that demonstrates no true threat of price competition exists under the bidding process employed by DOC.

Furthermore, inmate calls from DOC facilities can only be completed via the present ITS arrangement. Competitive alternatives such as alternate operator services, credit card, or calling card services provide no competitive alternative, and therefore competitive pressure on the pricing of the service.

[17] Ex. SC-18 at 1.

[18] See C & P Tel. Co. of Va. v. Bles, 218 Va. 1010, 1013-14 (1978); Va. Code § 56-234.

[19] S.C.C. Document Control No. 000910006.

We commend the DOC for devising a system of uniform access to telecommunications services for its inmate population at apparently no cost to Virginia taxpayers, and we assert no authority over the operational features of the ITS as administered by DOC.

Accordingly, IT IS ORDERED THAT:

(1) The rates and charges for MCI WORLDCOM's Maximum Security Collect call intrastate interexchange telecommunications service are hereby made interim and subject to refund as of the date of this Order.

(2) On or before January 7, 2002, MCI WORLDCOM shall file with the Commission, in Case No. PUC000237, rates and charges for its Maximum Security Collect call intrastate interexchange telecommunications service, with cost and other supporting documentation, based on the ratemaking provisions of Chapter 10 of Title 56 of the Code of Virginia.

(3) MCI WORLDCOM's September 1, 2000, tariff filing for its Maximum Security Collect call service will be docketed by separate Order in Case No. PUC000237 for further proceedings consistent with the findings in this Order, including addressing the possible refunds of charges in excess of the tariff.

(4) There being nothing further to come before the Commission in this docket, this matter is dismissed and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. PUC990157
SEPTEMBER 11, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
ROBERT E. LEE JONES, JR.
v.
MCI WORLDCOM NETWORK SERVICES OF VIRGINIA, INC,
and
MCI WORLDCOM COMMUNICATIONS OF VIRGINIA, INC.

ORDER GRANTING PETITION FOR RECONSIDERATION AND MOTION TO SUSPEND FINAL ORDER

On September 7, 2001, MCI WORLDCOM Network Services of Virginia, Inc., and MCI WORLDCOM Communications of Virginia, Inc. (collectively, "MCI WORLDCOM"), filed with the State Corporation Commission ("Commission") a Petition for Reconsideration and Motion to Suspend the Commission's Final Order of August 22, 2001.

Pursuant to Rule 5 VAC 5-20-220 of the Commission's Rules of Practice and Procedure, the Commission has determined that MCI WORLDCOM's Petition for Reconsideration and Motion to Suspend should be granted in order to allow the Commission to retain jurisdiction over this matter while the issues raised by MCI WORLDCOM are reviewed.[1] We find that such action is appropriate in this instance for the Commission to have sufficient time to consider both the substance of the petition and further procedural matters. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) MCI WORLDCOM's September 7, 2001, Petition for Reconsideration and Motion to Suspend the August 22, 2001, Final Order is hereby granted.

(2) Pending the Commission's reconsideration, the Final Order of August 22, 2001, is suspended and this matter is continued until further order of the Commission.

[1] The suspension of the Final Order will extend the time for taking any appeal of the Final Order.

CASE NO. PUC990176
AUGUST 3, 2001

PETITION OF
MICHAEL H. DITTON

To investigate Bell Atlantic-Virginia, Inc.

FINAL ORDER

On October 7, 1999, Michael H. Ditton ("Mr. Ditton" or "Petitioner") filed a Verified Petition for Redress and Relief ("Petition") with the State Corporation Commission ("Commission") requesting that it investigate Bell Atlantic-Virginia, Inc., now known as Verizon-Virginia, Inc. ("Verizon"), and order Verizon to provide Mr. Ditton with adequate and reliable telephone service. Specifically, Mr. Ditton alleged that Verizon: (i) failed to provide adequate telephone service; (ii) acquiesced to illegal use of his telephone lines by another; (iii) lied concerning the quality and security of his service; (iv) obstructed justice; (v) interfered with and obstructed his telephone line messages; (vi) refused to enforce wiretapping law; (vii) failed to enforce its privacy policies; and (viii) failed to protect him against wiretapping, harassing, and annoying telephone calls. Mr. Ditton requested, among other things, that

the Commission investigate Verizon and take all appropriate actions to enforce its regulations, rules, and orders, including suspending Verizon's license to furnish telephone service in Virginia.

On October 19, 1999, Mr. Ditton filed a Verified Petition and Motion for Injunctive Relief ("Motion"). In his Motion, Mr. Ditton asked the Commission to enjoin Verizon from terminating his telephone service. In response, the Staff of the Commission ("Staff") took steps to ensure that Mr. Ditton's telephone service was not disconnected during the pending investigation and attempted to resolve the matter informally.

On December 1, 1999, Verizon filed its Answer in which it essentially denied the allegations made by Mr. Ditton. On December 21, 1999, Mr. Ditton filed a "Replication to Respondent's Answer."

On March 10, 2000, the Staff filed an informal report outlining the results of Staff's investigation and testing of the telephone service provided by Verizon to Mr. Ditton. In the report, the Staff concluded that "there is nothing that Mr. Ditton has experienced with his computer/fax/telephone/internet equipment working on a single telephone line that most users under similar circumstances haven't also experienced on a routine basis."[1]

On March 27, 2000, Mr. Ditton filed a reply to Staff's informal report. In his reply, Mr. Ditton maintained that Staff's report failed to adequately describe and address the matters alleged in his Petition. Mr. Ditton requested that the Commission docket his complaint as a formal proceeding. On May 2, 2000, the Commission issued its Procedural Order in which it formally docketed this matter and appointed a Hearing Examiner to conduct all further proceedings.

Pursuant to Hearing Examiner's Ruling dated May 31, 2000, Mr. Ditton's Petition was scheduled for telephonic hearing on July 26, 2000, and a procedural schedule was established for the filing of prepared testimony and exhibits. On June 15, 2000, Mr. Ditton filed a Request for Extension of Time and Postponement, seeking additional time to prepare for the hearing. By a Hearing Examiner's Ruling dated June 20, 2000, this matter was continued generally.

On June 26, 2000, Verizon moved to dismiss or, in the alternative, to suspend discovery. By Hearing Examiner's Ruling dated June 28, 2000, Verizon's motion to dismiss was denied and discovery was suspended until the establishment of a new procedural schedule. On November 13, 2000, Mr. Ditton requested that the Commission proceed with this matter and establish a new procedural schedule. A Hearing Examiner's Ruling dated November 21, 2000, established a new procedural schedule, which, among other things, scheduled a telephonic hearing for February 21, 2001.

On February 21, 2001, a hearing was convened at 11:00 a.m. in the Commission's 11th Floor conference room. Mr. Ditton appeared *pro se* and attended telephonically from Bozeman, Montana. The Hearing Examiner heard evidence primarily on Mr. Ditton's complaints of inadequate service from Verizon and both Verizon's and the Staff's efforts to investigate and resolve the issues between the parties.

On June 1, 2001, the Hearing Examiner filed his Report. In the Report, the Hearing Examiner found that the case posed three factual issues: (1) whether Verizon provided Mr. Ditton with reasonably adequate service and facilities; (2) whether anyone interfered with or intercepted Mr. Ditton's telecommunications from facilities provided by Verizon; and (3) if someone did interfere with or intercept Mr. Ditton's telecommunications from facilities provided by Verizon, whether Verizon allowed, permitted, or covered up such interference or interception. The Hearing Examiner concluded that, with regard to the first issue, Verizon satisfied its statutory requirement "to furnish reasonably adequate service and facilities."[2] With regard to the second and third issues, the Hearing Examiner found that there were no illegal wiretaps on Mr. Ditton's telephone line and, consequently, no conspiracy or cover-up on the part of Verizon. Therefore, the Hearing Examiner recommended that the Commission adopt his findings and dismiss Mr. Ditton's Petition with prejudice.

On June 18, 2001, Mr. Ditton filed objections to the Hearing Examiner's Report. Petitioner objects to the finding and recommendations of the Hearing Examiner, and contends that (1) the report is factually and legally erroneous and is a failure to act in accordance with SCC Rules and state law, and (2) the report and the Hearing Examiner's failure to compel discovery is arbitrary and capricious administrative action, lacks a rational basis, is contrary to law, and is not supported by substantial evidence in the record and is an abuse of discretion. Mr. Ditton asserts that the Commission should order a re-hearing of the matter after compelling Verizon to respond fully, completely and accurately to Petitioners' discovery requests. Mr. Ditton also states that the Staff should be ordered to investigate thoroughly Petitioner's allegations. Finally, Petitioner argues that the Hearing Examiner should be replaced or ordered to perform his duties impartially and to fully inquire into Petitioner's allegations and the charges set forth in the Petition, and render a fair and impartial report.

NOW THE COMMISSION, upon consideration of the record, the Hearing Examiner's Report, Mr. Ditton's objections to the Report, and applicable statutes, is of the opinion and finds that the Hearing Examiner's findings and recommendations are supported by the record in this proceeding and should be adopted. We are of the opinion that a thorough investigation has been completed, that the Hearing Examiner considered all of the evidence before him, and that there is no evidence in the record before us to support Mr. Ditton's allegations.

Accordingly, IT IS ORDERED THAT:

(1) The findings of the Hearing Examiner's Report filed on June 1, 2001, are hereby adopted.

(2) Mr. Ditton's Petition is hereby dismissed with prejudice.

(3) There being nothing further to come before the Commission in this matter, this case is hereby dismissed and the papers filed herein placed in the file for ended causes.

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[1] Staff Report, Attachment 2, page 4.

[2] § 56-234 of the Code of Virginia.

CASE NO. PUC990180
DECEMBER 21, 2001

APPLICATION OF
VERIZON SOUTH INC.
and
NOW COMMUNICATIONS OF VIRGINIA, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

DISMISSAL ORDER

On October 12, 1999, Verizon South Inc. ("Verizon South") and NOW Communications of Virginia, Inc. ("NOW"), filed an interconnection agreement ("Agreement"), entered under §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, for State Corporation Commission ("Commission") approval pursuant to § 252(e) of the Act, 47 U.S.C. § 252(e). This Agreement was approved by Order Approving Agreement dated January 10, 2000, in Case No. PUC990180.

On November 9, 2001, Verizon South filed for approval an interconnection agreement between Verizon South and NOW. This agreement was assigned Case No. PUC010237 and has been approved by separate Order. As verified by letter from counsel for the Applicant dated November 9, 2001, we find that the Agreement approved in Case No. PUC990180 has been replaced by the Agreement approved in Case No. PUC010237. Therefore, Case No PUC990180 should be dismissed.

Accordingly, IT IS ORDERED THAT the agreement approved in Case No. PUC010237 shall supersede the agreement approved in Case No. PUC990180, and the captioned matter is hereby dismissed from the Commission's docket of active cases.

CASE NO. PUC990191
FEBRUARY 21, 2001

PETITION OF
CAVALIER TELEPHONE, LLC

For arbitration of interconnection rates, terms and conditions, and related relief

ORDER OF DISMISSAL

On October 18, 1999, Cavalier Telephone, LLC ("Cavalier"), initiated this proceeding with the State Corporation Commission ("Commission") against Verizon Virginia Inc. f/k/a Bell Atlantic-Virginia Inc.("Verizon Virginia"). Following the Commission's Order of June 15, 2000, Cavalier elected to proceed with its Petition under the limited exercise of Commission jurisdiction expressed in that Order. A Hearing Examiner was appointed, and ultimately a hearing date was scheduled to be convened on February 13, 2001. On February 12, 2001, Cavalier, by counsel, filed its notice of withdrawing its election to continue the matters at issue and requested that this matter be dismissed without prejudice. On February 12, 2001, the Hearing Examiner issued a ruling which recommended that the Commission dismiss this matter without prejudice. The Commission is of the opinion that the recommendation of the Hearing Examiner should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) This matter is hereby dismissed without prejudice.

(2) There being nothing further to come before the Commission this case is now closed.

CASE NO. PUC990203
NOVEMBER 14, 2001

APPLICATION OF
VERIZON SOUTH INC.
and
1-800-RECONEX, INC.

For approval of an interconnection agreement under 252(e) of the Telecommunications Act of 1996

DISMISSAL ORDER

On October 28, 1999, Verizon South Inc. f/k/a GTE South Incorporated ("Verizon South") and 1-800-Reconex, Inc. ("1-800-Reconex"), filed an interconnection agreement ("Agreement"), entered under Sections 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. Sections 251 and 252, for State Corporation Commission ("Commission") approval pursuant to Section 252(e) of the Act, 47 U.S.C. Section 252(e). The Commission entered an Order Approving Agreement on January 20, 2000, in Case No. PUC990203.

On July 24, 2001, Verizon South, by counsel, filed an interconnection agreement between Verizon South and 1-800-Reconex. This agreement was assigned Case No. PUC010158 and approved on October 22, 2001. As noted in the cover letter to the interconnection agreement in Case

No. PUC010158, counsel for Verizon South stated that PUC990203 was replaced by PUC010158. The effect of Verizon South's statement is to affect the dismissal of Case No. PUC990203 and for the agreement approved in Case No. PUC010158 to supersede the agreement approved in Case No. PUC990203.

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that the agreement approved in Case No. PUC010158 should supersede the agreement approved in Case No. PUC990203 and that the captioned proceeding should be dismissed.

Accordingly, IT IS ORDERED THAT the agreement approved in Case No. PUC010158 shall supersede the agreement approved in Case No. PUC990203, and the captioned matter is hereby dismissed from the Commission's docket of active cases.

CASE NO. PUC990207
FEBRUARY 22, 2001

STATE CORPORATION COMMISSION

Ex Parte: In re: Petition for approval of NPA relief plan for the 540 area code

ORDER ON AREA CODE RELIEF

On November 2, 1999, the North American Numbering Plan Administrator ("NANPA"), on behalf of the Virginia telecommunications industry ("industry"), filed a Petition requesting that the State Corporation Commission ("Commission") order a plan of relief for the projected exhaustion of NXX codes[1] in the 540 area code. The Petition set forth four alternative relief plans considered by the industry, none of which attracted industry consensus support. The four alternative relief plans include one all-services distributed overlay and three two-way geographical splits.

On December 29, 1999, the Commission entered an Order Assigning Hearing Examiner, which further provided that the Hearing Examiner convene, after notice published by the Commission's Division of Communications, hearings within the Numbering Plan Area ("NPA")[2] served by the 540 area code to receive public comments.

Local hearings were conducted by the Hearing Examiner on February 24, 2000, in Abingdon; on February 29, 2000, in Harrisonburg; and on March 1, 2000, in Front Royal. On March 22, 2000, a final hearing was convened in the Commission's courtroom in Richmond. At the conclusion of the hearing, leave was granted to file written comments by April 18, 2000.[3] Public witnesses testified in all public hearings, and over ninety letters and written comments were received by the Commission in this proceeding.

On October 26, 2000, the Report of Deborah V. Ellenberg, Chief Hearing Examiner (hereinafter, Hearing Examiner's Report) was filed, together with a copy of the transcript of the several hearings.

The Chief Hearing Examiner recommended Alternative 5B, a phased implementation of Staff's recommended three-way geographic split. Under this proposal, the 540 area would be initially split into Area A/B and Area C. Area C in the far Southwest would be assigned a new area code. Area A/B could retain 540 for an estimated additional four years before Area B, Roanoke and the surrounding communities, would receive a new area code. Area A, with 42 percent of the access lines in the present 540 NPA, would experience no change.

In addition to recommending Alternative 5B for area code relief for the 540 NPA, the Chief Hearing Examiner found that the impact of changes in area codes can be further minimized by grandfathering wireless phones, which would avoid the time and expense of returning phones for the purpose of having them reprogrammed. The Chief Hearing Examiner recommended permitting wireless carriers in Area C, and later B, the option of allowing their customers to permanently retain their existing telephone numbers.

Comments on the Hearing Examiner's Report were filed by Cox, the Virginia Cable Telecommunications Association, Verizon Virginia Inc., Verizon South Inc., and Verizon Wireless. Comments were also filed by the City Council of Martinsville; the Martinsville-Henry County Chamber of Commerce; the Boards of Supervisors of Patrick County, Bath County, and Rockbridge County; four members of the Virginia General Assembly; and several individuals. NeuStar Inc., as the designated NANPA, filed its response to the Hearing Examiner's Report by providing NPA codes available for assignment in area code relief.

The Commission concludes from its review of the Hearing Examiner's Report and the record in this case, including the comments filed, that the phased implementation of the three-way geographic split presented in Alternative 5B is the most appropriate area code relief for the 540 NPA. Therefore, the Commission adopts the findings in the Hearing Examiner's Report and approves Alternative 5B for area code relief for the 540 NPA.

A number of requests were made to avoid a geographical split of certain communities of interest which results from our adoption of Alternative 5B. The Commission has considered modifications of Alternative 5B to accommodate these requests. However, all such modifications would violate Federal Communications Commission ("FCC") mandated guidelines that prevent rate center splits without prior approval by the FCC. Even if approval were obtained, splitting rate centers between two area codes would require some customer telephone numbers to be changed to accommodate two

[1] An NXX code is the central office code or the three digits that follow the area code in a phone number.

[2] The 540 NPA was created by splitting the 703 area code and was mandatory in January 1996 as the result of the exhaust of the 703 area code. The 540 NPA spans the entire western state boundary of Virginia and includes largely rural areas with several distinct metropolitan pockets. (Hearing Examiner's Report, pp. 16 and 18.)

[3] This round of comments was to allow an opportunity to give more considered comments on the three relief alternatives (numbered 5, 5A, and 5B) introduced in Staff's prefiled testimony, which were developed in response to public input in the local hearings.

area codes within a rate center. A further consequence of splitting rate centers to preserve certain communities of interest is that the number of local calling routes that would require 10-digit dialing would increase and no longer be minimized as they have been in Alternative 5B.

The schedule for implementation of the first phase of area code relief, splitting Areas B and C and establishing a new code for Area C, should be as follows: customer education and network preparation should be completed within six months or by September 1, 2001; and a period of permissive dialing should begin on September 1, 2001, and extend for approximately six months through March 16, 2002, at which time mandatory dialing will commence.

Finally, we consider the Hearing Examiner's recommendation to permit wireless carriers in Area C, and later Area B, the option of allowing their customers to retain their existing telephone numbers. As we noted in our Order in Case No. PUC990159, issued December 1, 2000 (granting area code relief for the 804 NPA), we are concerned that allowing an open-ended period for wireless customers to retain their telephone numbers in Areas C and B potentially could 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 C may retain their telephone numbers no longer than two years following the date of this Order. This should accommodate the public convenience while allowing these customers adequate time to return their telephones for reprogramming. We anticipate similar treatment for Area B's wireless customers at the time of its split from Area A if still appropriate.

Accordingly, IT IS ORDERED THAT:

(1) The area code relief described in Alternative 5B, phased implementation of the Staff's three-way geographic split as recommended by the Hearing Examiner, is hereby approved.

(2) Implementation of the area code relief ordered should follow the schedule as set out in the findings above.

(3) The wireless carriers in Area C of the approved area code relief plan shall be granted the option of allowing their customers to retain their existing telephone numbers for a period of two (2) years from the date of this Order.

(4) This case shall remain open for future orders concerning the timing and implementation of splitting Areas A and B.

CASE NO. PUC990229
OCTOBER 22, 2001

APPLICATION OF
VERIZON SOUTH INC. f/k/a GTE SOUTH INCORPORATED
and
BUSINESS TELECOM OF VIRGINIA, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

DISMISSAL ORDER

On December 3, 1999, Verizon South Inc. f/k/a/ GTE South Incorporated ("Verizon South") and Business Telecom of Virginia, Inc. ("BTI"), filed an interconnection agreement ("Agreement"), entered under §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, for State Corporation Commission ("Commission") approval pursuant to § 252(e) of the Act, 47 U.S.C. § 252(e). The Commission entered an Order Approving Agreement on March 2, 2000, in Case No. PUC990229.

On September 11, 2001, Verizon South filed an interconnection agreement between Verizon Virginia and BTI. This agreement was assigned Case No. PUC010192 and approved today. According to the material filed with the Commission, the agreement filed on September 11 supercedes the earlier agreement approved in Case No. PUC990229.

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that the agreement approved in Case No. PUC010192 should supersede the agreement approved in Case No. PUC990229 and that the captioned proceeding should be dismissed.

Accordingly, IT IS ORDERED THAT the agreement approved in Case No. PUC010192 shall supersede the agreement approved in Case No. PUC990229, and the captioned matter is hereby dismissed from the Commission's docket of active cases.

CASE NO. PUC990236
NOVEMBER 16, 2001

JOINT APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA
and
UNITED TELEPHONE-SOUTHEAST, INC.
and
SPRINT SPECTRUM, L.P. D/B/A SPRINT PCS

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

DISMISSAL ORDER

On December 10, 1999, United Telephone-Southeast, Inc., and Central Telephone Company of Virginia ("United/Centel") and Sprint Spectrum L.P. d/b/a Sprint PCS ("Sprint") filed a Commercial Mobile Radio Services interconnection agreement ("Agreement"), entered under §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S. C. §§ 251 and 252, for State Corporation Commission ("Commission") approval pursuant to § 252(e) of the Act, 47 U.S.C. § 252(e). This Agreement was approved by Order Approving Agreement dated March 3, 2000, in Case No. PUC990236.

On July 26, 2000, United/Centel filed an interconnection agreement between United/Centel and Sprint as agent for Wireless Co., L.P.; SprintCom, Inc.; Cox Communications PCS, L.P.; APC PCS, L.L.C.; and Phillieco, L.P. This agreement was assigned Case No. PUC000210 and approved on October 3, 2000. Through discussions with United/Centel and the Staff, as verified by letter from counsel dated June 18, 2001, PUC990236 was replaced by PUC000210. Therefore, Case No. PUC990236 should be dismissed.

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that the agreement approved in Case No. PUC000210 supersedes the agreement approved in Case No. PUC990236 and that the captioned proceeding should be dismissed.

Accordingly, IT IS ORDERED THAT the agreement approved in Case No. PUC000210 shall supersede the agreement approved in Case No. PUC990236, and the captioned matter is hereby dismissed from the Commission's docket of active cases.

CASE NO. PUC990246
MAY 7, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
JEFFREY D. BARNES
v.
MCI WORLDCOM NETWORK SERVICES OF VIRGINIA, INC.
and
MCI WORLDCOM COMMUNICATIONS OF VIRGINIA, INC.

ORDER DISMISSING COMPLAINT

On December 21, 1999, Jeffrey D. Barnes filed a formal complaint with the State Corporation Commission ("Commission") against MCI Telecommunications Corporation alleging unjust and unreasonable charges for calls made using the MCI Maximum Security Collect service. At the time of this filing, Mr. Barnes was an inmate at a Virginia Department of Corrections ("DOC") facility in Dillwyn. By Preliminary Order of February 4, 2000, the Commission docketed Mr. Barnes' complaint and consolidated it with a similar complaint filed by Robert E. Lee Jones, Jr., in Case No. PUC990157.[1]

Pursuant to procedural Orders in the consolidated cases, Barnes filed responsive pleadings on April 13, 2000, and June 2, 2000. Mr. Barnes' April 13 filing noted that correspondence to him after May 11, 2000, should be sent to 602 Water Point Lane, Midlothian, Virginia 23112. Mr. Barnes' June 2, 2000, filing showed his address as 517 Fountain Lake Drive, Apartment 102, Virginia Beach, Virginia 23451. Commission Orders in the consolidated cases subsequent to this time, including Orders of September 26, 2000, and December 28, 2000, concerning the scheduled hearing on these matters, were served on Mr. Barnes at the address provided in his June 2, 2000, pleading. Mr. Barnes made no subsequent filings in this matter, including not filing testimony by August 20, 2000, as required by the Commission's September 26, 2000, Order.

At the February 14, 2001, hearing on these consolidated cases, counsel for the Commission Staff represented that he had received a telephone call from Mr. Barnes after his release from the DOC, at which time Mr. Barnes was residing in Virginia Beach at the address the Commission has on file from the June 2, 2000, filing. Counsel for the Staff further represented that he had received no further contact from Mr. Barnes since that time and that mail to the Virginia Beach address has been returned.[2] At the hearing on February 14, the Commission asked in open court if Mr. Barnes was present and received no response.[3] The Commission subsequently ruled from the bench that the petition of Jeffrey D. Barnes will be dismissed.

Accordingly, IT IS ORDERED that the complaint of Jeffrey D. Barnes is dismissed and the papers herein all be placed in the Commission's file for ended causes.

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[1] We deemed the complaints to be filed against MCI WorldCom Network Services of Virginia, Inc., and subsequently added MCI WorldCom Communications of Virginia, Inc., as a party.

[2] Mail from the Commission to Mr. Barnes has been marked by the Postal Service "Return to Sender – Moved Left No Address – Unable to Forward."

[3] Transcript at 5.

CASE NO. PUC000003
MAY 9, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, In re: Investigation of the appropriate level of intrastate access service prices

ORDER ON PROPOSED SETTLEMENT

On December 21, 2000, Central Telephone Company of Virginia, United Telephone – Southeast, Inc. (collectively, "Sprint"), and the Staff ("Staff") of the State Corporation Commission ("Commission") filed a Motion to Approve Settlement of Case in Case No. PUC000003 and set forth a proposed Settlement Agreement ("Agreement") regarding intrastate access services and prices for Sprint.

On January 5, 2001, the Hearing Examiner assigned to Case No. PUC000003 entered a Certification of Ruling to the Commission recommending that the Commission 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. By Order dated January 17, 2001, we established a procedural schedule for receiving comments or requests for hearing on the proposed settlement. We subsequently modified the schedule in response to motions from AT&T Communications of Virginia, Inc. ("AT&T") by Orders dated January 31 and February 14, 2001, and in response to a motion from Sprint, by Order dated February 27, 2001. The Staff, Sprint, and the parties had advised us that additional settlement negotiations were taking place and that revisions to the originally proposed settlement had been agreed upon among them.

On March 2, 2001, Sprint and the Staff filed a Motion to Approve Amended Settlement together with an executed copy of their new agreement ("Amended Agreement").[1] By Order dated March 8, 2001, we provided for receiving comments, reply comments, and requests for hearing on the Amended Agreement proffered by the Staff and Sprint. Comments on the Agreement and the Amended Agreement were received, at various times, from AT&T and the Office of the Attorney General, Division of Consumer Counsel. Sprint filed reply comments.

NOW THE COMMISSION, having considered the documents and pleadings of record, the Amended Agreement, and the comments and reply comments thereto, as well as the applicable statutes and rules, is of the opinion and finds that the Amended Agreement is reasonable and should be approved. We find that the negotiated access price reductions contained in the Amended Agreement are in the public interest.

In our Order establishing Case No. PUC000003, we discussed that factors other than cost 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. We agree with AT&T that Sprint's access rates will, even as reduced, remain above the cost of providing this service, but cost has been only one of the factors for our consideration in setting access prices. Nonetheless, the price reductions proposed in the Amended Agreement are significant and should result in substantial customer benefits. The Motion to Approve Settlement represents that over the 2001-2005 period, the switched access rate reductions ordered here are estimated to result in a revenue reduction of $45 million. Sprint has agreed these reductions will not be made up in the form of higher rates for basic local exchange telecommunications services. We find no compelling reason to order further reductions at this time.

The Commission does not view this Amended Agreement as the last opportunity the parties may have to address the issue of access charges set above cost. The last access charge revisions and reductions contemplated by the Amended Agreement will occur on January 1, 2003. The parties remain free, of course, to discuss and negotiate further rate modifications that they may propose to us to take effect after that date, or may thereafter request opening a proceeding to revisit this question. The Commission may find it necessary to take this last step on its own initiative. For now, we will direct our Staff to monitor the actual reductions in the effective switched access rate per minute to ensure that the reductions contained in the Amended Agreement and ordered herein occur. Therefore, the Commission will require Sprint to file appropriate documentation on the impact of the Amended Agreement access changes and revisions, showing the effective access rates. Such reports should be filed annually with the Division of Communications beginning January 1, 2002, and continuing through and including January 1, 2004, unless otherwise ordered by the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The Amended Agreement is approved and adopted in its entirety.

(2) Sprint shall forthwith file with the Division of Communications tariff revisions effecting the access price reductions contained in the Amended Agreement and approved herein.

(3) Sprint shall make timely tariff revisions to effect each successive access price reduction contained in the Amended Agreement and approved herein.

(4) Sprint shall file an annual report demonstrating the revenue and switched access per minute rate impact of the tariff changes adopted in the Amended Agreement beginning January 1, 2002, through January 1, 2004.

(5) There being nothing further to come before the Commission, this matter is dismissed.

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[1] Primarily, the Amended Agreement removed IntraLATA Toll Originating Responsibility Plan ("ITORP") minutes from the settlement calculations and updated the information otherwise used in the Staff's and parties' negotiations. The Staff and Sprint stated that the Amended Settlement represented a greater reduction in Sprint revenues than was reflected in the original Agreement.

CASE NO. PUC000027
OCTOBER 10, 2001

APPLICATION OF
VERIZON SOUTH INC. f/k/a GTE SOUTH INCORPORATED

For approval of its Tariff Filing to Introduce Collocation Service

ORDER ACCEPTING REVISIONS FILED SEPTEMBER 18, 2001, AND SEPTEMBER 26, 2001, 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") was approved by the State Corporation Commission ("Commission") on an interim basis on February 29, 2000.[1] On September 18, 2001, and September 26, 2001, Verizon South filed revisions to its Collocation Service Tariff ("September 18 and 26, 2001, tariff revisions"). The effective date of the September 18, 2001, revisions is October 18, 2001, and the effective date of the September 26, 2001, revisions is October 29, 2001.

According to the Company's September 18, 2001, filing, Verizon South's Collocation Tariff is being amended to introduce terms and conditions for Virtual Collocation, Microwave Collocation, and Optical Facility Terminations. In addition, tariff language has been updated for DC Power Provisioning, Liability and Indemnification, and Termination Service. According to Verizon South's September 26, 2001, filing, the Collocation Service Tariff is being amended, among other items, to address collocation site selection, permissible collocation equipment, security standards, and the collocation space report to align with the revised sections of the Code of Federal Regulations resulting from FCC 01-204. In addition, language and rates for dedicated Transport Service are being introduced.[2]

The Commission finds that the September 18 and September 26, 2001, tariff revisions should be accepted on an interim basis and that further comments should be accepted on the limited matter of said revisions.

Accordingly, IT IS ORDERED THAT:

(1) Verizon South's September 18 and September 26, 2001, tariff revisions are hereby approved on an interim basis, effective October 18, 2001, and October 29, 2001, respectively, 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 September 18 and September 26, 2001, tariff revisions within ten (10) days from the date of this Order. Verizon South shall promptly furnish a copy of its September 18 and September 26, 2001, tariff revisions 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 November 27, 2001, any interested party is granted leave to file comments on the September 18 and September 26, 2001, tariff revisions, consistent with the findings above.

(4) This matter is continued generally.

[1] Additional revisions were approved on an interim basis on July 12, 2000, and December 19, 2000.

[2] Verizon South states that the September 18 and September 26, 2001, tariff revisions are compliant with the following FCC Orders addressing collocation: FCC's Order No. FCC 99-48 (Advanced Services Order) in CC Docket No. 98-147, the 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.

CASE NO. PUC000053
JANUARY 22, 2001

APPLICATION OF
BROADPLEX, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On July 5, 2000, Broadplex, LLC ("Broadplex" or the "Company") completed 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 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 Orders dated August 8, 2000, and October 6, 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 Broadplex's application.

On January 4, 2001, the Staff filed its Report finding that Broadplex'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 Broadplex'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, Broadplex shall establish and maintain an escrow account held by an unaffiliated third party for such funds, notify Staff of the escrow arrangement, and maintain the account until such time as the Staff or the Commission determines it is no longer necessary; (2) the Company shall provide its audited financial statements to the Division of Economics and Finance no later than one (1) year from the effective date of Broadplex's initial tariff; and (3) at such time as voice services are initiated by the Company, Broadplex shall comply with all requirements of § C (Conditions for certification) of the Local Rules.

A hearing was conducted on January 17, 2001. Broadplex filed proof of publication and proof of service on November 27, 2000, as required by the October 6, 2000, Order. At the hearing, the application with all supplements and amendments, the Company's testimony, and the Staff Report were entered into the record without objection. The Company, by counsel, agreed to comply with all conditions recommended by the Staff above. No public witnesses appeared.

NOW THE COMMISSION, having considered the application, testimony, 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) Broadplex, LLC is hereby granted a certificate of public convenience and necessity, No. TT-128A, 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) Broadplex, LLC is hereby granted a certificate of public convenience and necessity, No. T-533, 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 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.

(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 to the Division of Economics and Finance no later than one (1) year from the effective date of Broadplex's initial tariff.

(6) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications services competitively.

(7) At such time as voice services are initiated by the Company, Broadplex 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 filed herein placed in the file for ended causes.

CASE NO. PUC000131
JANUARY 23, 2001

APPLICATION OF
GEMINI NETWORKS VA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On September 18, 2000, GEMINI NETWORKS VA, INC. ("GEMINI" or the "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 October 11, 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 GEMINI's application.

On January 5, 2001, the Staff filed its Report finding that GEMINI'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 GEMINI'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, GEMINI shall establish and maintain an escrow account held by an unaffiliated third party for such funds, notify the Division of Economics and Finance of the escrow arrangement, and maintain the account until such time as the Staff or the Commission determines it is no longer necessary; (2) the Company shall provide audited

financial statements of its parent, Gemini Networks, Inc., to the Division of Economics and Finance no later than one year from the effective date of GEMINI's initial tariff; and (3) at such time as voice services are initiated by the Company, GEMINI shall comply with all requirements of § C (Conditions for certification) of the Local Rules.

A hearing was conducted on January 17, 2001. GEMINI filed proof of publication and proof of service on December 19, 2000, as required by the October 5, 2000, Order. At the hearing, the application, 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) GEMINI NETWORKS VA, INC., is hereby granted a certificate of public convenience and necessity, No. TT-127A, 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) GEMINI NETWORKS VA, INC., is hereby granted a certificate of public convenience and necessity, No. T-532, 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 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 the 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, Gemini Networks, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of GEMINI's initial tariff.

(6) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications services competitively.

(7) At such time as voice services are initiated by the Company, GEMINI 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 filed herein placed in the file for ended causes.

CASE NO. PUC000144
FEBRUARY 23, 2001

APPLICATION OF
PREMIERE NETWORK SERVICES OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On October 4, 2000, Premiere Network Services of Virginia, Inc. ("Premiere" or "the Company"), completed an application with the State Corporation Commission ("Commission") for a certificate of public convenience and necessity to provide local exchange telecommunications services throughout the Commonwealth of Virginia.[1]

By Order dated November 17, 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 Premiere's application. On January 3, 2001, Premiere, by counsel, filed a motion requesting the Commission to accept late-filed proof of publication of notice and establish a new schedule to serve such notice and to file proof of service. The Commission granted the motion by Order of January 5, 2001.

On February 1, 2001, Staff filed its Report finding that Premiere's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules"). Based upon its review of Premiere'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) the Company shall provide audited financial statements of its parent, Premiere Network Services, Inc., to the Division of Economics and Finance no later than one (1) year from the date of Premiere's initial tariff; and (2) should the Company collect customer deposits, Premiere shall establish and maintain an escrow account held by an unaffiliated third party for such funds, notify Staff of the escrow arrangement, and maintain the account until such time as the Staff or the Commission determines it is no longer necessary.

[1] The original application requested both local exchange and interexchange authority. The filing was subsequently amended to request only local exchange authority since the Company's interexchange telecommunications services will be provided on a resold basis in Virginia.

A hearing was conducted on February 13, 2001. Premiere filed proof of publication and proof of service on January 17, 2001, as required by the January 5, 2001, Order. At the hearing, the application with all supplements and amendments, and the Staff Report were entered into the record without objection. The Company, by counsel, agreed to comply with all conditions recommended by the Staff above. No public witnesses appeared.

NOW THE COMMISSION, having considered the application, testimony, 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) Premiere Network Services of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-540, 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 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) 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, Premiere Network Services, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of Premiere'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. PUC000147
NOVEMBER 27, 2001

APPLICATION OF
VERIZON SOUTH INC.
and
NOS COMMUNICATIONS, INC.

For approval of an interconnection agreement under Section 252(e) of the Telecommunications Act of 1996

DISMISSAL ORDER

On May 24, 2000, Verizon South Inc. ("Verizon South") and NOS Communications, Inc. ("NOS"), filed an interconnection agreement ("Agreement"), entered under §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, for State Corporation Commission ("Commission") approval pursuant to § 252(e) of the Act, 47 U.S.C. § 252(e). The Commission entered an Order Approving Agreement on August 22, 2000, in Case No. PUC000147.

On September 10, 2001, Verizon South filed an interconnection agreement for approval between Verizon South and NOS. This agreement was assigned Case No. PUC010190 and approved on November 27, 2001. Per letter enclosed with the agreement, Verizon South stated that PUC010190 replaced the prior approved agreement in PUC000147.

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that the agreement approved in Case No. PUC010190 should supersede the agreement approved in Case No. PUC000147 and that the captioned proceeding should be dismissed.

Accordingly, IT IS ORDERED THAT the agreement approved in Case No. PUC010190 shall supersede the agreement approved in Case No. PUC000147, and the captioned proceeding should be dismissed from the Commission's docket of active cases.

CASE NO. PUC000153 (formerly CASE NO. PUC980140)
OCTOBER 24, 2001

PETITION OF
SINGLE SOURCE OF VIRGINIA, INCORPORATED

For an extension of time by which audited financial statements are to be provided

DISMISSAL ORDER

On November 25, 1998, the State Corporation Commission ("Commission") issued its Final Order in Case No. PUC980140, granting Single Source of Virginia, Incorporated ("SSVA" or "the Company") a certificate of public convenience and necessity 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 ("Local Rules") (20 VAC 5-400-180, et seq.), § 56-265.4:4 of the Code of Virginia, and the provisions of that Order. Among other things, the November 25, 1998, Order denied SSVA's application for a permanent waiver of Local Rule § 5.A.4 (20 VAC 5-400-180 E 1 d) and required the

Company to file audited financial statements for either itself or its parent, East Coast Communications, Inc. ("East Coast"), with the Staff no later than one year from the effective date of the Company's initial tariff.

On June 8, 2000, the Commission entered an Order granting SSVA's Petition for additional time in which to file audited financial statements for itself or East Coast. That Order extended the time in which the Company had to file audited financial statements to July 19, 2001.

On August 1, 2001, SSVA, by counsel, filed a Motion requesting a permanent waiver of the condition that it provide audited financial statements to the Staff or, in the alternative, requested that the date by which it must file audited financial statements be extended to July 19, 2006.

On August 3, 2001, the Commission entered an Order establishing a procedural schedule in this case.

On August 20, 2001, SSVA, by counsel, filed a Motion requesting a general continuance of the procedural dates in this matter and asking that the Company be permitted to provide audited financial statements to the Staff by September 28, 2001.

On August 27, 2001, the Commission granted the Company's Motion and suspended the dates for filing a response and reply established in the August 3, 2001, Order.

On September 24, 2001, SSVA filed a letter with the Clerk of the Commission advising that the Company had delivered audited financial statements for the calendar year 2000 to Ms. Penny Sedgley of the Commission's Division of Economics and Finance.

On October 19, 2001, the Staff, by counsel, filed a Motion advising of the receipt of the audited financial statements and seeking dismissal of this matter.

NOW UPON CONSIDERATION of the foregoing, the Commission is of the opinion and finds that the Staff's October 19, 2001, Motion should be granted and that this matter should be dismissed from the Commission's docket of active cases.

Accordingly, IT IS ORDERED THAT:

(1) The October 19, 2001, Motion seeking dismissal of this case is hereby granted.

(2) This proceeding shall be dismissed from the Commission's docket of active cases, and the papers filed herein shall be made a part of the Commission's file for ended causes.

CASE NO. PUC000154
APRIL 19, 2001

APPLICATION OF
EDGE CONNECTIONS OF VIRGINIA, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On October 3, 2000, Edge Connections of Virginia, LLC ("Edge" 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 telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated November 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 Staff Report, and scheduled a public hearing to receive evidence relevant to Edge's application. This November 9, 2000, Order was subsequently amended by Orders issued January 26, 2001; February 5, 2001; and February 7, 2001; to reschedule the hearing date and associated procedural deadlines.

On March 9, 2001, Edge filed proof of service of the notice of the Company's application on all current local exchange and interexchange carriers certificated in the Commonwealth. On March 15, 2001, one day after the required March 14, 2001, deadline, Edge filed proof of publication in newspapers having general circulation throughout the Company's proposed service territory. The Company simultaneously filed a Motion for Extension of Time of the deadline for filing such proof.

On March 16, 2001, the Staff filed its Report finding that Edge'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 Edge's application, the Staff determined it would be appropriate to grant the Company certificates to provide local exchange and interexchange telecommunications services subject to two conditions. First, should the Company collect customer deposits, Edge 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 Edge shall be maintained for such time as the Staff or Commission determines is necessary. Second, the Company shall provide audited financial statements of its parent, Edge Connections, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of Edge's initial tariff.

A hearing was conducted on March 28, 2001. At the hearing, the Commission granted the Company's Motion for Extension of Time and accepted proof of notice as filed by Edge on March 15, 2001. 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) Edge Connections of Virginia, LLC, is hereby granted a certificate of public convenience and necessity, No. TT-146A, 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) Edge Connections of Virginia, LLC, is hereby granted a certificate of public convenience and necessity, No. T-550, 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) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications services competitively.

(4) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) Should the Company collect customer deposits, Edge 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 Edge shall be maintained for such time as the Staff or Commission determines is necessary.

(6) The Company shall provide audited financial statements of its parent, Edge Connections, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of Edge's initial tariff.

(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. PUC000169
NOVEMBER 16, 2001

APPLICATION OF
VERIZON SOUTH INC. f/k/a GTE SOUTH INCORPORATED
and
NET-TEL CORPORATION OF VIRGINIA, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

DISMISSAL ORDER

On June 16, 2000, Verizon South Inc. f/k/a GTE South Incorporated ("Verizon South") and NET-tel Corporation of Virginia, Inc. ("NET-tel"),[1] filed an interconnection agreement ("Agreement"), entered under §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, for State Corporation Commission ("Commission") approval pursuant to § 252(e) of the Act, 47 U.S.C. § 252(e). The Commission entered an Order Approving Agreement on July 26, 2000, in Case No. PUC000169.

On September 20, 2000, Verizon South filed a joint application for approval of an interconnection agreement between Verizon South and NET-tel. This agreement was assigned Case No. PUC000257 and approved on December 8, 2000. Through discussions with Verizon South and the Staff, as verified by letter from counsel dated May 1, 2001, PUC000169 was replaced by PUC000257. Therefore, Case No. PUC000169 should be dismissed.

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that the agreement approved in Case No. PUC000257 supersedes the agreement approved in Case No. PUC000169 and that the captioned proceeding should be dismissed.

Accordingly, IT IS ORDERED THAT the agreement approved in Case No. PUC000257 shall supersede the agreement approved in Case No. PUC000169, and the captioned matter is hereby dismissed from the Commission's docket of active cases.

[1] The name of the Virginia entity appears as NET-tel in Case No. PUC000169 and NETtel in Case No. PUC000257. Since the certificate of public convenience and necessity and the agreement being dismissed (Case No. PUC00169) reflect the name as NET-tel, that is being used throughout this Order.

CASE NO. PUC000175
JANUARY 4, 2001

APPLICATION OF
LOOKING GLASS NETWORKS OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On August 2, 2000, Looking Glass Networks of Virginia, Inc. ("LGN" or the "Company"), completed 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 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 August 25, 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 LGN's application.

On November 27, 2000, the Staff filed its Report finding that LGN'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 LGN'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, LGN shall establish and maintain an escrow account held by an unaffiliated third party for such funds, 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, Looking Glass Network, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of LGN's initial tariff; and (3) at such time as voice services are initiated by the Company, LGN shall comply with all requirements of § C (Conditions for certification) of the Local Rules.

A hearing was conducted on December 12, 2000. LGN filed proof of publication and proof of service as required by the August 25, 2000, Order. At the hearing, the application, 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) Looking Glass Networks of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-122A, 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) Looking Glass Networks of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-526, 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 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.

(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, Looking Glass Networks, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of LGN's initial tariff.

(6) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications services competitively.

(7) At such time as voice services are initiated by the Company, LGN 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 filed herein placed in the file for ended causes.

CASE NO. PUC000184
JANUARY 4, 2001

APPLICATION OF
CHOICE ONE COMMUNICATIONS OF VIRGINIA INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On August 14, 2000, Choice One Communications of Virginia Inc. ("Choice One" or the "Company"), completed 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 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 August 25, 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 Choice One's application.

Choice One filed proof of publication and proof of service on November 2, 2000, as required by the August 25, 2000, Order.

On November 28, 2000, the Staff filed its Report finding that Choice One'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 Choice One'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 12, 2000. At the hearing, the application, 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) Choice One Communications of Virginia Inc. is hereby granted a certificate of public convenience and necessity, No. TT-121A, 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) Choice One Communications of Virginia Inc. is hereby granted a certificate of public convenience and necessity, No. T-525, 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) 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. PUC000197
JANUARY 24, 2001

APPLICATION OF
PATHNET OPERATING OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On September 8, 2000, PATHNET OPERATING OF VIRGINIA, INC. ("PATHNET" or the "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 October 11, 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 PATHNET's application.

On January 4, 2001, the Staff filed its Report finding that PATHNET'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 PATHNET'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 condition: at such time as voice services are initiated by the Company, PATHNET shall comply with all requirements of § C (Conditions for certification) of the Local Rules.

A hearing was conducted on January 17, 2001. At the hearing, the Company's proofs of publication and service, as well as the application, accompanying attachments, the Company's direct testimony, and the Staff Report were entered into the record without objection. No public witnesses appeared.

NOW THE COMMISSION, having considered the application, direct testimony 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) PATHNET OPERATING OF VIRGINIA, INC., is hereby granted a certificate of public convenience and necessity, No. TT-129A, 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) PATHNET OPERATING OF VIRGINIA, INC., is hereby granted a certificate of public convenience and necessity, No. T-534, 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) 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) At such time as voice services are initiated by the Company, PATHNET 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. PUC000200
FEBRUARY 20, 2001

APPLICATION OF
METTEL OF VA, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On October 6, 2000, MetTel of VA, Inc. ("MetTel" 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 November 21, 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 MetTel's application.

By motion filed on January 8, 2001, MetTel requested that the Commission establish a new schedule for MetTel to serve notice on carriers and for it to file proof of having served such notice. On January 10, 2001, the Commission granted that motion and directed MetTel to give notice to carriers by January 11, 2001, and provide proof of such notice and service by January 18, 2001. In that Order, the Commission also extended the dates for the filing of Comments, Notices of Protest, Protests, and Testimony.

On January 9, 2001, MetTel filed proof of publication, as required by the November 21, 2000, Order for Notice and Hearing. On January 17, 2001, MetTel filed proof of service on all local exchange and interexchange carriers certificated in Virginia, as required by the January 10, 2001, Order Granting Motion to Prescribe New Notice to Carriers.

On January 30, 2001, the Staff filed its report finding that MetTel's application was in compliance with 20 VAC 5-400-180, the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules"). Based upon its review of MetTel's application and audited financial statements, the Staff determined it would be appropriate to grant a local exchange certificate to MetTel.

A hearing was conducted on February 13, 2001. 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 hearing.

[1] The original application requested both local exchange and interexchange authority. The filing was subsequently amended to request only local exchange authority since the Applicant's interexchange services will be provided on a resold basis.

NOW UPON CONSIDERATION of the application and the Staff Report, the Commission finds that MetTel should be granted a certificate to provide local exchange telecommunications services throughout Virginia.

Accordingly, IT IS ORDERED THAT:

(1) MetTel of VA, Inc., is hereby granted a certificate of public convenience and necessity, No. T-541, 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) MetTel 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. PUC000202
FEBRUARY 23, 2001

APPLICATION OF
PLAN B COMMUNICATIONS OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

ORDER OF DISMISSAL

On July 21, 2000, Plan B Communications of Virginia, Inc. ("Plan B" 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 February 8, 2001, counsel for Plan B notified the Commission that Applicant withdrew the above-referenced application without prejudice.

Accordingly, IT IS ORDERED THAT:

(1) This matter is hereby dismissed without prejudice.

(2) There being nothing further to come before the Commission this case is now closed.

CASE NO. PUC000204
JANUARY 30, 2001

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 AUTHORIZING IMPLEMENTATION OF REMAINING SECOND PHASE EXPANDED LOCAL CALLING

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 proposed to implement phase two of their expanded local calling plan ("ELCP"), which involved exchanges located primarily in the Norfolk, Virginia, LATA. Joint Applicants identified these exchanges in Attachment A and amended Attachment B (amended October 18, 2000) to the second Joint Application. Joint Applicants proposed that all routes for expanded local calling between the affected exchanges be reciprocal.

Pursuant to the Commission's Second Order Prescribing Notice and Authorization To Implement Expanded Local Calling In Part, issued November 2, 2000, the Commission approved for implementation all routes identified in the second Joint Application except for routes in the Verizon South territory originating from the Boykins, Chuckatuck, Courtland, Crittenden, Dendron, Franklin, Holland, Ivor, Smithfield, Surry, Wakefield, and Windsor exchanges. The Commission found that customers served by Verizon South 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.

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[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.

On December 8, 2000, Verizon South, by Counsel, filed Proof of Notice to its customers in the exchanges exempted from prior approval. In response to the notice given, nearly fifty (50) comments were filed in this case.[2] Thirty-six (36) of the filed comments specifically favored implementation of the expanded local calling. One letter requested a hearing in this case. Also, the Windsor Town Council and the Isle of Wight County Board of Supervisors filed resolutions supporting the proposed expanded local calling in their areas.

NOW THE COMMISSION, upon consideration of the applicable rate increases proposed for the remaining exchanges in the second phase of the ELCP, and with due regard to all comments filed, finds that Verizon South should be authorized to implement the remaining exchanges identified above in the second phase of expanded local calling. However, the Commission recognizes that many customers will see substantial increases in their basic local exchange service rates in the regrouping process to expand their local calling scopes. Therefore, we further find that Verizon South should notify its customers in these now-authorized exchanges at the time of the ELCP implementation of applicable local exchange service options, including measured service and exchange only, which may help mitigate the impact of the higher rates resulting from these regroupings.

Accordingly, IT IS ORDERED THAT:

(1) Verizon South Inc. shall implement the remaining second phase of the ELCP for all routes originating from Boykins, Chuckatuck, Courtland, Crittenden, Dendron, Franklin, Holland, Ivor, Smithfield, Surry, Wakefield, and Windsor exchanges.

(2) Verizon South Inc. shall give notice to its affected customers in the exchanges identified in the preceding ordering paragraph at the time of the ELCP implementation regarding local exchange service options, including measured service and exchange only service.

[2] This includes one comment for and one against from the Boykins exchange; one for and one against from the Holland exchange; seven for and three against from the Franklin exchange; one for from the Ivor exchange; thirteen for and one against from the Smithfield exchange; one for and one against from the Surry exchange; one against from the Wakefield exchange; and thirteen for from the Windsor exchange. No comments filed were from the Chuckatuck, Crittenden, Dendron, and Courtland exchanges. In addition, there were three comments for expanded local calling and one against where the originating exchange could not be determined.

CASE NO. PUC000204
FEBRUARY 23, 2001

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

THIRD 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") (hereinafter collectively referred to as "the Joint Applicants") filed their third Joint Application to Expand Local Calling In Part on January 31, 2001 (hereinafter "third Joint Application"). This third Joint Application proposes to implement phase three of their expanded local calling plan ("ELCP") which involves exchanges located primarily in the Culpeper and Lynchburg LATAs and in southwest Virginia. Joint Applicants identify the routes that will be implemented in phase three in Attachment A and Attachment B (amended February 15, 2001) to the third 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 third Joint Application and applicable law, finds that Verizon Virginia should implement the third phase of its proposed ELCP for all routes as set out in Attachment A of the third Joint Application in the manner described therein.

The Commission finds that Verizon South should implement the third phase of its proposed ELCP for all routes identified in Attachment B of the third Joint Application except for routes originating from Bluefield, Dwight, Oakwood, Pocahontas, Rocky Gap, Allwood, Amherst, Appomattox, Gladstone, Pamplin, Chancellor, King George, Grundy, Richlands, and Tazewell exchanges. The Commission finds that customers served in these exchanges which would be billed in a higher rate group[2] upon implementation of the proposed ELCP should first receive notice and an opportunity to comment or request a hearing on whether to implement the expanded calling.

Accordingly, IT IS ORDERED THAT:

(1) Verizon Virginia shall implement the third phase of the ELCP set out in Attachment A of the third Joint Application (attached hereto).

[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.

[2] The rate group increases in Grundy, Richlands, and Tazewell exchanges would only impact optional local calling plan customers.

(2) Verizon South shall implement the third phase of the ELCP for routes set out in Attachment B of the third Joint Application (attached hereto) except for routes originating from Bluefield, Dwight, Oakwood, Pocahontas, Rocky Gap, Allwood, Amherst, Appomattox, Gladstone, Pamplin, Chancellor, King George, Grundy, Richlands, and Tazewell exchanges.

(3) A copy of this Order and the third 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 March 30, 2001, Verizon South shall directly mail a notice to each customer served in Bluefield, Dwight, Oakwood, Pocahontas, Rocky Gap, Allwood, Amherst, Appomattox, Gladstone, Pamplin, Chancellor, King George, Grundy, Richlands, and Tazewell exchanges separately addressing the expanded local calling for each applicable 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 January 31, 2001, 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, Post Office Box 2118, Richmond, Virginia 23218-2118, on or before April 30, 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 April 16, 2001, Joint Applicants shall furnish proof of the notice given as prescribed herein.

(6) On or before April 30, 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, Post Office Box 2118, Richmond, Virginia 23218 and shall refer to Case No. PUC000204.

NOTE: A copy of Attachment A entitled "Expanded Local Calling Plan ("ELCP") Phase 3" and Attachment B entitled "Verizon South Inc. ELCP Wave 3" 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
JULY 25, 2001

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 AUTHORIZING IMPLEMENTATION OF REMAINING THIRD PHASE EXPANDED LOCAL CALLING

Pursuant to the Third Order Prescribing Notice and Authorization To Implement Expanded Local Calling In Part ("Third Order") issued February 23, 2001, by the State Corporation Commission ("Commission"), Verizon South Inc. ("Verizon South") mailed notice to each of its customers served in the Bluefield, Dwight, Oakwood, Pocahontas, Rocky Gap, Allwood, Amherst, Appomattox, Gladstone, Pamplin, Chancellor, King George, Grundy, Richlands, and Tazewell exchanges.[1] The notice separately addressed the expanded local calling for each of the above-named exchanges and detailed the basic monthly rate increases proposed for the third phase of Verizon South's expanded local calling plan ("ELCP").[2]

The Commission received almost 70 comments from customers regarding the third phase of Verizon South's ELCP.

Pursuant to the Commission's Order Granting Leave To File Staff Report and Response, the Staff of the Commission filed its Report on July 9, 2001, and Verizon Virginia Inc. ("Verizon Virginia") and Verizon South ("Joint Applicants" or "Companies") filed their Reply Comments on July 13, 2001.

The Staff does not object to the proposed implementation by Verizon South of the ELCP routes and makes the following recommendations in its report:

1. Verizon South and Verizon Virginia should be required to provide additional information by separate notice to customers in all impacted exchanges prior to implementing of ELCP regarding (a) the availability and rates for low cost and other alternative local calling options; and (b) identification of the customer's new local calling area and an **accurate** listing of ELCP prefixes.

2. Verizon South should add the Orange exchange as an unlimited calling exchange to the Community Plus Plan in its Optional LCP available in the Chancellor exchange at the same time it implements the Chancellor routes in phase three of its ELCP.

3. Verizon South should consider proposing adding the Orange exchange to the local calling area for the Chancellor exchange in the next phase of the ELCP.

The Joint Applicant's Reply Comments make only one suggestion regarding the Staff's recommendations. The Companies' request that only Verizon South be required to provide customer notification prior to implementation as Verizon Virginia's exchanges involved in the third phase of the ELCP do not involve rate increases and have already been approved for implementation in a previous Commission Order.

The Commission finds that the recommendations of Staff should be adopted, however, modified to reflect the removal of the reference to Verizon Virginia and that Verizon South should be authorized to complete its proposed implementation of the remainder of phase three of its ELCP. No hearing will be convened on phase three of Verizon South's ELCP.

Accordingly, IT IS ORDERED THAT:

(1) Verizon South shall implement the remaining third phase of its ELCP for all routes originating from Bluefield, Dwight, Oakwood, Pocahontas, Rocky Gap, Allwood, Amherst, Appomattox, Gladstone, Pamplin, Chancellor, King George, Grundy, Richlands, and Tazewell exchanges, consistent with the Staff's recommendations as modified by the findings above.

(2) This case is continued generally.

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[1] Proof of the notice mailed to Verizon South's customers served in these exchanges was filed on April 10, 2001.

[2] Only customers in exchanges that would be billed in a higher rate group upon implementation of the third phase of the ELCP were required to receive notice.

CASE NO. PUC000204
AUGUST 21, 2001

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

FOURTH ORDER PRESCRIBING NOTICE AND AUTHORIZATION TO IMPLEMENT EXPANDED LOCAL CALLING IN PART

On July 21, 2000, Verizon Virginia Inc. ("Verizon Virginia") and Verizon South Inc. ("Verizon South") filed a Joint Application to expand local calling areas to include contiguous exchanges both within and between their respective service territories.[1] The State Corporation Commission ("Commission") has previously approved the first three phases or waves of this expanded local calling plan ("ELCP"). Verizon Virginia and Verizon South (collectively "Joint Applicants") filed their Fourth Joint Application on August 1, 2001, (hereinafter "Fourth Joint Application").

This Fourth Joint Application proposes to implement phase four of their ELCP which involves exchanges located primarily in the Norfolk, Richmond, and Roanoke LATAs. Joint Applicants identify the routes that will be implemented in phase four in Attachment A and Attachment B to the Fourth 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 Fourth Joint Application and applicable law, finds that Verizon Virginia should implement the fourth phase of its proposed ELCP for all routes as set out in Attachment A of the Fourth Joint Application except for routes originating from the Pearisburg exchange.

The Commission finds that Verizon South should implement the fourth phase of its proposed ELCP for all routes identified in Attachment B of the Fourth Joint Application except for routes originating from Barnesville, Bowling Green, Boydton, Callao, Capron, Charlotte Court House, Chase City, Clarksville, Colonial Beach, Dawn, Deltaville, Disputanta, Doswell, Drakes Branch, Emporia, Farnham, Hague, Heathsville, Irvington, Jarratt, Keysville, Kilmarnock, King William, King & Queen, Lawrenceville, Lively, Montross, Old Church, Port Royal, Reedville, Saluda, South Brunswick, Stony Creek, Tappahannock, and Warsaw exchanges.

The Commission finds that customers served in the above identified Verizon Virginia and Verizon South exchanges, which would be billed in a higher rate group[2] upon implementation of the proposed ELCP, should first receive notice and an opportunity to comment or request a hearing on whether to implement the expanded calling.

Accordingly, IT IS ORDERED THAT:

(1) Verizon Virginia shall implement the fourth phase of the ELCP set out in Attachment A of the Fourth Joint Application (attached hereto) except for routes originating from the Pearisburg exchange.

(2) Verizon South shall implement the fourth phase of the ELCP for routes set out in Attachment B of the Fourth Joint Application (attached hereto) except for routes originating from Barnesville, Bowling Green, Boydton, Callao, Capron, Charlotte Court House, Chase City, Clarksville, Colonial Beach, Dawn, Deltaville, Disputanta, Doswell, Drakes Branch, Emporia, Farnham, Hague, Heathsville, Irvington, Jarratt, Keysville, Kilmarnock, King William, King & Queen, Lawrenceville, Lively, Montross, Old Church, Port Royal, Reedville, Saluda, South Brunswick, Stony Creek, Tappahannock, and Warsaw exchanges.

(3) A copy of this Order and the Fourth 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 September 21, 2001, Verizon Virginia or Verizon South, as applicable, shall directly mail a notice to each customer served in Pearisburg, Barnesville, Bowling Green, Boydton, Callao, Capron, Charlotte Court House, Chase City, Clarksville, Colonial Beach, Dawn, Deltaville, Disputanta, Doswell, Drakes Branch, Emporia, Farnham, Hague, Heathsville, Irvington, Jarratt, Keysville, Kilmarnock, King William, King & Queen, Lawrenceville, Lively, Montross, Old Church, Port Royal, Reedville, Saluda, South Brunswick, Stony Creek, Tappahannock, and Warsaw exchanges separately addressing the expanded local calling for each applicable 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:

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[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.

[2] Only customers of the Community Plus option of Verizon South's Optional Calling Plan in the Port Royal and Reedville exchanges would experience a rate increase under the ELCP.

NOTICE OF APPLICATION BY VERIZON VIRGINIA INC. f/k/a BELL ATLANTIC-VIRGINIA, INC. AND VERIZON SOUTH INC. f/k/a GTE SOUTH INCORPORATED TO IMPLEMENT EXPANDED LOCAL CALLING BETWEEN CERTAIN ADJACENT EXCHANGES

On August 1, 2001, Verizon Virginia Inc. and Verizon South Inc. 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 calling area 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, Post Office Box 2118, Richmond, Virginia 23218-2118, on or before October 22, 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 the Commission's Rules of Practice and Procedure, 5 VAC 5-20-30, 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 VIRGINIA INC.
VERIZON SOUTH INC.

(5) On or before October 12, 2001, Joint Applicant's shall furnish proof of the notice given as prescribed herein.

(6) On or before October 22, 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 the Commission's Rules of Practice and Procedure, 5 VAC 5-20-30, 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, Post Office Box 2118, Richmond, Virginia 23218-2118 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 3, 2001

JOINT APPLICATION OF
VERIZON VIRGINIA INC.
and
VERIZON SOUTH INC.

To expand local calling between various exchanges

ORDER AUTHORIZING IMPLEMENTATION OF REMAINING FOURTH PHASE EXPANDED LOCAL CALLING

On August 1, 2001, Verizon Virginia Inc. ("Verizon Virginia") and Verizon South Inc. ("Verizon South") (hereafter collectively referred to as "the Joint Applicants") filed with the State Corporation Commission ("Commission") their fourth Joint Application to Expand Local Calling In Part (hereinafter "fourth Joint Application"). This fourth Joint Application proposed to implement phase four of their expanded local calling plan ("ELCP"), which involved exchanges located primarily in the Norfolk, Richmond, and Roanoke LATAs.[1] The Joint Applicants identified these exchanges in Attachment A and Attachment B to the fourth Joint Application. The Joint Applicants proposed that all routes for expanded local calling between the affected exchanges be reciprocal.

Pursuant to the Commission's Fourth Order Prescribing Notice and Authorization To Implement Expanded Local Calling In Part, issued August 21, 2001, the Commission approved for implementation all routes identified in the fourth Joint Application except routes in the Verizon Virginia territory originating from the Pearisburg exchange and in the Verizon South territory originating from the Barnesville, Bowling Green, Boydton, Callao, Capron, Charlotte Court House, Chase City, Clarksville, Colonial Beach, Dawn, Deltaville, Disputanta, Doswell, Drakes Branch, Emporia, Farnham, Hague, Heathsville, Irvington, Jarratt, Keysville, Kilmarnock, King William, King & Queen, Lawrenceville, Lively, Montross, Old Church, Port Royal, Reedville,

[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.

Saluda, South Brunswick, Stony Creek, Tappahannock, and Warsaw exchanges. The Commission found that customers 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.

On September 25, 2001, the Joint Applicants, by counsel, filed Proof of Notice to its customers in the exchanges identified above. In response to the notice given, approximately seventy (70) comments were filed in this case. Of those comments filed, none were filed in fourteen exchanges of the thirty-six (36) exchanges affected.[2] Sixteen of the remaining exchanges had a total of three or fewer comments filed.[3] Of the remaining six exchanges, there were seven comments filed against the ELCP and one undetermined in Clarksville; five against in Colonial Beach; four against in Heathsville; four against and two undetermined in Kilmarnock; three for, six against, and one undetermined in Pearisburg; and one for and twelve (12) against the ELCP in Tappahannock. One letter requested a hearing in this case.[4]

NOW THE COMMISSION, upon consideration of the applicable rate increases proposed for the remaining exchanges in the fourth phase of the ELCP, and with due regard to all comments filed, finds that the Joint Applicants should be authorized to implement the remaining exchanges identified above in the fourth phase of the ELCP. However, the Commission recognizes that some customers will see significant increases in their basic local exchange service rates in the regrouping process to expand their local calling scopes. Therefore, we further find that Verizon Virginia and Verizon South should notify its customers in these now-authorized exchanges at the time of the ELCP implementation of applicable local exchange service options, including measured service and exchange only service, which may help mitigate the impact of the higher rates resulting from these regroupings.[5] No hearing will be convened on phase four of the Joint Applicants' ELCP.

Accordingly, IT IS ORDERED THAT:

(1) Verizon Virginia Inc. shall implement the remaining fourth phase of the ELCP for all routes originating from the Pearisburg exchange.

(2) Verizon South Inc. shall implement the remaining fourth phase of the ELCP for all routes originating from Barnesville, Bowling Green, Boydton, Callao, Capron, Charlotte Court House, Chase City, Clarksville, Colonial Beach, Dawn, Deltaville, Disputanta, Doswell, Drakes Branch, Emporia, Farnham, Hague, Heathsville, Irvington, Jarratt, Keysville, Kilmarnock, King & Queen, King William, Lawrenceville, Lively, Montross, Old Church, Port Royal, Reedville, Saluda, South Brunswick, Stony Creek, Tappahannock, and Warsaw exchanges.

(3) Verizon Virginia Inc. and Verizon South Inc. shall give notice to its affected customers in the exchanges identified in the preceding ordering paragraph at the time of the ELCP implementation regarding local exchange service options, including measured service and exchange only service.

(4) This case is continued generally.

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[2] These are the Barnesville, Boydton, Charlotte Court House, Chase City, Deltaville, Disputanta, Doswell, Drakes Branch, Jarratt, Keysville, Lawrenceville, Port Royal, South Brunswick, and Stony Creek exchanges.

[3] This includes one for and two against the ELCP in Bowling Green; one against in Callao; one for in Capron; one for and one against in Dawn; two against in Emporia; one for in Farnham; one undetermined in Hague; one against in Irvington; one against in King & Queen; two against and one undetermined in King William; two against in Lively; one against in Montross; one for in Old Church; one against in Reedville; one for and two against in Saluda; one against in Warsaw; and one against from an undetermined exchange.

[4] This letter was from the King William exchange and requested a hearing to gain an explanation for the justification of the proposed increase in their basic local exchange rate.

[5] The Commission recognizes that these options were also described in the information previously sent out with the notice for comment.

CASE NO. PUC000222
JANUARY 5, 2001

APPLICATION OF
HJN TELECOM OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On August 24, 2000, HJN Telecom of Virginia, Inc. ("HJN" 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 within the portion of Washington, D.C. LATA No. 236 that is in the service territory of Verizon Virginia Inc. and within the Arcola, Dulles, Haymarket, Manassas, Nokesville, Lorton, Independent Hill, Occoquan, Dale City, Triangle, and Stafford exchanges that are served by Verizon South Inc. 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 22, 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 HJN's application. HJN filed proof of publication and proof of service as required by the September 22, 2000, Order on November 20, 2000.

On December 5, 2000, the Staff filed its Report finding that HJN'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 HJN's application, the Staff determined it would be appropriate to grant the Company certificates to provide local exchange and interexchange telecommunications services as requested.

Staff further recommended (i) that HJN maintain an escrow account, to be held by an unaffiliated third party, to hold any customer deposits collected by the Company, and (ii) that the Company furnish audited financial statements of its parent, HJN Telecom, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of HJN's initial tariff.

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. By counsel, HJN agreed to the conditions set out in the Staff Report.

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 as requested and upon the conditions set out in the Staff Report. 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) HJN Telecom of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-125A, to provide interexchange telecommunications services within the areas it has requested, 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) HJN Telecom of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-530, to provide local exchange telecommunications services within the areas it has requested, 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) Should HJN 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) HJN shall provide audited financial statements of its parent, HJN Telecom, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of HJN's initial tariff.

(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. PUC000229
JANUARY 16, 2001

APPLICATION OF
CITYNET TELECOM OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On August 17, 2000, CityNet Telecom of Virginia, Inc. ("CityNet" 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.

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 CityNet's application. CityNet filed proof of publication and proof of service as required by the September 8, 2000, Order on October 25, 2000.

On December 7, 2000, the Staff filed its report finding that CityNet'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 CityNet'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 CityNet 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) CityNet shall provide audited financial statements of its parent, CityNet Telecommunications, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of CityNet's initial tariff.

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. By Counsel, CityNet agreed to the conditions contained in the Staff Report.

NOW UPON CONSIDERATION of the application and the Staff Report, the Commission finds that CityNet's application should be granted. Having considered § 56-481.1 of the Code of Virginia, the Commission also finds that CityNet may price its interexchange telecommunications services competitively.

Accordingly, IT IS ORDERED THAT:

(1) CityNet Telecom of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-126A, 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 and the provisions of this Order.

(2) CityNet Telecom of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-531, 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 and the provisions of this Order.

(3) Pursuant to § 56-481.1 of the Code of Virginia, CityNet may price its interexchange telecommunications services competitively.

(4) CityNet shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) Should CityNet 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) CityNet shall provide audited financial statements of its parent, CityNet Telecommunications, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of CityNet'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. PUC000235
JANUARY 23, 2001

APPLICATION OF
EVOLUTION NETWORKS NORTH, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On September 25, 2000, Evolution Networks North, Inc. ("Evolution North" or "Company"), completed 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 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 October 11, 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 Evolution North's application.

On January 5, 2001, the Staff filed its Report finding that Evolution North'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 Evolution North'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 condition: at such time as voice services are initiated by the Company, Evolution North shall comply with all requirements of § C (Conditions for certification) of the Local Rules.

A hearing was conducted on January 17, 2001. Evolution North filed proof of publication and proof of service on December 12, 2000, as required by the October 11, 2000, Order. At the hearing, the application, 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) Evolution Networks North, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-130A, 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) Evolution Networks North, Inc., is hereby granted a certificate of public convenience and necessity, No. T-535, 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) 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) At such time as voice services are initiated by the Company, Evolution North 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. PUC000238
MARCH 1, 2001

APPLICATION OF
DYNAMIC TELCOM ENGINEERING II, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On November 3, 2000, DYNAMIC TELCOM ENGINEERING II, LLC ("DYNAMIC" 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 telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated January 5, 2001, 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 DYNAMIC's application. On February 14, 2001, DYNAMIC filed proof of publication and proof of service as required by the January 5, 2001, Order.

On February 8, 2001, the Staff filed its Report finding that DYNAMIC'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 DYNAMIC'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, DYNAMIC 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, LightSource Telecom, LLC, to the Division of Economics and Finance no later than one (1) year from the effective date of DYNAMIC's initial tariff.

A hearing was conducted on February 22, 2001. 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) DYNAMIC TELCOM ENGINEERING II, LLC, is hereby granted a certificate of public convenience and necessity, No. TT-135A, 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) DYNAMIC TELCOM ENGINEERING II, LLC, is hereby granted a certificate of public convenience and necessity, No. T-542, 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 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.

(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, LightSource Telecom, LLC, to the Division of Economics and Finance no later than one (1) year from the effective date of DYNAMIC's initial tariff.

(6) Pursuant to § 56-481.1 of the Code of Virginia, the Company 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. PUC000244
FEBRUARY 8, 2001

APPLICATION OF
IDS TELCOM LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On September 11, 2000, IDS Telcom LLC ("IDS" 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. IDS 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 October 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 IDS's application.

IDS filed its proof of publication and proof of service on December 28, 2000.

On January 19, 2001, the Staff filed its Report finding that IDS'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 IDS'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 IDS 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) IDS 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.

A hearing was conducted on January 31, 2001. At the hearing, the application and accompanying attachments, proof of publication and service, and the Staff Report were entered into the record without objection. No public witnesses appeared at the hearing.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that IDS 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 IDS may price its interexchange telecommunications services competitively.

Accordingly, IT IS ORDERED THAT:

(1) IDS Telcom LLC is hereby granted a certificate of public convenience and necessity, No. TT-132A, 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) IDS Telcom LLC is hereby granted a certificate of public convenience and necessity, No. T-536, 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 IDS 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 arrangements. Any escrow arrangement established pursuant to this Order shall be maintained for such time as the Staff or Commission determines is necessary.

(4) IDS shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(5) IDS shall provide its audited financial statements to the Division of Economics and Finance no later than one (1) year from the effective date of its initial tariff.

(6) Pursuant to § 56-481.1 of the Code of Virginia, IDS 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. PUC000250
JANUARY 25, 2001

APPLICATION OF
VERIZON VIRGINIA INC. f/k/a BELL ATLANTIC-VIRGINIA, INC.

For Exemption from Physical Collocation at its Madison, Remington, Spotsylvania, and The Crossings Central Offices

FINAL ORDER

On September 14, 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 Hartwood, Madison, Remington, Spotsylvania, and The Crossings central offices. Pursuant to the Commission's Order of October 25, 2000, Verizon Virginia was granted leave to withdraw its Hartwood office from the Application.[1] We will consider the remaining central offices.

On October 3, 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. No comments were received.

On November 21, 2000, the Staff filed its report in this case. The Staff reviewed the associated floor plans and other supporting documentation and toured the four central offices on September 21, 2000, and September 25, 2000. Based upon its investigation, the Staff does not object to granting the requested exemption for the Madison, Spotsylvania, and The Crossings central offices provided that exemptions for these three central offices terminate once anticipated building additions are completed. In the Remington central office, the Staff identified a small amount of space (approximately 120 to 150 square feet) located to the left of the front entrance which could be made available for collocation equipment in this central office.

On December 22, 2000, Verizon Virginia filed its Response to the Staff Report. In its Response, the company reported its architect's conclusion that the space identified by Staff cannot be properly utilized for collocation equipment without violating building codes, including aisle spacing requirements. The company produced pertinent building code requirements for proper aisle spacing around equipment, including the appropriate amount of space for egress, service access, and safety.

NOW UPON CONSIDERATION of the Application, § 251(c)(6) of the Act, the Commission's Collocation Rules, and the Staff Report and Response thereto, the Commission is of the opinion and finds that Verizon Virginia's request for exemptions from the requirement to provide physical collocation at its Madison, Remington, Spotsylvania, and The Crossings central offices should all be granted.

Accordingly, IT IS ORDERED THAT:

(1) Verizon Virginia's request for exemption from the requirements to provide physical collocation at its Madison, Remington, Spotsylvania, and The Crossings central offices is hereby granted.

(2) Once building additions are completed at the Madison, Spotsylvania, Remington, and The Crossings central offices, the exemptions will be terminated.

(3) There being nothing further to be done herein, this matter shall be dismissed from the Commission's docket of active cases and the papers filed herein placed in the Commission's file for ended causes.

[1] An exemption request for this office has since been refiled in Case No. PUC010006.

CASE NO. PUC000252
FEBRUARY 5, 2001

APPLICATION OF
TELERA COMMUNICATIONS OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On September 15, 2000, Telera Communications of Virginia, Inc. ("Telera" 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.

By Order dated October 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 Telera's application. On January 18, 2001, the Staff filed its report finding that Telera'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 Telera'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 Telera 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) Telera shall provide audited

financial statements of its ultimate parent, Telera, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of Telera's initial tariff.

On December 12, 2000, Telera filed proof of notice to the public and service on all local exchange and interexchange carriers certificated in Virginia, as required by the October 18, 2000, Order for Notice and Hearing.

A hearing was conducted on January 31, 2001. At the hearing, the application and accompanying attachments and the Staff Report were entered into the record without objection. Counsel for Telera agreed to the conditions contained in the Staff Report.

No public witnesses appeared at the hearing.

NOW UPON CONSIDERATION of the application and the Staff Report, the Commission finds that Telera's application should be granted. Having considered § 56-481.1 of the Code of Virginia, the Commission also finds that Telera may price its interexchange telecommunications services competitively.

Accordingly, IT IS ORDERED THAT:

(1) Telera Communications of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-133A, 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) Telera Communications of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-537, 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, Telera may price its interexchange telecommunications services competitively.

(4) Telera shall provide tariffs to the Division of Communications that conform with all applicable Commission rules and regulations.

(5) Should Telera 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) Telera shall provide audited financial statements of its ultimate parent, Telera, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of Telera'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. PUC000253
FEBRUARY 5, 2001

APPLICATION OF
TRANS NATIONAL COMMUNICATIONS INTERNATIONAL OF VIRGINIA, LLC

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On September 15, 2000, Trans National Communications International of Virginia, Inc., filed 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. Trans National Communications International of Virginia, Inc., filed an amendment to its application on November 8, 2000, to change its name to Trans National Communications International of Virginia, LLC ("Trans National" or "Applicant"). The remainder of the application remains unchanged.

By Order dated October 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 Trans National's application.

On January 16, 2001, the Staff filed its Report finding that Trans National'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 Trans National's application and unaudited financial statements, the Staff determined it would be appropriate to grant a local exchange certificate to Trans National subject to two conditions: (1) any customer deposits collected by Trans National 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) Trans National shall provide the audited financial statements of its parent, Trans National Communications International, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of Trans National's initial tariff.

On December 28, 2000, Trans National filed proof of notice to the public and service on all local and interexchange carriers certificated in Virginia, as required by the October 17, 2000, Order for Notice and Hearing.

A hearing was conducted on January 31, 2001. At the hearing, the application and accompanying attachments and the Staff Report were entered into the record without objection. Counsel for Trans National agreed to the conditions contained in the Staff Report.

No public witnesses appeared at the hearing.

NOW UPON CONSIDERATION of the application and the Staff Report, the Commission finds that Trans National's application should be granted.

Accordingly, IT IS ORDERED THAT:

(1) Trans National Communications International of Virginia, LLC, is hereby granted a certificate of public convenience and necessity, No. T-538, 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) Trans National shall provide tariffs to the Division of Communications that conform with all applicable Commission rules and regulations.

(3) Should Trans National 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.

(4) Trans National shall provide audited financial statements of its parent, Trans National Communications International, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of Trans National'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. PUC000254
JANUARY 16, 2001

APPLICATION OF
SBC TELECOM, INC.

For limited waivers of price ceilings for directory assistance and certain operator services, limited waiver of Commission rule governing utility customer deposit requirements, and requests for expedited review

FINAL ORDER

On September 18, 2000, SBC Telecom, Inc. ("SBCT" or "Applicant"), filed an Application with the State Corporation Commission ("Commission") for Limited Waivers of Price Ceilings for Directory Assistance and Certain Operator Services, Limited Waiver of Commission Rule Governing Utility Customer Deposit Requirements, and Request for Expedited Review ("Application"). The Application requested that the Commission waive the price ceilings for the following services: Third Number Billed, Operator Handled Calling Card, Collect Person-to-Person, Busy Line Verification, Busy Line Verification and Interrupt Services ("Operator Services"), and Directory Assistance. SBCT requested this waiver of the price ceilings pursuant to the Commission's Rules Governing the Offering of Competitive Local Exchange Telephone Service, 20 VAC 5-400-180 ("Local Rules").

The Applicant also requests a limited waiver of the Commission's Security Deposit Payment Rule, 20 VAC 5-10-20, granted in Case No. 19589 that allows residential customers to pay deposits greater than $40.00 over three monthly billing periods.

By Order dated October 17, 2000, the Commission directed the Applicant to provide notice to the public of its application which invited interested persons to file comments and/or request a hearing.

The Applicant filed its proof of publication and notice on November 9, 2000, and no comments or requests for hearing were received.

NOW THE COMMISSION, having considered SBCT's application, is of the opinion and finds that SBCT should be granted limited waivers of price ceilings for Directory Assistance and certain Operator Services and a partial waiver of the Commission's Security Deposit Payment Rule.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) SBCT is hereby granted a waiver pursuant to the Local Rules of the price ceiling for its Directory Assistance Service. This waiver is solely limited to Directory Assistance Service which provides access to both national numbers and local numbers at the same price. In conjunction with this service, SBCT shall provide call competition for local numbers at no charge.

(2) SBCT shall continue to provide a monthly free call allowance of three directory assistance calls. This monthly call allowance may be used for local or national directory assistance requests.

(3) SBCT is hereby granted a waiver pursuant to the Local Rules of the price ceilings for Third Number Billed, Operator Handled Calling Card, Collect Person-to-Person, Busy Line Verification, Busy Line Verification and Interrupt Services.

(4) SBCT shall upon request provide full disclosure to consumers on rates for the services listed above. In addition, in its initial information packages provided to customers, SBCT shall include detailed information on the pricing of these services.

(5) SBCT is hereby granted a partial waiver of the Commission's Security Deposit Payment Rule related to that portion of the Rule that allows residential customers to pay any deposits greater than $40.00 over three monthly billing periods. The Company will fully comply with all remaining requirements of the Security Deposit Payment Rule.

(6) There being nothing further to come before the Commission, this matter shall be continued generally.

CASE NO. PUC000254
JANUARY 24, 2001

APPLICATION OF
SBC TELECOM, INC.

For limited waivers of price ceilings for directory assistance and certain operator services, limited waiver of Commission rule governing utility customer deposits requirements, and requests for expedited review

AMENDING ORDER

On January 10, 2001, the State Corporation Commission ("Commission") issued its Final Order in the above-captioned case. The Commission directed SBC Telecom, Inc. ("SBCT" or "Company"), in Ordering Paragraph one (1): "In conjunction with this service, SBCT shall provide call competition for local numbers at no charge." Also, in Ordering Paragraph six (6), the Commission stated that: "There being nothing further to come before the Commission, this matter shall be continued generally."

It has come to the Commission's attention that the Final Order should have instead directed in Ordering Paragraph one (1) that: "In conjunction with this service, SBCT shall provide call completion for local numbers at no charge." In addition, the Final Order should have stated in Ordering Paragraph six (6) that: "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."

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) Ordering Paragraph one (1) of the January 10, 2001, Final Order shall be amended to state that: "In conjunction with this service, SBCT shall provide call completion for local numbers at no charge."

(2) Ordering Paragraph six (6) of the January 10, 2001, Final Order shall be amended to state that: "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."

(3) All other provisions of the Commission's Final Order of January 10, 2001, shall remain in effect.

CASE NO. PUC000256
FEBRUARY 5, 2001

APPLICATION OF
SPHERA OPTICAL NETWORKS (VIRGINIA) N.A., Inc.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On September 19, 2000, Sphera Optical Networks (Virginia) N.A., Inc. ("Sphera" 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.

By Order dated October 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 Sphera's application.

On October 27, 2000, Sphera filed its proof of service and subsequently filed its proof of publication on December 4, 2000, as required by the Commission's October 17, 2000, Order.

On January 17, 2001, the Staff filed its report finding that Sphera'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 Sphera'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 Sphera be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary; (2) Sphera shall provide audited financial statements of its parent, Sphera Optical Networks, Inc., to the Staff of the Division of Economics and Finance no later than one (1) year from the effective date of Sphera's initial tariff; and (3) at such time as voice services are initiated by the Company, Sphera shall comply with all requirements of § C (Conditions for certification) of the Local Rules.

A hearing was conducted on January 31, 2001. At the hearing, the application and accompanying attachments and the Staff Report were entered into the record without objection. No public witnesses appeared. By counsel, Sphera agreed to the conditions contained in the Staff Report.

NOW UPON CONSIDERATION of the application and the Staff Report, the Commission finds that Sphera's application should be granted. Having considered § 56-481.1 of the Code of Virginia, the Commission also finds that Sphera may price its interexchange telecommunications services competitively.

Accordingly, IT IS ORDERED THAT:

(1) Sphera Optical Networks (Virginia) N.A., Inc., is hereby granted a certificate of public convenience and necessity, No. TT-134A, 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) Sphera Optical Networks (Virginia) N.A., Inc., is hereby granted a certificate of public convenience and necessity, No. T-539, 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, and the provisions of this Order.

(3) Pursuant to § 56-481.1 of the Code of Virginia, Sphera may price its interexchange telecommunications services competitively.

(4) Sphera shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) Should Sphera 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 it is necessary.

(6) Sphera shall provide audited financial statements of its parent, Sphera Optical Networks, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of Sphera's initial tariff.

(7) At such time as voice services are initiated by the Company, Sphera 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. PUC000259
SEPTEMBER 7, 2001

APPLICATION OF
VERIZON VIRGINIA INC.
and
FOCAL COMMUNICATIONS CORPORATION OF VIRGINIA

DISMISSAL ORDER

On May 22, 2001, Verizon Virginia Inc. ("Verizon Virginia") and Focal Communications Corporation of Virginia ("Focal") (collectively, the "Parties"), filed a supplement to their interconnection agreement ("Supplement") requesting State Corporation Commission ("Commission") approval pursuant to § 252(e) of the Telecommunications Act of 1996 ("Act"), 47 U.S.C. § 252(e).[1] In that filing, the Parties stated that Focal has adopted the interconnection agreement between Verizon Virginia and Level 3 Communications, LLC. The Parties also stated that the underlying agreement and Supplement supercede an earlier agreement between the Parties, which was approved by the Commission on December 12, 2000, in Case No. PUC000259, and that they, therefore, request the Commission to dismiss such case.

NOW THE COMMISSION, having considered the matter, is of the opinion that the above-captioned proceeding should be dismissed.

Accordingly, IT IS ORDERED THAT this matter is hereby dismissed from the Commission's docket of active cases.

[1] An Order Approving Supplement was issued on August 7, 2001, in Case No. PUC010121. In that Order, the Commission noted that the Parties did not request approval of the underlying interconnection agreement pursuant to 252(e) of the Act or state authority and that the Order only approved the supplement to the agreement.

CASE NO. PUC000262
JANUARY 29, 2001

PETITION OF
CAVALIER TELEPHONE, LLC

For emergency relief to halt unlawful customer disconnects by Verizon Virginia Inc.

ORDER GRANTING INJUNCTION

On September 28, 2000, Cavalier Telephone, LLC ("Cavalier"), filed the above-captioned petition with the State Corporation Commission ("Commission"). A Preliminary Order was entered on October 3, 2000, directing Verizon Virginia Inc. ("Verizon Virginia") to file a response by October 6, 2000. With leave of the Commission, Verizon Virginia filed its initial response one day out of time, and Cavalier filed a reply on October 10, 2000.

On November 2, 2000, the Commission entered an Order Establishing Hearing, in which we scheduled the matters contained in the petition for hearing and directed the parties to present testimony in support of their pleadings.

On November 21, 2000, the matter was brought before us for hearing. Cavalier sponsored the testimony of six witnesses, including members of the public whose telephone service had been disrupted following their decision to convert their Verizon Virginia service to Cavalier. Verizon Virginia sponsored the testimony of three witnesses, who detailed the efforts made by the company, along with Cavalier, to address the admitted problem of these so-called "premature disconnections" of service. The parties differed on what constituted a premature disconnect and the responsibilities of each company in ensuring that a customer's service is not disrupted as it is being converted. However, for purposes of this Order, the term premature disconnect is defined as a disconnection or significant disruption of the customer's live service provided by Verizon Virginia before it is moved to Cavalier as intended by the customer. This definition should encompass most, if not all, types of disputed customer service disruptions including those involving hot cuts, new loop orders, and local number portability.

NOW THE COMMISSION, having considered the pleadings, the testimony adduced at the hearing, the applicable statutes and rules, and the parties' briefs, is of the opinion and finds that the relief requested by Cavalier should be granted, in part. Accordingly, we will enjoin Verizon Virginia from unreasonably disconnecting service to customers switching from its service to that of Cavalier before the Cavalier service is connected as intended. We find no evidence to suggest that the level of premature disconnects, which we find to be unacceptable, resulted from anything other than unintentional action. Nevertheless, we cannot condone this inattention to customer service. We direct our Staff to continue to monitor this issue. Further, we direct the parties to provide such information as requested by the Staff to assist in overseeing the rectification of such premature disconnect problems. The Staff shall provide us with periodic reports, beginning March 8, 2001, and continuing quarterly thereafter, unless, in the opinion of the Staff, service deterioration requires more frequent reporting. We admonish the parties to continue all cooperative efforts to ameliorate the problem of premature disconnection of service.

THEREFORE, IT IS ORDERED THAT:

(1) Verizon Virginia is enjoined from unreasonably disconnecting service prematurely to customers switching from its service to service provided by Cavalier.

(2) Beginning February 12, 2001, and by the fifteenth day of each month thereafter, Verizon Virginia and Cavalier shall provide monthly reports for the preceding month to the Division of Communications detailing the number, if any, of premature disconnections of service. Such reports may be filed jointly, or separately, as the parties desire. Each report shall categorize the type and, to the extent determinable, cause of each such disconnection.

(3) The Staff of the State Corporation Commission shall provide reports to the Commission on the status of this issue on a quarterly basis, beginning March 8, 2001, unless, in the opinion of the Staff, service deterioration warrants more frequent reporting or other action. Copies of such reports shall be provided to counsel for the parties.

(4) This matter is continued for further orders of the Commission.

CASE NO. PUC000273
APRIL 2, 2001

APPLICATION OF
TOUCH AMERICA, INC.-VIRGINIA

For a certificate of public convenience and necessity to provide facilities-based interexchange telecommunications services

FINAL ORDER

On October 13, 2000, Touch America, Inc.-Virginia ("Touch America" or the "Company"), filed an application with the State Corporation Commission ("Commission") for a certificate of public convenience and necessity to provide 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 December 20, 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 provided interested persons with the opportunity to comment and request a hearing on Touch America's application.

Touch America filed proof of publication and proof of service on February 2, 2001, as required by the December 20, 2000, Order.

On March 6, 2001, the Staff filed its Report finding that Touch America's application was in compliance with the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"). Based upon its review of Touch America's application, the Staff determined it would be appropriate to grant the Company a certificate to provide interexchange telecommunications services.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that the Company should be granted a certificate to provide 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) Touch America, Inc.-Virginia is hereby granted a certificate of public convenience and necessity, No. TT-145A, 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) The Company 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, the Company 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.

CASE NO. PUC000274
MARCH 1, 2001

APPLICATION OF
LIGHTWAVE COMMUNICATIONS, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On October 13, 2000, LightWave Communications, LLC ("LightWave" or "the 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. LightWave also requested authority to price it interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated December 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 LightWave's application.

LightWave filed its proof of publication and proof of service on January 17 and 23, 2001.

On February 8, 2001, the Staff filed its Report finding that LightWave'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 LightWave'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 LightWave shall be maintained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary; (2) LightWave shall provide audited financial statements of its parent, LightWave Communications, Inc., to the Division of Economics and Finance no later than one year from the date of its initial tariff; and (3) at such time as voice services are initiated by LightWave, it shall comply with all requirements of § C of the Local Rules.

A hearing was conducted on February 22, 2001. At the hearing, the application and accompanying attachments, proof of publication and service, and the Staff Report were entered into the record without objection. No public witnesses appeared at the hearing.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that LightWave 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 LightWave may price its interexchange telecommunications services competitively.

Accordingly, IT IS ORDERED THAT:

(1) LightWave Communications, LLC, is hereby granted a certificate of public convenience and necessity, No. TT-136A, 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) LightWave Communications, LLC, is hereby granted a certificate of public convenience and necessity, No. T-543, 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 LightWave 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.

(4) LightWave shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(5) LightWave shall provide audited financial statements of its parent, LightWave Communications, Inc., to the Division of Economics and Finance no later than one (1) year from the date of LightWave's initial tariff.

(6) At such time as voice services are initiated by LightWave, it shall comply with all requirements of § C of the Local Rules.

(7) Pursuant to § 56-481.1 of the Code of Virginia, LightWave may price its interexchange telecommunications 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. PUC000276
APRIL 19, 2001

APPLICATION OF
VERIZON VIRGINIA INC.

To implement extended local service from the Hampton zone of the Newport News Metropolitan exchange to GTE South Incorporated's Crittenden Exchange

FINAL ORDER

On October 17, 2000, Verizon Virginia Inc. ("Verizon Virginia" or "the Company") filed an application with the State Corporation Commission ("Commission") pursuant to Section 56-484.2 of the Code of Virginia ("Code"). Verizon Virginia proposed to notify its customers in the Hampton 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's (formerly known as GTE South Incorporated) Crittenden Exchange. Telephone customers in the Crittenden Exchange had previously petitioned the Commission for local calling to the Hampton Exchange. In a poll conducted in response to the petition, a majority of the Crittenden Exchange customers responding supported paying higher rates for local calling to the Hampton Exchange. A poll of the customers in the Hampton Exchange in response to this application was not required under Section 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 December 28, 2000, the Commission directed Verizon Virginia to provide notice of the proposed increases in monthly rates. Affected telephone customers were given until March 2, 2001, to file comments or request a hearing on the proposal. No comments or requests for hearing were filed. On February 27, 2001, Verizon Virginia filed proof of notice as required by the Commission's December 28, 2000, Order.

On March 9, 2001, 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 Verizon Virginia's Hampton Exchange to Verizon South's Crittenden Exchange shall be implemented.

(2) Verizon Virginia 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. PUC000277
APRIL 19, 2001

APPLICATION OF
VERIZON VIRGINIA INC.

To implement extended local service from the Chatham Exchange to the Whitmell Exchange

FINAL ORDER

On October 17, 2000, Verizon Virginia Inc. ("Verizon Virginia" or "the Company") filed an application with the State Corporation Commission ("Commission") pursuant to Section 56-484.2 of the Code of Virginia ("Code"). Verizon Virginia proposed to notify its customers in the Chatham Exchange of the increases in monthly rates that would be necessary to expand their local service to include Sprint/Centel's ("Centel") Whitmell Exchange. Telephone customers in the Whitmell Exchange had previously petitioned the Commission for local calling to the Chatham Exchange. In a poll conducted in response to the petition, a majority of the Whitmell Exchange customers responding supported paying higher rates for local calling to the Chatham Exchange. A poll

of the customers in the Chatham Exchange in response to this application was not required under Section 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 December 28, 2000, the Commission directed Verizon Virginia to provide notice of the proposed increases in monthly rates. Affected telephone customers were given until March 2, 2001, to file comments or request a hearing on the proposal. No comments or requests for hearing were filed. On February 27, 2001, Verizon Virginia filed proof of notice as required by the Commission's December 28, 2000, Order.

On March 9, 2001, 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 Verizon Virginia's Chatham Exchange to Centel's Whitmell Exchange shall be implemented.

(2) Verizon Virginia 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. PUC000278
APRIL 19, 2001

APPLICATION OF
VERIZON VIRGINIA INC.

To implement extended local service from the Lynchburg Exchange to the Rustburg Exchange

FINAL ORDER

On October 17, 2000, Verizon Virginia Inc. ("Verizon Virginia" or "the Company") filed an application with the State Corporation Commission ("Commission") pursuant to Section 56-484.2 of the Code of Virginia ("Code"). Verizon Virginia proposed to notify its customers in the Lynchburg Exchange of the increases in monthly rates that would be necessary to expand their local service to include Sprint/Centel's ("Centel") Rustburg Exchange. Telephone customers in the Rustburg Exchange had previously petitioned the Commission for local calling to the Lynchburg Exchange. In a poll conducted in response to the petition, a majority of the Rustburg Exchange customers responding supported paying higher rates for local calling to the Lynchburg Exchange. A poll of the customers in the Lynchburg Exchange in response to this application was not required under Section 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 December 28, 2000, the Commission directed Verizon Virginia to provide notice of the proposed increases in monthly rates. Affected telephone customers were given until March 2, 2001, to file comments or request a hearing on the proposal. No comments or requests for hearing were filed. On February 27, 2001, Verizon Virginia filed proof of notice as required by the Commission's December 28, 2000, Order.

On March 9, 2001, 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 Verizon Virginia's Lynchburg Exchange to Centel's Rustburg Exchange shall be implemented.

(2) Verizon Virginia 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. PUC000281
APRIL 20, 2001

APPLICATION OF
CORETEL VIRGINIA, LLC

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On January 23, 2001, CoreTel Virginia, LLC ("CoreTel" 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.

By Order dated February 16, 2001, 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 CoreTel's application. On March 27, 2001, CoreTel filed proof of publication and proof of service as required by the February 16, 2001, Order.

On March 30, 2001, the Staff filed its Report finding that CoreTel's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules"). Based upon its review of CoreTel'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, CoreTel shall establish and maintain an escrow account held by an unaffiliated third party, notify the Division of Economics and Finance of the escrow arrangement, and maintain the account until such time as the Staff or the Commission determines it is no longer necessary; and

(2) the Company shall provide audited financial statements of its affiliate, Core Communications, Inc., or audited consolidated financial statements of its parent, CoreTel Communications, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of CoreTel's initial tariff.

A hearing was conducted on April 11, 2001. 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) CoreTel Virginia, LLC, is hereby granted a certificate of public convenience and necessity, No. T-554, 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) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(3) 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 CoreTel shall be maintained for such time as the Staff or Commission determines is necessary.

(4) The Company shall provide audited financial statements of its affiliate, Core Communications, Inc., or audited consolidated financial statements of its parent, CoreTel Communications, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of CoreTel'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. PUC000286
JANUARY 30, 2001

APPLICATION OF
MOUNTAINET TELEPHONE COMPANY

For amendment of its certificate of public convenience and necessity to provide local exchange telecommunications services and for a certificate of public convenience and necessity to provide interexchange telecommunications services

FINAL ORDER

On October 23, 2000, MountaiNet Telephone Company ("MountaiNet" or "Company") filed an application with the State Corporation Commission ("Commission") to amend its certificate of public convenience and necessity for local exchange telecommunications services to provide local exchange telecommunications services throughout the Commonwealth of Virginia. MountaiNet also applied for a certificate of public convenience and necessity for interexchange telecommunications services to provide 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.

In MountaiNet Telephone Company, Case No. PUC000135, Final Order of October 19, 2000, the Commission granted the Company 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. In this application, MountaiNet seeks expanded authority to provide local exchange telecommunications services throughout Virginia.

By Order dated November 17, 2000, as amended by Order dated December 1, 2000, the Commission directed the Company to provide notice to the public of its application and directed the Commission Staff to conduct an investigation and file a Staff Report on MountaiNet's application.

On January 22, 2001, the 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") and the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"). Based

upon its review of MountaiNet's application, the Staff determined it would be appropriate to grant the Company an amended certificate to provide local exchange telecommunications services and a certificate to provide interexchange telecommunications services.

The Company filed its proofs of publication and service on January 16, 2001. The Commission received no comments or request for hearing on MountaiNet's application for an amended certificate to provide local exchange telecommunications services. No objections or comments were filed on the application for a certificate to provide interexchange telecommunications services.

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 and a certificate to provide 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) Certificate of public convenience and necessity No. T-510 to provide local exchange telecommunications services granted the Company in MountaiNet Telephone Company, Case No. PUC000135, Final Order of October 19, 2000, is cancelled and reissued as Certificate No. T-510a to provide local exchange telecommunications services throughout the Commonwealth of Virginia 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.

(2) MountaiNet Telephone Company is hereby granted a certificate of public convenience and necessity, No. TT-131A, to provide interexchange telecommunications services throughout the Commonwealth of Virginia subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(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. PUC000287
NOVEMBER 29, 2001

APPLICATION OF
VERIZON VIRGINIA INC.
and
BUSINESS TELECOM, INC. d/b/a BUSINESS TELECOM OF VIRGINIA, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

DISMISSAL ORDER

On October 24, 2000, Verizon Virginia Inc. ("Verizon Virginia") and Business Telecom, Inc. d/b/a Business Telecom of Virginia, Inc. ("BTI"), filed an interconnection agreement ("Agreement"), entered under §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, for State Corporation Commission ("Commission") approval pursuant to § 252(e) of the Act, 47 U.S.C. § 252(e). The Commission entered an Order Approving Agreement on January 5, 2001, in Case No. PUC000287.

On October 17, 2001, Verizon Virginia filed a joint application for approval of an Agreement between Verizon Virginia and BTI. This Agreement was assigned Case No. PUC010216 and approved on November 27, 2001. According to the cover letter accompanying that application, the Agreement approved by the Commission on January 5, 2001, in Case No. PUC000287 was replaced by the Agreement filed in Case No. PUC010216. Therefore, Case No. PUC000287 should be dismissed.

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that the Agreement approved in Case No. PUC010216 supersedes the Agreement approved in Case No. PUC000287 and that the captioned proceeding should be dismissed.

Accordingly, IT IS ORDERED THAT the Agreement approved in Case No. PUC010216 shall supersede the Agreement approved in Case No. PUC000287, and the captioned matter is hereby dismissed from the Commission's docket of active cases.

CASE NO. PUC000289
MARCH 13, 2001

APPLICATION OF
AFN TELECOM, LLC

For a certificate of public convenience and necessity to provide facilities-based interexchange telecommunications services

FINAL ORDER

On October 25, 2000, AFN Telecom, LLC ("AFN" 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 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 December 7, 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 January 31, 2001, and no comments or requests for hearing were received. On February 12, 2001, the Staff filed a report finding that AFN's application was in compliance with the Commission's Rules Governing the Certification of Interexchange Carriers.[1]

Based upon its review of AFN's application and the Applicant's responses to Staff data requests, the Staff determined it would be appropriate to grant an interexchange certificate to AFN.

NOW THE COMMISSION, having considered AFN's application and the Staff Report, is of the opinion and finds that AFN 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 AFN may price its interexchange telecommunications services competitively.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) AFN Telecom, LLC, is hereby granted a certificate of public convenience and necessity, No. TT-139A, 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) AFN 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, AFN 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 NOS. PUC000290 and PUC000291
NOVEMBER 29, 2001

JOINT APPLICATION OF
UNITED TELEPHONE – SOUTHEAST, INC.
and
1-800-RECONEX, INC.

CENTRAL TELEPHONE COMPANY OF VIRGINIA
and
1-800-RECONEX, INC.

For approval of an interconnection agreement under Section 252(e) of the Telecommunications Act of 1996

DISMISSAL ORDER

On October 30, 2000, United Telephone – Southeast, Inc., and Central Telephone Company of Virginia (collectively "United/Centel") and 1-800-RECONEX, Inc. ("1-800-RECONEX"), filed interconnection agreements ("Agreements"), entered under §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, for State Corporation Commission ("Commission") approval pursuant to § 252(e) of the Act, 47 U.S.C. § 252(e). These Agreements were approved by Orders Approving Agreements dated January 16, 2001, in Case Nos. PUC000290 and PUC000291.

On September 27, 2001, United/Centel filed an interconnection agreement between United/Centel and 1-800-RECONEX. This agreement was assigned Case No. PUC010199 and approved on November 27, 2001. Per letter enclosed with its application, United/Centel stated that PUC010199 replaced the prior approved agreements in PUC000290 and PUC000291. Therefore, Case Nos. PUC000290 and PUC000291 should be dismissed.

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that the agreement approved in Case No. PUC010199 supersedes the agreements approved in Case Nos. PUC000290 and PUC000291 and that the captioned proceedings should be dismissed.

Accordingly, IT IS ORDERED THAT the agreement approved in Case No. PUC010199 shall supersede the agreements approved in Case Nos. PUC000290 and PUC000291, and the captioned matters are hereby dismissed from the Commission's docket of active cases.

CASE NO. PUC000294
MARCH 23, 2001

APPLICATION OF
COMCAST BUSINESS COMMUNICATIONS OF VIRGINIA, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On December 27, 2000, Comcast Business Communications of Virginia, LLC ("CBC-Virginia" or the "Company"), completed 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 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 January 16, 2001, 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 CBC-Virginia's application.

CBC-Virginia filed proof of publication and proof of service on February 28, 2001, as required by the January 16, 2001, Order.

On March 7, 2001, the Staff filed its Report finding that CBC-Virginia'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 CBC-Virginia'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 March 21, 2001. 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) Comcast Business Communications of Virginia, LLC, is hereby granted a certificate of public convenience and necessity, No. TT-141A, 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) Comcast Business Communications of Virginia, LLC, is hereby granted a certificate of public convenience and necessity, No. T-546, 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) The Company 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, 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. PUC000295
MARCH 30, 2001

APPLICATION OF
REFLEX COMMUNICATIONS OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On November 3, 2000, ReFlex Communications of Virginia, Inc. ("ReFlex" 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. 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 January 16, 2001, 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 ReFlex's application. On February 20 and February 23, 2001, ReFlex filed proof of publication and proof of service as required by the January 16, 2001 Order.

On March 8, 2001, the Staff filed its Report finding that ReFlex'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 ReFlex'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, ReFlex 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 for its parent, ReFlex Communications, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of ReFlex's initial tariff; and (3) at such time as voice services are initiated by the Company, ReFlex shall comply with all requirements of § C (Conditions for certification) of the Local Rules.

A hearing was conducted on March 21, 2001. 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) ReFlex Communications of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-142A, 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) ReFlex Communications of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-547, 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) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications services competitively.

(4) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) Should ReFlex 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 ReFlex shall be maintained for such time as the Staff or Commission determines is necessary.

(6) ReFlex shall provide audited financial statements of its parent, ReFlex Communications, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of ReFlex's initial tariff.

(7) At such time as voice services are initiated by the Company, ReFlex 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 filed herein placed in the file for ended causes.

CASE NO. PUC000296
MARCH 1, 2001

APPLICATION OF
GLOBAL METRO NETWORKS DC, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On December 13, 2000, Global Metro Networks DC, LLC ("Global" 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 telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated January 5, 2001, 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 Global's application. On February 13, 2001, Global filed proof of publication and proof of service as required by the January 5, 2001, Order.

On February 12, 2001, the Staff filed its Report finding that Global'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").[1] Based upon its review of Global'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, Global 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 ultimate parent, Global Metro Networks, Ltd., to the Division of Economics and Finance no later than one (1) year from the effective date of Global's initial tariff; and (3) at such time as voice services are initiated by the Company, Global shall comply with all requirements of the conditions for certification, § C of the Local Rules.

A hearing was conducted on February 22, 2001. 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) Global Metro Networks DC, LLC, is hereby granted a certificate of public convenience and necessity, No. TT-137A, 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) Global Metro Networks DC, LLC, is hereby granted a certificate of public convenience and necessity, No. T-544, 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 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.

(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 ultimate parent, Global Metro Networks, Ltd., to the Division of Economics and Finance no later than one (1) year from the effective date of Global's initial tariff.

(6) At such time as voice services are initiated by the Company, Global shall comply with all requirements of the conditions for certification, § C of the Local Rules.

(7) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications 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.

[1] It was discovered that page six of the report was inadvertently omitted in the Staff Report. Page six was filed with the Clerk on February 20, 2001, and associated with the Staff Report.

CASE NO. PUC000301
JULY 27, 2001

PETITION OF
LIGHTRADE, INC.

For declaratory judgment

ORDER ON PETITION FOR DECLARATORY JUDGMENT

On November 8, 2000, LighTrade, Inc. ("LighTrade" or "Petitioner"), filed a petition for declaratory judgment ("Petition") with the State Corporation Commission ("Commission") requesting that the Commission state whether LighTrade is a public utility, as defined by § 56-232 of the Code of Virginia, so as to require it to obtain a certificate from the Commission prior to commencing operations in Virginia.

LighTrade states in its Petition that it plans to deploy carrier-neutral "pooling points" which will provide immediate provisioning and Quality of Service ("QoS") monitoring services for the delivery of telecommunications capacity sold or traded among other carriers. These pooling points, as described in the Petition, will enable the instantaneous transfer of bandwidth between multiple entities. In exchange for its services, LighTrade will collect a port usage fee and a fee for the real time-provisioning function.

NOW THE COMMISSION, having considered the Petitioner's request and applicable law, finds that LighTrade, as described in its Petition, is not a "public utility" as defined in § 56-232 of the Code of Virginia. We further find more pertinently that LighTrade is not a "public utility" for purposes of the Utility Facilities Act ("Facilities Act"), as defined in § 56-265.1 of the Code of Virginia, which is the more relevant section of the Code given that the

Facilities Act addresses the need for certificates of public convenience and necessity to furnish telephone services. Further, LighTrade does not require a certificate of public convenience and necessity prior to commencing operations in the Commonwealth.

We will respond to the Petitioner's questions by briefly discussing the application of § 56-232; however, as stated above, we believe the definition of "public utility" as described in § 56-265.1 is more germane to Petitioner's question as to whether it requires a certificate to deploy its services. Section 56-232 of the Code of Virginia defines a regulated "public utility" to include any corporation, company, or other entity or association that owns, manages, or controls any plant or equipment or part thereof for the "conveyance of telephone messages . . . either directly or indirectly, to or for the public." Based upon LighTrade's description of its proposed services, it will be furnishing equipment that does not appear to be used in the conveyance of telephone messages to the public. The carrier neutral "pooling points" will provide immediate provisioning and QoS monitoring services for the delivery of telecommunications capacity sold or traded among other carriers.

Nevertheless, because the Facilities Act governs the certification process for telephone companies, it would have been more appropriate for LighTrade to request that the Commission determine whether it is a public utility, as defined by § 56-265.1 of the Act. Section 56-265.1 defines public utility as "any company which owns or operates facilities within the Commonwealth of Virginia for the . . . furnishing of telephone service. . .." Based on the information provided to the Commission in its Petition, it appears LighTrade does not plan to own or operate "facilities" for furnishing telephone services, but instead plans to provide remote equipment to be used by telecommunications carriers to monitor the delivery of telecommunications capacity sold or traded among carriers. These facilities will not be directly utilized for furnishing telephone services.

LighTrade also requests that the Commission state whether it is necessary for it to obtain a certificate from the Commission prior to commencing operations in Virginia. We find that there is no provision of the Facilities Act that requires LighTrade to obtain a certificate to deploy its services.

However, if at some future time LighTrade changes the type or provisioning of its services so as to bring it within the definition of "public utility" as described in § 56-265.1, or another provision of the Facilities Act that requires certification, it may be subject to regulation by the Commission.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) LighTrade, Inc., as described in its Petition, is not a "public utility" as defined by § 56-232 of the Code of Virginia.

(2) LighTrade, Inc., as described in its Petition, is not a "public utility" as defined by § 56-265.1 of the Code of Virginia.

(3) To deploy the services described in its Petition, LighTrade does not require a certificate of public convenience and necessity pursuant to the Utility Facilities Act.

(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. PUC000303
MAY 18, 2001

APPLICATION OF
CONSOLIDATED EDISON COMMUNICATIONS OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On February 1, 2001, Consolidated Edison Communications of Virginia, Inc. ("Consolidated Edison" 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 telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated March 21, 2001, 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 Consolidated Edison's application. On April 9, 2001, Consolidated Edison filed proof of publication and proof of service as required by the March 21, 2001, Order.

On May 1, 2001, the Staff filed its Report finding that Consolidated Edison'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 Consolidated Edison'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, Consolidated Edison shall establish and maintain an escrow account held by an unaffiliated third party in a Virginia bank, notify the Division of Economics and Finance 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 for its parent, Consolidated Edison Communications, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of Consolidated Edison's initial tariff; and (3) at such time as voice services are initiated by the Company, Consolidated Edison shall comply with all requirements of § C (Conditions for Certification) of the Local Rules.

A hearing was conducted on May 10, 2001. 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) Consolidated Edison Communications of Virginia, Inc. is hereby granted a certificate of public convenience and necessity, No. TT-151A, 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) Consolidated Edison Communications of Virginia, Inc. is hereby granted a certificate of public convenience and necessity, No. T-556, 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) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications services competitively.

(4) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) Should the Company collect customer deposits, Consolidated Edison shall establish and maintain an escrow account for such funds held by an unaffiliated third party in a Virginia bank and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or the Commission determines it is no longer necessary.

(6) The Company shall provide audited financial statements for its parent, Consolidated Edison Communications, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of Consolidated Edison's initial tariff.

(7) At such time as voice services are initiated by the Company, Consolidated Edison 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 filed herein placed in the file for ended causes.

CASE NO. PUC000304
FEBRUARY 16, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of implementation of number conservation measures granted to Virginia by the Federal Communications Commission in its order released July 20, 2000

ORDER NAMING INTERIM POOLING ADMINISTRATOR AND IMPLEMENTING NUMBER POOLING

On November 29, 1999, the State Corporation Commission ("Commission") petitioned the Federal Communications Commission ("FCC") for authority to implement certain number conservation measures, including thousand-block number pooling.

On July 20, 2000, the FCC delegated to the Commission authority to implement number conservation measures, including authority to institute thousand-block number pooling.[1] Thousand-block number pooling allows numbers to be allocated in blocks of 1,000 rather than 10,000 (as required by the Central Office Code Assignment Guidelines) by a pooling administrator that coordinates the allocation of numbers to a particular service provider with the Number Portability Administration Center.

Selection of Number Pooling Administrator

The FCC's Delegation Order requires that all state commissions delegated number pooling authority select a neutral entity to administer the number pooling trial until such time as the FCC designates the national pooling administrator.[2] The interim number pooling administrator will be responsible for organizing and implementing the pooling trial and will assume the ongoing duty of fulfilling new number requests from carriers. The Commission's selection of an interim number pooling administrator will likely be superceded by the FCC when the FCC selects the national pooling administrator.

On November 9, 2000, we issued an Order directing the Commission Staff to request proposals from vendors interested in serving as Virginia's interim number pooling administrator and to make a selection based on the proposals received. The Commission Staff received proposals from two firms, Telcordia Technologies ("Telcordia") and NeuStar, Inc. Based on the presentations and proposals submitted by these two firms, the Staff recommended that Telcordia serve as the interim number pooling administrator for Virginia.

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[1] In the Matter of Numbering Resource Optimization, CC Docket Nos. 99-200, 96-98, NSD File No. L-99-95, ¶ 49 ("*FCC's Delegation Order*").

[2] FCC's Delegation Order, ¶ 20.

Implementation in 804 area code

The FCC's Delegation Order grants the Commission the authority to implement thousand-block number pooling in the 804, 757, and 540 area codes. However, this grant of authority extends to any new area code implemented to relieve an existing area code in which pooling is taking place. Although the Commission was delegated authority to implement thousand-block number pooling in multiple Numbering Plan Areas ("NPAs") within the state, we must first fully implement thousand-block number pooling in a single Metropolitan Statistical Area ("MSA") and may not expand to another MSA until pooling has been fully implemented in the initial MSA and after allowing carriers sufficient time to undertake necessary steps to accommodate thousand-block number pooling. These steps may include, among others, modifying databases and upgrading switch software.[3]

In Virginia, the Central Office Code Utilization Survey report indicates that the 804 area code will run out of numbers around April 1, 2002. Since the shortage of available central office codes or NXX codes[4] is most acute in this area code, we will first implement a thousand-block number pooling trial in the 804/434 NPA.[5]

June 15, 2001 Implementation Date

The Commission fully appreciates the extent of efforts required by carriers to establish a pooling trial. We believe an implementation date of June 15, 2001, to be practical and feasible. Number Portability Administration Center 3.0 software, which the Commission prefers over the current 1.4 software, is expected to be available by this implementation date. However, even if the 3.0 software is not available for use on June 15, 2001, carriers may be expected to use the 1.4 software to handle pooling, as has been accomplished in all other states currently running pooling trials.

The interim number pooling administrator should convene its First Implementation Meeting on March 7, 2001, to develop a work plan and implementation schedule with all Virginia NPA-NXX code holding carriers operating in the Commonwealth. Each such carrier will be required to implement number conservation measures and participate in thousand-block pooling when Local Number Portability ("LNP") capable.

Block Reclamation

For thousand-block number pooling to be successful in conserving telephone numbers, it is necessary for carriers to return under-used thousand number blocks to the pooling administrator. This will ensure that unused telephone numbers will be used efficiently by reassignment to other carriers requiring numbering resources. In determining what constitutes under-used thousand blocks, the Commission will use the national standard established by the FCC of ten percent (10%) "contamination."[6] In the Numbering Resource Optimization Order, the FCC found that "donation of thousand-blocks with up to a ten percent contamination threshold has the potential to add significant numbering resources in areas where thousands [sic]-block number pooling has been implemented."[7] Therefore, the Commission finds that all LNP-capable telecommunications service providers not exempted by the FCC shall return to the interim pooling administrator all thousand number blocks in the 804/434 NPA where less than 100 telephone numbers of a particular thousand block of numbers has been previously assigned. Further, consistent with the FCC's *Numbering Resource Optimization Order*, carriers holding number blocks in other NPAs should improve fill ratios on under-utilized number blocks and not contaminate unused and under-utilized number blocks (or initiate "block protection") in preparation for number pooling in those NPAs.

Cost Allocation and Recovery

Because the Commission's cost allocation and cost recovery method does not need to be adopted prior to implementing the first number pooling trial, we intend to work with the industry as well as consumers to devise cost allocation and cost recovery mechanisms for thousand-block number pooling. Specific discussion on these issues can begin at the First Implementation Meeting. The Commission will finalize the result of these discussions by subsequent order.

Accordingly, IT IS ORDERED THAT:

(1) The Commission designates Telcordia Technologies as the interim number pooling administrator for Virginia.

(2) The Commission's Division of Communications will issue a letter requesting that the North American Pooling Portability Management, LLC ("NAPM, LLC"), enter into a contract with Telcordia consistent with its proposals. This contract shall be worded so as not to encumber or usurp Commission authority.

(3) Telcordia shall be responsible for entering into appropriate agreements with members of the telecommunications industry and with NAPM, LLC, and for conducting all required meetings and pooling activities.

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[3] *FCC's Delegation Order*, ¶ 49.

[4] "Central office code" or "NXX code" refers to the second three digits of a ten-digit telephone number in the NPA-NXX-XXXX, when N represents any one of the numbers 2 through 9, and X represents any one of the numbers 0 through 9. See 47 C.F.R. § 52.7(c).

[5] In Case No. PUC990159, the Commission ordered a Geographic Split of the 804 area code. The western portion of the existing 804 area code will receive the new 434 area code. Permissive dialing is scheduled to begin in the 434 area code on June 1, 2001, with mandatory dialing to begin on January 15, 2002. Number pooling will be continued in both the 804 and 434 area codes in order to conserve numbering resources and extend the forecasted lives of both areas.

[6] In the Matter of Numbering Resource Optimization, CC Docket No. 99-200, FCC 00-104, Report and Order and Further Notice of Proposed Rulemaking, released March 31, 2000, ¶ 191 (*"Numbering Resource Optimization Order"*). "Contamination" refers to the assignment of particular numbers contained in the thousand-block.

[7] *Numbering Resource Optimization Order*, ¶ 191.

(4) Virginia's first interim thousand-block pooling trial will be implemented in the 804/434 NPA by Telcordia on June 15, 2001, as detailed in this Order.

(5) Telcordia shall convene a First Implementation Meeting on March 7, 2001, at 1:00 p.m. in the Commission's 3rd Floor Training Room, to develop a work plan and implementation schedule.

(6) Pursuant to the authority delegated to the Commission by the FCC and as set forth in this Order, all telecommunications service providers, when capable of Local Number Portability and not exempted by the FCC and who have been assigned central office codes in the 804/434 NPA, are hereby required to: (1) initiate block protection, as of the date of this Order, for one thousand blocks where number assignment is equal to or less than ten percent (10%); (2) donate under-used one thousand blocks to Virginia's interim pooling administrator; and (3) initiate the practice of sequential number assignment consistent with the FCC's directive in its March 31, 2000, *Numbering Resource Optimization Order*.[8]

(7) The Commission retains jurisdiction over this matter to issue such future orders and take such future actions as may be appropriate.

[8] *Numbering Resource Optimization Order*, ¶¶ 244-246.

CASE NO. PUC000304
MARCH 27, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of implementation of number conservation measures granted to Virginia by the Federal Communications Commission in its Order released July 20, 2000

ORDER IMPLEMENTING NUMBER POOLING IN THE 757 AND 540 AREA CODES

On February 16, 2001, the State Corporation Commission ("Commission") issued an Order naming Virginia's interim number pooling administrator and implementing number pooling in the 804/434 area code. In that Order, we named Telcordia Technologies ("Telcordia") as the interim number pooling administrator for Virginia and set a date of June 15, 2001, for implementation of our first thousand-block pooling trial in the 804/434 area code. That Order also directed Telcordia to convene a First Implementation Meeting on March 7, 2001, to develop a work plan and implementation schedule for roll out of thousand-block number pooling in the 804/434 area code. At that meeting, the industry participants agreed on a proposed timeline for pooling in this area code.

Since the pooling schedule for the 804/434 area code is underway, we now believe it is appropriate to set the implementation dates for thousand-block number pooling in the 757 and 540 area codes. We believe that, in order to ensure adequate numbering resources in the 757 and 540 area codes, it is important that we move forward in a timely fashion with implementation of number pooling in these areas.

Accordingly, IT IS ORDERED THAT:

(1) Telcordia shall convene an Implementation Meeting on May 3, 2001, at 10:30 a.m. in the Commission's 10th Floor Conference Room, to develop work plans and implementation schedules for thousand-block number pooling in the 757 and 540 area codes.

(2) A thousand-block number pooling trial will be implemented in the 757 area code by Telcordia on October 12, 2001.

(3) A thousand-block number pooling trial will be implemented in the 540 area code by Telcordia on November 15, 2001.

(4) Pursuant to the authority delegated to the Commission by the Federal Communications Commission ("FCC"), all telecommunications service providers, when capable of Local Number Portability and not exempted by the FCC and who have been assigned central office codes in the 757 and 540 area codes, are hereby required to: (i) initiate block protection, as of the date of this Order, for one thousand blocks where number assignment is equal to or less than ten percent (10%); (ii) donate under-used one thousand blocks to Virginia's interim pooling administrator; and (iii) initiate the practice of sequential number assignment consistent with the FCC's directive in its March 31, 2000, Order.[1]

(5) The Commission retains jurisdiction over this matter to issue such future orders and take such future actions as may be appropriate.

[1] In the Matter of Numbering Resource Optimization, CC Docket No. 99-200, FCC 00-104, Report and Order and Further Notice of Proposed Rulemaking, released March 31, 2000, ¶¶ 244-246.

CASE NO. PUC000304
SEPTEMBER 5, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of implementation of number conservation measures granted to Virginia by the Federal Communications Commission in its Order released July 20, 2000

ORDER ON COST ALLOCATION

On February 16, 2001, the State Corporation Commission ("Commission") issued an Order naming Telcordia Technologies ("Telcordia") as Virginia's interim number pooling administrator and implementing thousand-block number pooling ("TNP") in the 804/434 area code. Pursuant to that Order and a subsequent Order entered on March 27, 2001, Virginia's first interim thousand-block pooling trials have been, or will be, implemented in the 804/434, 757, and 540 area codes by Telcordia on June 15, October 12, and November 15, 2001, respectively.

In order to compensate Telcordia for its costs in conducting the number pooling trials in these Numbering Plan Areas ("NPAs"), the Commission must establish a cost allocation methodology to fairly distribute these costs amongst carriers in Virginia. By motion filed on June 25, 2001, the Commission Staff ("Staff") proposed a cost allocation methodology whereby each carrier's allocation of total shared costs would be prorated based upon the number of thousand blocks it holds in the NPA as a percentage of the total thousand-number blocks held by all carriers in that NPA.

In its motion, the Staff recommended charging for number pooling costs in direct proportion to the share of thousand-number blocks that carriers hold. As a result, Staff noted, no carrier would be placed at a competitive disadvantage by bearing a disproportionate share of pooling costs. Also, according to the Staff, this allocation method would direct each carrier to bear an equivalent share of costs in direct proportion to the resources it would withdraw from the system.

The Commission, by Order dated June 26, 2001, invited interested parties to comment on or before July 20, 2001, on Staff's proposed methodology for assessing the costs incurred in conducting the number pooling trials. On July 20, 2001, the Commission received comments from Verizon Virginia Inc. and Verizon South Inc. (collectively, "Verizon"), AT&T Communications of Virginia, Inc. ("AT&T"), and Sprint Communications Company of Virginia, Inc., Central Telephone Company of Virginia, and United Telephone-Southeast, Inc. (collectively, "Sprint").

All three interested parties opposed the Staff's proposed allocation methodology in favor of the Local Number Portability ("LNP") cost allocation methodology, which would allocate costs based upon a carrier's percentage of end-user revenues. Verizon states that carriers and pooling administrators already have processes in place for using the LNP cost allocation methodology to allocate TNP trial costs, and the imposition of a blocks-based methodology would be unduly burdensome to implement. Further, Verizon, AT&T, and Sprint state that with the FCC's selection of NeuStar as the National Thousand-Block Number Pooling Administrator, the period of time during which Virginia will be utilizing an interim pooling administrator is very brief. Therefore, the costs to be allocated in Virginia will be minimal.

On August 3, 2001, Cox Virginia Telecom, Inc. ("Cox") filed a motion to receive its comments late along with its comments on the Staff's proposed cost allocation methodology. Cox supported Staff's recommendation to implement block-based cost allocation but apparently misconstrued the substance of Staff's proposal as a proposal for cost allocation based on number utilization. It appears from the Staff's motion that its proposal is not based on number utilization, but rather on the number of total blocks allocated.

Although we believe the Staff's proposal provides a more equitable and non-discriminatory approach to cost allocation, we are persuaded by the majority of commentators that a revenue-based methodology is a more practical choice at this stage of the number pooling trials. The LNP method is similar to the federal LNP formula based upon carriers' percentages of end-user revenues, and carriers will likely be required to use this formula during the national rollout of number pooling, set to begin in March 2002. Moreover, those carriers most affected by the allocation methodology support the revenue-based system and are currently able to easily implement the methodology.

NOW THE COMMISSION, having considered the Staff's motion and the comments of interested parties, finds that the Staff's motion should be denied and that the Commission should adopt a cost allocation methodology based upon each carrier's end-user revenues for local, long distance, and international services to compensate Telcordia for the costs of conducting number pooling trials in the Commonwealth.

Accordingly, IT IS ORDERED THAT:

(1) The Staff's motion to adopt a cost allocation methodology based upon the number of retained thousand blocks in each NPA is denied.

(2) The Commission adopts a cost allocation methodology based on each carrier's end-user revenues for local, long distance, and international services. Telcordia shall use this LNP-based methodology to allocate its costs among the various revenue-producing carriers in Virginia.

(3) This matter is continued for further orders of the Commission.

CASE NO. PUC000304
OCTOBER 11, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of implementation of number conservation measures granted to Virginia by the Federal Communications Commission in its Order released July 20, 2000

ORDER DIRECTING TRANSITION FROM INTERIM POOLING ADMINISTRATOR TO NATIONAL POOLING ADMINISTRATOR

On July 20, 2000, the Federal Communications Commission ("FCC") delegated to the State Corporation Commission ("Commission") the authority to implement number conservation measures, including thousand-block number pooling in the 804, 757, and 540 area codes. The FCC required that the Commission delegate number pooling authority to a neutral entity to administer the number pooling trials until such time as the FCC designated the national pooling administrator.[1]

On February 16, 2001, the Commission issued an Order in this proceeding naming Telcordia Technologies ("Telcordia") as Virginia's interim number pooling administrator and implementing a thousand-block number pooling trial in the 804/434 area code.[2] This Order noted that the Commission's selection of an interim number pooling administrator would likely be superseded by the FCC when the FCC selected the national pooling administrator.

On June 18, 2001, the FCC's Common Carrier Bureau announced that it had selected NeuStar, Inc. ("NeuStar"), to be the National Thousands-Block Pooling Administrator.[3] The first round of implementation of the national pooling rollout is scheduled to begin in March 2002. Until the national framework is implemented, the Commission retains authority to implement number pooling trials.

On September 12, 2001, NeuStar submitted a letter to the Staff of the Commission ("Staff") advising of the need to transition Virginia's number pooling trials from Telcordia to NeuStar. NeuStar further advised that the administrative costs of the pooling trials under NeuStar will not exceed those reflected in the contract between Telcordia and NAPM LLC ("NAPM"), the company which administers the contract with Telcordia on behalf of the Commission.

On September 25, 2001, Telcordia submitted a letter to Staff advising that it supports transitioning the Virginia pooling trials to NeuStar. The letter further stated that Telcordia had consulted with NeuStar and the National Number Portability Operations team to develop a transition plan that would allow for completing the transition of all pooling trials in Virginia from Telcordia to NeuStar on or about October 12, 2001. This schedule would coincide with the start of pooling in the 757 area code on October 12, 2001. Pursuant to the Commission's February 16, 2001, Order, a subsequent Order entered herein on March 27, 2001, and an Order approving NPA relief for the 540 area code,[4] Virginia's interim thousand-block pooling trials have been, or are to be, implemented in the 804/434, 757, and 540/276 area codes on June 15, 2001, October 12, 2001, and November 15, 2001, respectively. Telcordia indicated that it had successfully transitioned pooling trials to NeuStar in five other states, and it was confident a transition would occur in Virginia with no significant disruption.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the transition of authority to administer Virginia's number pooling trials from Virginia's interim thousand-block number pooling administrator, Telcordia, to the national thousand-block number pooling administrator selected by the FCC, NeuStar, should take place on or before October 12, 2001. Telcordia and NeuStar have indicated they are willing and able to accomplish the transition by such date.

Accordingly, IT IS ORDERED THAT:

(1) The authority to administer Virginia's number pooling trials shall be transitioned from Telcordia to NeuStar on or before October 12, 2001. Telcordia and NeuStar shall work together in order to facilitate a seamless transition.

(2) The implementation of the Virginia thousand-block number pooling trials shall remain on schedule. The trials in the 757 and 540/276 area codes shall be implemented on October 12, 2001, and November 15, 2001, respectively.

(3) The terms and conditions of the contract between Telcordia and NAPM to administer the trials shall remain in effect. NAPM shall negotiate the assignment of the remainder of its contract with Telcordia to NeuStar.

(4) Telcordia and NeuStar shall report to the Staff upon the successful transitioning of the number pooling trials.

(5) This matter shall remain open for further orders of the Commission.

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[1] In the Matter of Numbering Resource Optimization, CC Docket Nos. 99-200, 96-98, NSD File No. L-99-95.

[2] In Case No. PUC990159, the Commission ordered a Geographic Split of the 804 area code such that the western portion of the area code will receive the new 434 area code. Commonwealth of Virginia, ex rel. State Corporation Commission Ex Parte: In re: Investigation of area relief for the 804 Numbering Plan Area, Case No. PUC990159, Order on Area Code Relief (December 1, 2000).

[3] Federal Communications Commission's Common Carrier Bureau Selects NeuStar, Inc. as National Thousands-Block Number Pooling Administrator, Docket No.: CC 99-200, 2001 WL 673705 (F.C.C. June 18, 2001).

[4] Commonwealth of Virginia, ex rel. State Corporation Commission Ex Parte: In re: Petition for approval of NPA relief plan for the 540 area code, Case No. PUC990207, Order on Area Code Relief (February 22, 2001).

CASE NO. PUC000305
AUGUST 7, 2001

APPLICATION OF
TELSEON CARRIER SERVICES OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On May 11, 2001, Telseon Carrier Services of Virginia, Inc. ("Telseon" 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 telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated June 6, 2001, 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 Telseon's application. On June 14, 2001, Telseon filed a motion to allow additional time in which to complete the required publication. An Order granting the motion was issued on June 15, 2001. On July 16, 2001, Telseon filed proof of publication and proof of service as required by the June 6, 2001, Order.

On July 19, 2001, the Staff filed its Report finding that Telseon'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 Telseon'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 Telseon collect customer deposits, it shall establish and maintain an escrow account for such funds, held in a Virginia office of a duly chartered state or national bank, savings and loan association or savings bank, or credit union that is unaffiliated with Telseon and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained 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 the Company, Telseon shall comply with all requirements of § C (Conditions for Certification) of the Local Rules.

A hearing was conducted on July 31, 2001. 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) Telseon is hereby granted a certificate of public convenience and necessity, No. TT-160A, 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) Telseon is hereby granted a certificate of public convenience and necessity, No. T-565, 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) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications services competitively.

(4) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) Should Telseon collect customer deposits, it shall establish and maintain an escrow account for such funds, held in a Virginia office of a duly chartered state or national bank, savings and loan association or savings bank, or credit union that is unaffiliated with Telseon and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

(6) At such time as voice services are initiated by the Company, Telseon shall comply with all requirements of § C (Conditions for Certification) of the Local Rules.

(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. PUC000306
MARCH 21, 2001

APPLICATION OF
STICKDOG TELECOM, INC.

To expand its service territory for the provision of local exchange telecommunications services as a reseller and facilities-based carrier to statewide; to request a certificate of public convenience and necessity for the provision of interexchange telecommunications services throughout the Commonwealth of Virginia; and for interim authority to provide local telecommunications services to customers of PICUS Communications, LLC

FINAL ORDER

On November 13, 2000, Stickdog Telecom, Inc. ("Stickdog" or "Applicant"), filed its application with the State Corporation Commission ("Commission") to amend its certificate of public convenience and necessity for authority to provide local exchange telecommunications services as a reseller and facilities-based carrier throughout the Commonwealth of Virginia; for authority to provide interexchange telecommunications services throughout the Commonwealth of Virginia; and for interim authority to provide local exchange telecommunications services to customers of PICUS Communications, LLC.[1]

By Order dated November 22, 2000, the Commission directed Stickdog to publish notice to the general public concerning its application to expand its local exchange authority to encompass the entire Commonwealth of Virginia and its request for interexchange telecommunications services authority statewide; directed the Commission Staff to conduct an investigation and file a Staff Report; and granted interim authority to Stickdog for the provision of non-facilities based resold local exchange telecommunications services to customers of PICUS Communications, LLC, located outside of Stickdog's current service territory. Stickdog filed the required proofs of publication and notice on January 17, 2001, and January 23, 2001. The November 22, 2000, Order also established a deadline of January 26, 2001, for persons to file comments or requests for hearing concerning Stickdog's application, and none were received.

On February 6, 2001, the Staff filed its report finding that Stickdog'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 Stickdog's application and unaudited financial statements, the Staff determined that it would be appropriate to expand Stickdog's current local exchange authority to statewide and to grant the Company an interexchange certificate, subject to two conditions: (1) the Company should continue to be bound by Ordering Paragraph (3) contained in the August 4, 1997, Final Order in Case No. PUC970050, which granted Stickdog's original local exchange certificate requiring that any customer deposits collected by Stickdog 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) Stickdog shall provide audited financial statements to the Staff of the Division of Economics and Finance no later than one (1) year from the date of the Commission's Final Order in this case.

NOW UPON CONSIDERATION of the application and the Staff Report, the Commission finds that Stickdog's application should be granted.

Accordingly, IT IS ORDERED THAT:

(1) The certificate of public convenience and necessity of Stickdog Telecom, Inc., No. T-383, is hereby canceled and reissued as Certificate No. T-383a to reflect that the local exchange service territory of Stickdog Telecom, Inc. has been expanded to encompass the entire Commonwealth and that the resale restriction has been removed.

(2) Stickdog Telecom, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-140A, 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.

(3) Stickdog shall continue to be bound by ordering paragraph three (3) contained in the August 4, 1997, Final Order in Case No. PUC970050, which granted Stickdog's original local exchange certificate. This condition required that should Stickdog collect customer deposits, it must establish and maintain an escrow account, held by an unaffiliated third party for such funds, and notify the Division of Economics and Finance of the escrow arrangement. That escrow account shall be maintained for such time as the Staff or Commission determines is necessary.

(4) Stickdog shall provide audited financial statements for itself to the Division of Economics and Finance no later than one (1) year from the date of the Commission's Final Order in this case.

(5) Stickdog shall provide revised tariffs to the Division of Communications that conform to all applicable Commission rules and regulations within sixty (60) days of issuance of this Order.

(6) There being nothing further to come before the Commission, this matter is dismissed and the papers accumulated herein shall be placed in the file for ended causes.

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[1] By Order dated August 4, 1997, in Case No. PUC970050, Stickdog was authorized to provide service as a non-facilities based reseller of local telecommunications services within the counties of Loudoun, Arlington, Fairfax, Prince William, and all municipalities located therein, and the cities of Alexandria, Falls Church, Fairfax, Manassas, and Manassas Park.

CASE NO. PUC000307
FEBRUARY 20, 2001

APPLICATION OF
VERIZON VIRGINIA INC.

For Exemption from Physical Collocation at its Bethia Central Office

FINAL ORDER

On November 13, 2000, Verizon Virginia Inc. ("Verizon Virginia"), filed with the State Corporation Commission ("Commission") a request for exemption (hereinafter, "Application") from the requirement of § 251(c) of the Act to provide physical collocation in its Bethia central office.

On December 7, 2000, the Commission entered a Preliminary Order granting interested parties an opportunity to comment on Verizon Virginia's request and further directed the Commission's Staff to investigate the requests for exemption and file a report. No comments were received, and Verizon Virginia did not respond to Staff's report.

On January 19, 2001, the Staff filed its report in this case. The Staff reviewed the associated floor plans and other supporting documentation and toured the central office to verify current utilization of floor space. Based upon its investigation, the Staff recommends that Verizon Virginia's requested exemption for its Bethia central office should be granted, provided that the exemption for this central office terminate once anticipated building additions are completed.

NOW UPON CONSIDERATION of the Application, § 251(c)(6) of the Act, the Commission's Collocation Rules, and the Staff Report, the Commission is of the opinion and finds that Verizon Virginia's request for exemption from the requirement to provide physical collocation at its Bethia central office should be granted.

Accordingly, IT IS ORDERED THAT:

(1) Verizon Virginia's request for exemption from the requirements to provide physical collocation at its Bethia central office is hereby granted.

(2) Once a building addition is completed at the Bethia central office, the exemption will be terminated.

(3) There being nothing further to be done herein, this matter shall be dismissed from the Commission's docket of active cases and the papers filed herein placed in the Commission's file for ended causes.

CASE NO. PUC000311
MARCH 29, 2001

APPLICATION OF
@LINK NETWORKS OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On November 20, 2000, @Link Networks of Virginia, Inc. ("@Link" 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. 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 January 23, 2001, 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 @Link's application. On March 6, 2001, @Link filed proof of publication and proof of service as required by the January 23, 2001, Order.

On March 8, 2001, the Staff filed its Report finding that @Link'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 @Link'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 condition: at such time as voice services are initiated by the Company, @Link shall comply with all requirements of § C (Conditions for Certification) of the Local Rules.

A hearing was conducted on March 21, 2001. At the hearing, the application and accompanying attachments and the Staff Report, as amended at the hearing, 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) @Link Networks of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-143A, 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) @Link Networks of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-548, 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) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications services competitively.

(4) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) At such time as voice services are initiated by the Company, @Link 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. PUC000316
MARCH 1, 2001

APPLICATION OF
EVEREST BROADBAND NETWORKS OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On November 30, 2000, Everest Broadband Networks of Virginia, Inc. ("Everest" or the "Company"), completed 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 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 January 4, 2001, 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 Everest's application.

Everest filed proof of publication and proof of service on January 23, 2001, as required by the January 4, 2001, Order.

On February 13, 2001, 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 Company certificates to provide local exchange and interexchange telecommunications services.

A hearing was conducted on February 22, 2001. 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) Everest Broadband Networks of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-138A, 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) Everest Broadband Networks of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-545, 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) 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. PUC000317
JANUARY 19, 2001

APPLICATION OF
DOMINION TELECOM, INC. f/k/a VPS COMMUNICATIONS INC.

For changes in certificates of public convenience and necessity following corporate name change

ORDER

On November 30, 2000, Dominion Telecom, Inc. ("DTI"), formerly known as VPS Communications, Inc. ("VPS"), moved the State Corporation Commission ("Commission") to cancel certificates of public convenience and necessity issued in the name of VPS and for the reissuance of the certificates in the DTI name. VPS officially changed its corporate name to DTI effective August 2, 2000.

The Commission has issued Certificate No. T-457a to VPS, allowing it to provide local exchange telecommunications services. It also has issued Certificate No. TT-38A to VPS, allowing it to provide interexchange telecommunications services. The Company requests that these certificates be cancelled and re-issued in the name of DTI.

NOW THE COMMISSION, having considered the application, is of the opinion and finds that the request is in the public interest and should be granted.

Accordingly, IT IS ORDERED THAT:

(1) This matter shall be docketed and assigned Case No. PUC000317.

(2) Certificate No. T-457a, issued in the name of VPS Communications, Inc., shall be cancelled and reissued as Certificate No. T-457b in the name of Dominion Telecom, Inc.

(3) Certificate No. TT-38A, issued in the name of VPS Communications, Inc., shall be cancelled and reissued as Certificate No. TT-38B in the name of Dominion Telecom, Inc.

(4) Any and all restrictions and conditions previously imposed on either certificate shall remain in effect.

(5) DTI shall file on or before February 28, 2001, new tariffs with the Division of Communications that reflect its new corporate name.

(6) This matter is dismissed.

CASE NO. PUC000319
FEBRUARY 22, 2001

JOINT APPLICATION OF
VERIZON VIRGINIA INC.
and
COMPASS TELECOMMUNICATIONS, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER GRANTING MOTION TO WITHDRAW APPLICATION

On November 29, 2000, Verizon Virginia Inc. ("Verizon Virginia") and Compass Telecommunications, Inc. ("Compass"), (collectively referenced as "Applicants") filed an interconnection agreement ("Agreement"), entered under §§ 251 and 252, for State Corporation Commission ("Commission") approval pursuant to § 252(e) of the Act, 47 U.S.C. § 252(e).

In a motion filed on February 20, 2001, Verizon Virginia and Compass request authority to withdraw the above-referenced application. Applicants note that the application incorrectly represents the status of Compass' application for authority to provide local exchange telecommunications services in Virginia. Applicants state, however, that they intend to file another application accurately reflecting the status of Compass' request for such authority.

NOW THE COMMISSION, having considered the Applicants' motion, is of the opinion and finds that such request is reasonable and should be granted.

Accordingly, IT IS ORDERED THAT:

(1) Verizon Virginia Inc.'s and Compass Telecommunications, Inc.'s joint motion to withdraw their application in the above-captioned matter is hereby granted.

(2) This matter is hereby dismissed.

CASE NO. PUC000321
MARCH 1, 2001

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA AND UNITED TELEPHONE-SOUTHEAST, INC.
and
@LINK NETWORKS, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER DISMISSING CASE

On December 5, 2000, Central Telephone Company of Virginia and United Telephone-Southeast, Inc. d/b/a Sprint ("Sprint"), and @Link Networks, Inc. d/b/a @Link ("@Link") filed with the State Corporation Commission ("Commission") an interconnection agreement, entered under §§ 251 and 252 of the Telecommunications Act of 1996, 47 U.S.C. §§ 251 and 252, for Commission approval pursuant to § 252(e) of the Act, 47 U.S.C. § 252(e).

On February 27, 2001, @Link filed a letter, which we will treat as a motion, with the Clerk of the Commission requesting to withdraw its application for approval of its interconnection agreement with Sprint.

NOW THE COMMISSION, having considered the motion, is of the opinion and 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. PUC000324
APRIL 19, 2001

APPLICATION OF
AMERICAN FIBER SYSTEMS VA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On December 6, 2000, American Fiber Systems VA, Inc. ("American Fiber" 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. 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 January 17, 2001, 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 American Fiber's application. On January 31, 2001, American Fiber filed proof of service of the notice of the Company's application on all current local exchange and interexchange carriers certificated in the Commonwealth. On March 8, 2001, American Fiber filed proof of publication in newspapers having general circulation throughout the Company's proposed service territory.

On March 19, 2001, the Staff filed its Report finding that American Fiber'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 American Fiber's application, the Staff determined it would be appropriate to grant the Company certificates to provide local exchange and interexchange telecommunications services subject to three conditions. First, should American Fiber collect customer deposits, the Company 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 American Fiber shall be maintained for such time as the Staff or Commission determines is necessary. Second, the Company shall provide audited financial statements of its parent, American Fiber Systems, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of American Fiber's initial tariff. Finally, at such time as voice services are initiated by the Company, American Fiber shall comply with all requirements of § C (Conditions for certification) of the Local Rules.

A hearing was conducted on March 28, 2001. 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) American Fiber Systems VA, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-147A, 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) American Fiber Systems VA, Inc., is hereby granted a certificate of public convenience and necessity, No. T-551, 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) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications services competitively.

(4) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) Should American Fiber collect customer deposits, the Company 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 American Fiber shall be maintained for such time as the Staff or Commission determines is necessary.

(6) The Company shall provide audited financial statements of its parent, American Fiber Systems, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of American Fiber's initial tariff.

(7) At such time as voice services are initiated by the Company, American Fiber 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 filed herein placed in the file for ended causes.

CASE NO. PUC000325
FEBRUARY 15, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, In re: Investigation of provision of service of PICUS Communications of Virginia, Inc.

ORDER TERMINATING 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 were advised by our Staff that the Company was alleged to be in arrears under its interconnection agreement with Verizon Virginia Inc. ("Verizon Virginia") and that the latter company proposed to discontinue providing service to PICUS on or about December 18, 2000.

In response to these events, we entered our Order Establishing Investigation, dated December 8, 2000, directing other interested carriers to advise us of their willingness and ability to render assistance to avert the potential loss of dial tone to several thousand PICUS customers. The Commission envisioned assignment, to such other carrier or carriers willing to provide service, of those customers of PICUS who did not designate an alternative carrier.

We received comments from a number of carriers interested in providing service. At the request of the Director of the Commission's Division of Communications, the Company has made its customer lists available to those carriers filing comments herein who desired to direct market services to PICUS customers. Our investigation and other actions by the industry and our Staff to protect PICUS customers from loss of service have been generally well reported in the media. As a result of these efforts, in the intervening weeks the number of customers failing to designate a new carrier has been substantially reduced. Further, during this investigation Verizon Virginia has continued to provide its service to PICUS, thus enabling PICUS to deliver dial tone to its customers.

We have now concluded that the public interest does not require the direct assignment of PICUS' remaining customers to alternate carriers. Accordingly, we direct Verizon Virginia to commence terminating the provision of service to PICUS for those customers who have not placed orders to switch service to another carrier, beginning March 1, 2000. We believe that customers have now had more than adequate notification and opportunity to make alternate arrangements for their telephone service. Further, we commend Verizon Virginia for continuing to provide service to PICUS during the period of our investigation. We further commend PICUS for its efforts to transition its customer base with minimal disruption of service. We must observe, however, that we cannot require and do not expect any carrier to provide uncompensated service *ad infinitum*.

Accordingly, IT IS ORDERED THAT:

(1) Beginning March 1, 2001, Verizon Virginia Inc. shall commence terminating provision of service to PICUS.

(2) Verizon Virginia Inc. shall not terminate service to PICUS for any PICUS customer who, according to Verizon Virginia's records, has placed an order to switch service to another carrier.

(3) This matter is DISMISSED.

CASE NO. PUC000327
DECEMBER 14, 2001

PETITION OF
MCI WORLDCOM COMMUNICATIONS, INC.
and
MCI WORLDCOM COMMUNICATIONS OF VIRGINIA, INC.

For Commission Order against Verizon Virginia Inc. for Inadequate and Discriminatory Intrastate Access Services Provisioning

ORDER DISMISSING PETITION

On December 8, 2000, MCI WORLDCOM Communications, Inc., and MCI WORLDCOM Communications of Virginia, Inc. (collectively, "WORLDCOM"), filed with the State Corporation Commission ("Commission") the above-captioned Petition. The matter was docketed and assigned to a Hearing Examiner by Order of February 16, 2001. On December 11, 2001, WORLDCOM filed a letter with the Commission stating that WORLDCOM and Verizon Virginia Inc. have entered into a settlement agreement and that no further action by the Commission would be necessary. Therefore, WORLDCOM requests that the Petition be withdrawn with prejudice. On December 12, 2001, a Report of the Hearing Examiner was entered recommending that the Commission enter an order dismissing this matter from the docket.

NOW THE COMMISSION, having considered the letter filed by WORLDCOM and the recommendation of the Hearing Examiner, is of the opinion and finds that the Petition filed by WORLDCOM on December 8, 2000, against Verizon Virginia Inc. should be dismissed with prejudice.

Accordingly, IT IS THEREFORE ORDERED THAT the Petition filed by WORLDCOM in this matter is hereby dismissed with prejudice, and the papers filed herein in this proceeding shall be placed in the file for ended causes.

CASE NO. PUC000333
APRIL 2, 2001

APPLICATION OF
VIVO-VA, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On December 28, 2000, VIVO-VA, LLC ("VIVO-VA" 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. 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 February 5, 2001, 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 VIVO-VA's application. On February 8, 2001, VIVO-VA filed a Motion for Amendment to reschedule certain prehearing matters originally scheduled in the February 5, 2001, Order; and on February 14, 2001, an Amended Order for Notice and Hearing was entered. On February 28, 2001, VIVO-VA filed proof of publication and proof of service as required by the February 14, 2001, Amended Order.

On March 15, 2001, the Staff filed its Report finding that VIVO-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 VIVO-VA'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, VIVO-VA shall establish and maintain an escrow account held by an unaffiliated third party, notify the Division of Economics and Finance 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 affiliate, VIVO-TN, LLC, to the Division of Economics and Finance no later than one (1) year from the effective date of VIVO-VA's initial tariff.

A hearing was conducted on March 28, 2001. 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) VIVO-VA, LLC is hereby granted a certificate of public convenience and necessity, No. TT-148A, 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) VIVO-VA, LLC is hereby granted a certificate of public convenience and necessity, No. T-552, 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) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications services competitively.

(4) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) Should VIVO-VA collect customer deposits, it shall establish and maintain an escrow account, held by an unaffiliated third party for such funds, and shall notify the Division of Economics and Finance of the escrow arrangement. Any escrow arrangement established by VIVO-VA shall be maintained for such time as the Staff or Commission determines is necessary.

(6) VIVO-VA shall provide audited financial statements of its affiliate, VIVO-TN, LLC, to the Division of Economics and Finance no later than one (1) year from the effective date of VIVO-VA's initial tariff.

(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. PUC010001
FEBRUARY 5, 2001

APPLICATION OF
XO VIRGINIA, LLC

For changes in certificates of public convenience and necessity following corporate name change

ORDER

On December 29, 2000, XO Virginia, LLC ("XO"), filed a letter with the State Corporation Commission ("Commission") advising of the official change of its corporate name from that of NEXTLINK Virginia, L.L.C. We will deem the letter to be an application requesting the cancellation and reissuance of certain certificates of public convenience and necessity to reflect its corporate name change.

On July 28, 1998, the Commission entered its Final Order in Case No. PUC980065, granting to NEXTLINK Virginia, L.L.C., Certificate No. TT-55A to provide interexchange telecommunications services and Certificate No. T-415 to provide local exchange telecommunications services within the Commonwealth of Virginia, subject to compliance with the appropriate rules governing the provision of these services. The Commission is of the opinion and finds that Certificates No. TT-55A and T-415 should be cancelled and reissued in the name of XO Virginia, LLC.

Accordingly, IT IS ORDERED THAT:

(1) This matter should be docketed and assigned Case No. PUC010001.

(2) Certificate No. TT-55A is cancelled and shall be reissued as Certificate No. TT-55B, in the name of XO Virginia, LLC.

(3) Certificate No. T-415 is cancelled and shall be reissued as Certificate No. T-415a, in the name of XO Virginia, LLC.

(4) XO Virginia, LLC, shall file replacement tariffs with the Commission's Division of Communications reflecting its correct corporate name within sixty (60) days of the date of this Order.

(5) There being nothing further to come before the Commission, this matter is dismissed.

CASE NO. PUC010002
MARCH 27, 2001

APPLICATION OF
TELICOR OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On December 29, 2000, Telicor of Virginia, Inc. ("Telicor" 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. 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 January 16, 2001, 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 Telicor's application. On February 20, 2001, Telicor filed proof of publication and proof of service as required by the January 16, 2001, Order.

On March 6, 2001, the Staff filed its Report finding that Telicor'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 Telicor'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, Telicor shall establish and maintain an escrow account held by an unaffiliated third party, notify the Division of Economics and Finance 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, Telicor Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of Telicor's initial tariff.

A hearing was conducted on March 21, 2001. 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) Telicor of Virginia, Inc. is hereby granted a certificate of public convenience and necessity, No. TT-144A, 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) Telicor of Virginia, Inc. is hereby granted a certificate of public convenience and necessity, No. T-549, 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) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications services competitively.

(4) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) Should the Company collect customer deposits, Telicor shall establish and maintain an escrow account held by an unaffiliated third party, notify the Division of Economics and Finance of the escrow arrangement, and maintain the account until such time as the Staff or Commission determines it is no longer necessary.

(6) The Company shall provide audited financial statements of its parent, Telicor Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of Telicor's initial tariff.

(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. PUC010003
JUNE 6, 2001

APPLICATION OF
ZEPHION NETWORKS COMMUNICATIONS OF VIRGINIA, INC. f/k/a DOMINO NETWORKS COMMUNICATIONS OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On February 2, 2001, Zephion Networks Communications of Virginia, Inc. ("Zephion" 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 telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Amended Order dated March 13, 2001, 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 Zephion's application. On March 19, 2001, Zephion filed proof of service, and on April 18, 2001, Zephion filed proof of publication, all as required by the March 13, 2001, Amended Order.

On May 11, 2001, the Staff filed its Report finding that Zephion'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 Zephion'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, Zephion shall establish and maintain an escrow account held by an unaffiliated third party in a Virginia bank, notify the Division of Economics and Finance 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 for its parent, Zephion Networks, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of Zephion's initial tariff.

A hearing was conducted on May 22, 2001. 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) Zephion is hereby granted a certificate of public convenience and necessity, No. TT-155A, 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) Zephion is hereby granted a certificate of public convenience and necessity, No. T-561, 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) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications services competitively.

(4) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) Should the Company collect customer deposits, Zephion shall establish and maintain an escrow account for such funds, held by an unaffiliated third party in a Virginia bank, and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

(6) The Company shall provide audited financial statements for its parent, Zephion Networks, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of Zephion's initial tariff.

(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. PUC010006
APRIL 19, 2001

APPLICATION OF
VERIZON VIRGINIA INC.

For Exemption from Physical Collocation at its Mason Cove Central Office

FINAL ORDER

On January 4, 2001, Verizon 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 Hartwood and Mason Cove central offices. On March 15, 2001, Verizon Virginia withdrew its request for exemption for its Hartwood central office and said withdrawal was granted by the Commission's Order of March 19, 2001.

On January 22, 2001, the Commission entered a Preliminary Order granting interested parties an opportunity to comment on Verizon Virginia's request and further directed the Commission's Staff to investigate the requests for exemption and file a report. No comments were received, and Verizon Virginia did not respond to the Staff's Report.

On March 19, 2001, the Staff filed its report in this case. Based upon its investigation, the Staff recommends that Verizon Virginia's requested exemption for its Mason Cove central office should be granted, provided that the exemption for this central office terminate once anticipated building additions are completed.

NOW UPON CONSIDERATION of the Application, § 251(c)(6) of the Act, the Commission's Collocation Rules, and the Staff Report, the Commission is of the opinion and finds that Verizon Virginia's request for exemption from the requirement to provide physical collocation at its Mason Cove central office should be granted.

Accordingly, IT IS ORDERED THAT:

(1) Verizon Virginia's request for exemption from the requirements to provide physical collocation at its Mason Cove central office is hereby granted.

(2) Once a building addition is completed at the Mason Cove central office, the exemption will be terminated.

(3) There being nothing further to be done herein, this matter shall be dismissed from the Commission's docket of active cases and the papers filed herein placed in the Commission's file for ended causes.

CASE NO. PUC010008
APRIL 27, 2001

PETITION OF
BROADSLATE NETWORKS OF VIRGINIA, INC.

For inquiry into loop provisioning activities of Verizon Virginia Inc.

FINAL ORDER

On January 9, 2001, BroadSlate Networks of Virginia, Inc. ("BroadSlate"), filed a Petition for Commencement of an Inquiry into the Loop Provisioning Activities of Verizon Virginia Inc. ("Verizon Virginia") ("Petition").

On January 26, 2001, the State Corporation Commission ("Commission") entered a Preliminary Order docketing this matter and ordering Verizon Virginia to file a response to the BroadSlate petition and ordering that comments from interested parties be filed on or before March 1, 2001.

On February 2, 2001, Verizon Virginia filed a motion for extension of time to respond to BroadSlate's Petition.

On February 15, 2001, BroadSlate and Verizon Virginia filed a Joint Motion to Modify the Schedule ("Joint Motion").

By Order of February 22, 2001, we granted the parties' Joint Motion and required that BroadSlate advise the Commission on or before April 20, 2001, if it would continue to pursue its Petition and whether any issues remain to be decided. In addition, we required Verizon Virginia to file its response to BroadSlate's filing on or before May 4, 2001, and other interested parties to file comments on or before May 18, 2001. Comments were filed by ALLTEL on March 28, 2001.

On April 20, 2001, BroadSlate filed its comments, which stated that "the Commission does not need to proceed with an investigation into Verizon's loop provisioning process as they pertain and/or apply to BroadSlate."[1]

On April 23, 2001, Verizon Virginia, pursuant to Rule 5:16 of the Rules and Procedures of the Commission, filed its Motion to Dismiss the Petition of BroadSlate ("Motion to Dismiss").

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) The Commission shall grant Verizon Virginia's Motion to Dismiss and will not commence any investigation into the loop provisioning activities of Verizon Virginia at this time. However, the Commission will consider whether such a loop provisioning investigation should be initiated at a later time in response to any similar petitions or complaints by BroadSlate or any other parties.

(2) This matter is dismissed and the papers filed herein shall be placed in the file for ended cause.

[1] See BroadSlate's Comments and Advice dated April 20, 2001.

CASE NO. PUC010011
APRIL 20, 2001

APPLICATION OF
AES COMMUNICATIONS, L.L.C.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On January 29, 2001, AES Communications, L.L.C., ("AES" 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 telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated February 16, 2001, 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 AES's application. On March 13, 2001, AES filed proof of publication and proof of service as required by the February 16, 2001, Order.

On March 30, 2001, the Staff filed its Report finding that AES'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 AES'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 April 11, 2001. 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) AES Communications, L.L.C., is hereby granted a certificate of public convenience and necessity, No. TT-149A, 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) AES Communications, L.L.C., is hereby granted a certificate of public convenience and necessity, No. T-553, 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) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications services competitively.

(4) The Company 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 filed herein placed in the file for ended causes.

CASE NO. PUC010013
JANUARY 19, 2001

APPLICATION OF
ADELPHIA BUSINESS SOLUTIONS OF VIRGINIA, L.L.C.

For changes in certificates of public convenience and necessity following merger of subsidiaries and corporate name change of parent

ORDER DIRECTING CORRECTION OF CERTIFICATES

On January 6, 2000, Adelphia Business Solutions of Virginia, L.L.C. ("Adelphia"), filed a letter application with the State Corporation Commission ("Commission") 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 January 14, 2000, we issued an Order granting the requested cancellation and re-issuance of the certificates in Case No. PUC000011. In the caption of the Order and in certain ordering paragraphs, we erroneously identified the applicant as "Adelphia Business Solutions of Virginia, Inc." The text of the Order correctly identified the applicant as "Adelphia Business Solutions of Virginia, L.L.C." However, it has come to our attention that the certificates[1] issued in response to our Order of January 14, 2000, also identified the recipient as "Adelphia Business Solutions of Virginia, Inc.," and should be corrected.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUC010013.

(2) The caption and Ordering Paragraph Nos. 4, 5, and 6 of the Commission's January 14, 2000, Order in Case No. PUC000011 shall be deemed amended so as to identify correctly the applicant as Adelphia Business Solutions of Virginia, L.L.C., and a copy of this Order shall be associated with the case file for that case.

(3) Certificates T-433a and TT-63B, issued in Case No. PUC000011, shall be cancelled and reissued as T-433b and TT-63c in the name of Adelphia Business Solutions of Virginia, L.L.C.

(4) There being nothing further to come before the Commission, this matter is dismissed.

[1] Certificate Nos. T-433a (local exchange) and TT-63B (interexchange).

CASE NO. PUC010016
FEBRUARY 5, 2001

APPLICATION OF
CARONET, INC. f/k/a INTERPATH COMMUNICATIONS, INC.

For cancellation and reissuance of certificates of public convenience and necessity to reflect corporate name change

ORDER

By Orders entered February 18 and 25, 1999, in Case No. PUC980164, the State Corporation Commission ("Commission") granted Interpath Communications, Inc. ("Interpath"), Certificate No. T-434 to provide local exchange telecommunications services and Certificate No. TT-64A to provide interexchange telecommunications services in the Commonwealth of Virginia.

Subsequently, Interpath changed its corporate name to Caronet, Inc. ("Caronet"), and has by letter dated January 18, 2001, requested the cancellation of the Interpath certificates and reissuance of the certificates in its new name. For good cause shown, the Commission will grant the request.

Accordingly, IT IS ORDERED THAT:

(1) This matter should be docketed and assigned Case No. PUC010016.

(2) Certificate No. TT-64A shall be cancelled and reissued as Certificate No. TT-64B in the name of Caronet, Inc.

(3) Certificate No. T-434 shall be cancelled and reissued as Certificate No. T-434a in the name of Caronet, Inc.

(4) Caronet shall within sixty (60) days of the date of this Order file replacement tariffs with the Commission's Division of Communications reflecting its correct corporate name.

(5) There being nothing further to come before the Commission, this matter is dismissed.

CASE NO. PUC010017
MAY 9, 2001

APPLICATION OF
CAMBRIAN COMMUNICATIONS OF VIRGINIA LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On January 22, 2001, Cambrian Communications of Virginia LLC ("Cambrian" 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. 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 March 1, 2001, 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 Cambrian's application. On April 23, 2001, Cambrian filed proof of publication and proof of service as required by the March 1, 2001, Order.

On April 18, 2001, the Staff filed its Report finding that Cambrian'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 Cambrian's application, the Staff determined it would be appropriate to grant the Company certificates to provide local exchange and interexchange telecommunications services subject to two conditions. First, should the Company collect customer deposits, Cambrian 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 Cambrian shall be maintained for such time as the Staff or Commission determines is necessary. Second, the Company shall provide audited financial statements for its parent, Cambrian Communications, LLC, to the Division of Economics and Finance no later than one (1) year from the effective date of Cambrian's initial tariff.

A hearing was conducted on April 25, 2001. 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) Cambrian Communications of Virginia LLC is hereby granted a certificate of public convenience and necessity, No. TT-150A, 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) Cambrian Communications of Virginia LLC is hereby granted a certificate of public convenience and necessity, No. T-555, 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) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications services competitively.

(4) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) Should the Company collect customer deposits, Cambrian 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 Cambrian shall be maintained for such time as the Staff or Commission determines is necessary.

(6) The Company shall provide audited financial statements for its parent, Cambrian Communications, LLC, to the Division of Economics and Finance no later than one (1) year from the effective date of Cambrian's initial tariff.

(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. PUC010018
MAY 7, 2001

APPLICATION OF
NTELOS TELEPHONE INC. f/k/a CFW TELEPHONE INC.

For amended certificate under Utilities Facilities Act

ORDER GRANTING AMENDED CERTIFICATE

On July 7, 2000, NTELOS Telephone Inc. f/k/a CFW Telephone Inc. ("NTELOS") submitted to the Division of Communications of the State Corporation Commission ("Commission") a letter and accompanying maps reflecting a certain "agreed upon boundary change" in Augusta County. The letter and maps were filed with the Clerk of the Commission on January 23, 2001. The Commission understands that NTELOS seeks a revision to its Certificate No. T-115f to effect a change in its service territory boundary with Verizon South Incorporated ("Verizon South") in order to properly demarcate what has been in practice the service territory boundary between the two companies in Augusta County. The Commission further understands that no existing customers are affected.

The Commission finds that the public interest is served by the proposed boundary change as described by NTELOS and should be approved. This boundary change should become effective with the boundary change for Verizon South approved this date in Case No. PUC010020.

Accordingly, IT IS ORDERED THAT an amended certificate of public convenience and necessity be issued to NTELOS authorizing the furnishing of telephone service in Augusta County, which shall be numbered as Certificate No. T-115g. The certificated territory shall be outlined in red on the map of Augusta County to be attached to the amended Certificate No. T-115g, which shall cancel and replace Certificate No. T-115f issued on March 29, 2001.

CASE NO. PUC010019
MAY 7, 2001

APPLICATION OF
NTELOS TELEPHONE INC. f/k/a CFW TELEPHONE INC.

For amended certificate under Utility Facilities Act

ORDER GRANTING AMENDED CERTIFICATE

On July 31, 2000, NTELOS Telephone Inc. f/k/a CFW Telephone Inc. ("NTELOS") submitted to the Division of Communications of the State Corporation Commission ("Commission") a letter with maps reflecting a proposed service territory boundary change in Bath County. The letter and maps were filed with the Clerk of the Commission on January 23, 2001. NTELOS states that the proposed change is due to the extension of its service territory into an unassigned territory to provide service to two new customers. NTELOS states that it has conferred with a representative of MGW Telephone Company, Inc., and that MGW's boundary will not require adjustment.

The Commission understands that NTELOS, by its filing, seeks a revision to its Certificate No. T-116h reflecting its service territory boundaries in Bath County. The Commission finds that the public interest is served by the proposed boundary change as described by NTELOS and should be approved.

Accordingly, IT IS ORDERED THAT an amended certificate of public convenience and necessity be issued to NTELOS authorizing the furnishing of telephone service in Bath County, which shall be numbered as Certificate No. T-116i. The certificated territory shall be outlined in red on a map of Bath County to be attached to the amended Certificate No. T-116i, which shall cancel and replace Certificate No. T-116h issued on March 29, 2001.

CASE NO. PUC010020
MAY 7, 2001

APPLICATION OF
VERIZON SOUTH INCORPORATED

For amended certificate under Utilities Facilities Act

ORDER GRANTING AMENDED CERTIFICATE

On November 1, 2000, Verizon South Incorporated ("Verizon South") submitted to the Division of Communications of the State Corporation Commission ("Commission") a letter requesting a revision to its Certificate No. T-305c for Augusta County to effect certain boundary changes reflected on Augusta County maps that were also submitted. The letter and maps were filed with the Clerk of the Commission on January 23, 2001. Verizon South states in its letter that the proposed modification has been reviewed by both it and CFW Telephone Inc. (now NTELOS Telephone Inc.), and both companies concur in the change. The Commission understands that the change in the boundary between NTELOS and Verizon South is to properly demarcate what has been in practice the service territory boundary between the two companies in Augusta County and that no existing customers are affected.

The Commission finds that the public interest is served by the proposed boundary change as described by Verizon South and should be approved. This boundary change should become effective with the boundary change for NTELOS approved this date in Case No. PUC010018.

Accordingly, IT IS ORDERED THAT an amended certificate of public convenience and necessity be issued to Verizon South authorizing the furnishing of telephone service in Augusta County, which shall be numbered as Certificate No. T-305d. The certificated territory shall be outlined in red on the map of Augusta County to be attached to the amended Certificate No. T-305d, which shall cancel and replace Certificate No. T-305c issued on August 4, 2000.

CASE NO. PUC010023
FEBRUARY 23, 2001

APPLICATION OF
DIGITAL BROADBAND COMMUNICATIONS OF VIRGINIA, L.L.C.

For cancellation of certificates of public convenience and necessity

ORDER

On December 7, 2000, the State Corporation Commission ("Commission") issued Certificate No. T-523, permitting the provision of local exchange telecommunications services, and Certificate No. TT-119A, permitting the provision of interexchange telecommunications services, to Digital Broadband Communications of Virginia, L.L.C. ("Digital" or "Company"), in Case No. PUC000160. By letter application filed January 26, 2001, Digital advised that it has filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code and requested cancellation of its certificates of public convenience and necessity and tariffs.

NOW THE COMMISSION, being sufficiently advised, will grant the requested cancellations.

Accordingly, IT IS ORDERED THAT:

(1) This matter shall be docketed and assigned Case No. PUC010023.

(2) Certificate Nos. T-523 and TT-119A, issued to Digital Broadband Communications of Virginia, L.L.C., are hereby cancelled.

(3) Any Company tariffs currently on file with the Commission are hereby cancelled.

(4) This matter is dismissed.

CASE NO. PUC010025
JUNE 15, 2001

APPLICATION OF
T-CUBED OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide facilities-based interexchange telecommunications services

FINAL ORDER

On January 30, 2001, T-CUBED OF VIRGINIA, INC. ("T-CUBED" or the "Company"), filed an application with the State Corporation Commission ("Commission") for a certificate of public convenience and necessity to provide 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 April 6, 2001, the Commission directed the Company to provide notice to the public of its application and directed the Commission Staff to conduct an investigation and file a Staff Report.

T-CUBED filed proof of publication and proof of service on May 22, 2001. Also, on May 22, 2001, T-CUBED filed a Motion for Leave to Publish Notice in the Bristol-Herald Courier Out of Time, with an attached proof of publication by the Bristol-Herald Courier. The Commission finds that T-CUBED has substantially complied with the notice requirements of the April 6, 2001, Order and grants T-CUBED's Motion.

On May 31, 2001, the Staff filed its Report finding that T-CUBED's application was in compliance with the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"). Based upon its review of T-CUBED's application, the Staff determined it would be appropriate to grant the Company a certificate to provide interexchange telecommunications services.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that the Company should be granted a certificate to provide 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 THEREFORE ORDERED THAT:

(1) The Motion for Leave to Publish Notice in the Bristol-Herald Courier Out of Time filed by T-CUBED on May 22, 2001, is hereby granted.

(2) T-CUBED OF VIRGINIA, INC. is hereby granted a certificate of public convenience and necessity, No. TT-156A, 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.

(3) The Company 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, 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. PUC010032
MAY 15, 2001

APPLICATION OF
VERIZON VIRGINIA INC.

For approval of its Plan for Alternative Regulation

ORDER APPROVING PLAN

On January 31, 2001, Verizon Virginia Inc. ("Verizon Virginia" or "Company") filed the above-captioned application with the State Corporation Commission ("Commission") pursuant to § 56-235.5 C of the Code of Virginia. The Company requests that the Commission modify its current Plan for Alternative Regulation[1] and proposes a modified Plan ("modified Plan")[2] which it represents is a mirroring of the Plan for Alternative Regulation approved for Verizon South Inc.[3] and reflects the applicable merger conditions required by the Commission's Final Order in Case No. PUC990100 ("Merger Order").

Verizon Virginia asserts that its proposed modified Plan, which is attached to its application, meets the statutory requirements of § 56-235 B for approval and is in the public interest. The Company represents that it worked extensively with the Staff of the Commission to develop the modified Plan.

The modifications proposed by Verizon Virginia to its current Plan include an extension of the cap on prices for its basic local exchange telecommunications services ("BLETS") to January 1, 2004. The modified Plan also provides that no price increases for BLETS or discretionary services will be permitted unless Verizon Virginia is meeting Commission standards for service quality and reliability.

On February 13, 2001, we issued our Order for Notice and Comment inviting interested parties to file comments or requests for hearing on the application. Comments were received from the Office of Attorney General, Division of Consumer Counsel ("Consumer Counsel"), AT&T Communications of Virginia, Inc. ("AT&T"), and Cavalier Telephone, LLC ("Cavalier"). There were no requests for a hearing.

Consumer Counsel did not oppose the adoption of the modified Plan; however, it disagrees with Verizon Virginia's interpretation of the requirements for approval of the modified Plan contained in § 56-235.5 B.[4] AT&T's comments state that the modified Plan gives the Company greater unilateral pricing discretion for bundled services before the Company's unbundled network elements ("UNE") rates are revised, UNE combinations are made

[1] The current Plan for Alternative Regulation ("current Plan") for Verizon Virginia was adopted on October 18, 1994, in Case No. PUC930036.

[2] On April 16, 2001, Verizon Virginia filed certain administrative corrections to Appendix A which had been initially filed with the modified Plan.

[3] Approved by Order dated December 21, 2000, in Case No. PUC000265.

[4] Consumer Counsel objects to the Application at 5, wherein Verizon Virginia "suggests that compliance with the first three requirements of § 56-235.5 B necessarily 'assures that a plan will be in the public interest.'" (Comments p. 1). The Consumer Counsel interprets that the four enumerated requirements of § 56-235.5 B must be met independently.

available, and its Operation Support Systems ("OSS") are made operational. In sum, AT&T's objection to the modified Plan is that it is premature. Cavalier concurs with AT&T, with supporting comments that it and other Competitive Local Exchange Companies ("CLECs") are unable to receive the favorable treatment given to the Company's retail organization with regard to OSS and loop provisioning.

The Commission must consider the modified Plan according to the requirements of § 56-235.5 and, specifically, the four criteria contained in subsection B of that statute. The comments of AT&T and Cavalier do not specifically address these criteria, although we may infer that they regard the modified Plan as disadvantageous to competitors and not in the public interest.[5] Nevertheless, we fail to identify any defect in the modified Plan that would produce such a result.[6]

The concerns raised by AT&T and Cavalier are being addressed in other forums. AT&T and Verizon Virginia are currently having interconnection issues arbitrated before the Common Carrier Bureau of the Federal Communications Commission ("FCC") which includes UNE rates for Verizon Virginia.[7] Verizon Virginia's OSS is currently subject to testing in Case No. PUC000035, and other operational issues are being addressed on an ongoing basis in the Commission's collaborative proceeding in Case No. PUC000026.[8]

NOW THE COMMISSION, upon consideration of the application, the comments thereto, and the applicable statutes and rules, finds that the modified Plan as proposed should be adopted and approved for use by Verizon Virginia.

We find that the modified Plan meets all the requirements set forth in § 56-235.5 B of the Code of Virginia.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) The Verizon Virginia modified Plan for Alternative Regulation attached hereto is approved and shall be effective as of June 1, 2001, should Verizon Virginia elect to adopt it.

(2) Verizon Virginia shall notify the Commission, by letter addressed to the Director of the Division of Communications, of its 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 Attachment A entitled "Verizon Virginia 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] See § 56-235.5 B(iii) and (iv).

[6] In addition to the Alternative Plan approved for Verizon South in PUC000265, the Commission has also approved a similar plan for the Sprint companies in Case No. PUC990160 by Order dated September 5, 2000.

[7] *Arbitration of Interconnection Agreements Between Verizon and AT&T, Cox and WorldCom*, CC Docket Nos. 00-218, 00249, and 00251.

[8] Verizon Virginia, AT&T, and Cavalier are active participants in the collaborative proceeding.

CASE NO. PUC010033
FEBRUARY 16, 2001

APPLICATION OF
DYNAMIC TELCO SERVICES OF VIRGINIA, INC.

For cancellation of certificates of public convenience and necessity

ORDER

On November 21, 1997, the Commission issued Certificate No. T-393, permitting the provision of local exchange telecommunications services, and Certificate No. TT-41A, permitting the provision of interexchange telecommunications services, to Dynamic Telco Services of Virginia, Inc. ("Dynamic" or "Company"), in Case No. PUC970127. By letter application filed February 1, 2001, Dynamic advised that it is "winding down its corporate affairs" and requested cancellation of its certificates of public convenience and necessity and its Tariff No. 1. The Company has no customers in the Commonwealth.

NOW THE COMMISSION, being sufficiently advised, will grant the requested cancellations.

Accordingly, IT IS ORDERED THAT:

(1) This matter shall be docketed and assigned Case No. PUC010033.

(2) Certificate Nos. T-393 and TT-41A, issued to Dynamic Telco Services of Virginia, Inc., are hereby cancelled.

(3) The Company's Tariff No. 1 is hereby cancelled.

(4) This matter is dismissed.

CASE NO. PUC010034
JUNE 15, 2001

APPLICATION OF
NETWORK PLUS VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On March 19, 2001, Network Plus Virginia, Inc. ("Network Plus" 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 telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated April 4, 2001, 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 Network Plus' application. On May 4, 2001, Network Plus filed proof of publication and proof of service as required by the April 4, 2001, Order.

On May 15, 2001, the Staff filed its Report finding that Network Plus' 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 Network Plus' application, the Staff determined it would be appropriate to grant the Company certificates to provide local exchange and interexchange telecommunications services subject to the condition that should the Company collect customer deposits, Network Plus shall establish and maintain an escrow account held by an unaffiliated third party in a Virginia bank, notify the Division of Economics and Finance of the escrow arrangement, and maintain the account until such time as the Staff or Commission determines it is no longer necessary.

A hearing was conducted on May 22, 2001. 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 THEREFORE ORDERED THAT:

(1) Network Plus Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-154A, 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) Network Plus Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-560, 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) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications services competitively.

(4) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) Should the Company collect customer deposits, Network Plus shall establish and maintain an escrow account for such funds, held by an unaffiliated third party in a Virginia bank, and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

(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. PUC010035
MAY 18, 2001

APPLICATION OF
360NETWORKS (USA) OF VIRGINIA INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On February 6, 2001, 360networks (USA) of Virginia inc. ("360networks" 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.[1]

By Order dated March 13, 2001, 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 360networks' application. On April 23, 2001, 360networks filed proof of publication and proof of service as required by the March 13, 2001, Order.

On April 27, 2001, the Staff filed its Report finding that 360networks' application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules"). Based upon its review of 360networks' application, the Staff determined it would be appropriate to grant the Company a certificate to provide local exchange telecommunications services subject to the condition that if the Company collects customer deposits, 360networks shall establish and maintain an escrow account held by an unaffiliated third party in a Virginia bank, notify the Division of Economics and Finance of the escrow arrangement, and maintain the account until such time as the Staff or Commission determines it is no longer necessary.

A hearing was conducted on May 10, 2001. 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) 360networks (USA) of Virginia inc. is hereby granted a certificate of public convenience and necessity, No. T-557, 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) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(3) Should the Company collect customer deposits, it shall establish and maintain an escrow account for such funds, held by an unaffiliated third party in a Virginia bank, and shall notify the Division of Economics and Finance of the escrow arrangement. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

(4) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.

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[1] 360networks already holds a certificate of public convenience and necessity to provide interexchange telecommunications services in Virginia, Certificate No. TT-91B.

CASE NO. PUC010037
MARCH 27, 2001

APPLICATION OF
NTELOS NETWORK INC. f/k/a CFW NETWORK INC.

For cancellation and reissuance of certificates of public convenience and necessity to reflect corporate name change

ORDER

On December 6, 2000, CFW Network Inc. ("CFW") changed its corporate name to NTELOS Network Inc. ("NTELOS"). By letter dated January 31, 2001, NTELOS requested the cancellation of certificates of public convenience and necessity previously issued to CFW and reissuance of the certificates in its new name. For good cause shown, the Commission will grant the request.

Accordingly, IT IS ORDERED THAT:

(1) This matter should be docketed and assigned Case No. PUC010037.

(2) Certificate No. TT-14A is cancelled and shall be reissued as Certificate No. TT-14B in the name of NTELOS Network Inc.

(3) Certificate No. T-368a shall be cancelled and reissued as Certificate No. T-368b in the name of NTELOS Network Inc.

(4) NTELOS shall within sixty (60) days of the date of this Order file tariffs with the Commission's Division of Communications reflecting its correct corporate name.

(5) There being nothing further to come before the Commission, this matter is dismissed.

CASE NO. PUC010038
MARCH 29, 2001

APPLICATION OF
NTELOS TELEPHONE INC. f/k/a CFW TELEPHONE INC.

For cancellation and reissuance of certificates of public convenience and necessity to reflect corporate name change

ORDER

On December 6, 2000, CFW Telephone Inc. ("CFW") changed its corporate name to NTELOS Telephone Inc. ("NTELOS"). By letters dated January 31, 2001, and March 27, 2001, NTELOS requested the cancellation of certificates of public convenience and necessity previously issued to CFW and reissuance of the certificates in its new name. For good cause shown, the Commission will grant the request.

Accordingly, IT IS ORDERED THAT:

(1) This matter should be docketed and assigned Case No. PUC010038.

(2) Certificate No. T-114b is cancelled and shall be reissued as Certificate No. T-114c in the name of NTELOS Telephone Inc.

(3) Certificate No. T-115e shall be cancelled and reissued as Certificate No. T-115f in the name of NTELOS Telephone Inc.

(4) Certificate No. T-116g shall be cancelled and reissued as Certificate No. T-116h in the name of NTELOS Telephone Inc.

(5) Certificate No. T 117d shall be cancelled and reissued as Certificate No. T-117e in the name of NTELOS Telephone Inc.

(6) Certificate No. T-118b shall be cancelled and reissued as Certificate No. T-118c in the name of NTELOS Telephone Inc.

(7) Certificate No. TT-54 shall be cancelled and reissued as Certificate No. TT-54a in the name of NTELOS Telephone Inc.

(8) NTELOS shall within sixty (60) days of the date of this Order file tariffs with the Commission's Division of Communications reflecting its correct corporate name.

(9) There being nothing further to come before the Commission, this matter is dismissed.

CASE NO. PUC010041
MAY 18, 2001

APPLICATION OF
GOBEAM SERVICES OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On February 16, 2001, GoBeam Services of Virginia, Inc. ("GoBeam" 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 telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated March 21, 2001, 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 GoBeam's application. GoBeam filed proof of publication on April 12, 2001, and proof of service on April 2, 2001, as required by the March 21, 2001, Order.

On April 26, 2001, the Staff filed its Report finding that GoBeam'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 GoBeam'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, GoBeam shall establish and maintain an escrow account held by an unaffiliated third party in a Virginia bank, notify the Division of Economics and Finance 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 for its parent, GoBeam, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of GoBeam's initial tariff.

A hearing was conducted on May 10, 2001. 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) GoBeam Services of Virginia, Inc. is hereby granted a certificate of public convenience and necessity, No. TT-152A, 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) GoBeam Services of Virginia, Inc. is hereby granted a certificate of public convenience and necessity, No. T-558, 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) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications services competitively.

(4) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) Should the Company collect customer deposits, GoBeam shall establish and maintain an escrow account for such funds held by an unaffiliated third party in a Virginia bank and shall notify the Division of Economics and Finance of the escrow arrangement. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or the Commission determines it is no longer necessary.

(6) The Company shall provide audited financial statements for its parent, GoBeam, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of GoBeam's initial tariff.

(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. PUC010044
MAY 17, 2001

APPLICATION OF
EL PASO NETWORKS, L.L.C.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On February 28, 2001, El Paso Networks, L.L.C. ("EPN" 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. 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 March 21, 2001, 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 EPN's application.

On April 30, 2001, the Staff filed its Report finding that EPN'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 EPN'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, EPN shall establish and maintain an escrow account held by an unaffiliated third party in a Virginia bank, notify the Division of Economics and Finance 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 to the Division of Economics and Finance no later than one (1) year from the effective date of EPN's initial tariff; and (3) at such time as voice services are initiated by the Company, EPN shall comply with all requirements of § C (Conditions for Certification) of the Local Rules.

A hearing was conducted on May 10, 2001. At the hearing, the application and accompanying attachments and the Staff Report were entered into the record without objection. At the hearing on May 10, 2001, EPN submitted proof of publication and proof of service of the required notice. 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) El Paso Networks, L.L.C., is hereby granted a certificate of public convenience and necessity, No. TT-153A, 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) El Paso Networks, L.L.C., is hereby granted a certificate of public convenience and necessity, No. T-559, 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) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications services competitively.

(4) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) Should the Company collect customer deposits, it shall establish and maintain an escrow account for such funds, held by an unaffiliated third party in a Virginia Bank, and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

(6) The Company shall provide its audited financial statements to the Division of Economics and Finance no later than one (1) year from the effective date of its initial tariff.

(7) At such time as voice services are initiated by the Company, EPN 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 filed herein placed in the file for ended causes.

CASE NO. PUC010053
JULY 12, 2001

APPLICATION OF
ALLEGHENY COMMUNICATIONS CONNECT OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide interexchange telecommunications services

FINAL ORDER

On March 7, 2001, Allegheny Communications Connect of Virginia, Inc. ("Allegheny" 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 April 19, 2001, 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 May 31, 2001, and no comments or requests for hearing were received. On June 19, 2001, the Staff filed a report finding that Allegheny's application was in compliance with the Commission's Rules Governing the Certification of Interexchange Carriers.[1]

Based upon its review of Allegheny's application and the Applicant's responses to Staff data requests, the Staff determined it would be appropriate to grant an interexchange certificate to Allegheny.

NOW THE COMMISSION, having considered Allegheny's application and the Staff report, is of the opinion and finds that Allegheny 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 Allegheny may price its interexchange telecommunications services competitively.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) Allegheny Communications Connect of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-158A, 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) Allegheny shall provide tariffs to the Division of Communications that conform with all applicable Commission rules and regulations.

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[1] 20 VAC 5-400-60.

(3) Pursuant to § 56-481.1 of the Code of Virginia, Allegheny 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.

CASE NO. PUC010054
OCTOBER 16, 2001

APPLICATION OF
ENRON BROADBAND SERVICES OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On August 8, 2001, Enron Broadband Services of Virginia, Inc. ("Enron" 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.

By Order dated August 20, 2001, 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 Enron's application. On September 21, 2001, Enron filed proof of publication and proof of service as required by the August 20, 2001, Order.

On October 1, 2001, the Staff filed its Report finding that Enron's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules"). Based upon its review of Enron's application, the Staff determined it would be appropriate to grant the Company certificates to provide local exchange telecommunications services subject to the following conditions: (1) should Enron collect customer deposits, it shall establish and maintain an escrow account for such funds, held in a Virginia office of a duly chartered state or national bank, savings and loan association or savings bank, or credit union that is unaffiliated with Enron and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary; (2) Enron shall notify the Division of Economics and Finance 30 days prior to the cancellation or lapse of its Surety Bond and provide documentation regarding the replacement of this bond. This requirement shall be maintained until such time as Staff or the Commission determines it is no longer necessary; and (3) at such time as voice services are initiated by the Company, Enron shall comply with all requirements of § C (Conditions for Certification) of the Local Rules.

A hearing was conducted on October 10, 2001. 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) Enron is hereby granted a certificate of public convenience and necessity, No. T-570, 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.

(2) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(3) Should Enron collect customer deposits, it shall establish and maintain an escrow account for such funds, held in a Virginia office of a duly chartered state or national bank, savings and loan association or savings bank, or credit union that is unaffiliated with Enron and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

(4) Enron shall notify the Division of Economics and Finance thirty (30) days prior to the cancellation or lapse of its Surety Bond and provide documentation regarding the replacement of this bond. This requirement shall be maintained until such time as Staff or the Commission determines it is no longer necessary.

(5) At such time as voice services are initiated by the Company, Enron 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. PUC010055
OCTOBER 11, 2001

PETITION OF
NETWORK ACCESS SOLUTIONS L.L.C.
and
COVAD COMMUNICATIONS COMPANY

For Prompt Adoption of a Performance Assurance Plan Governing the Loop Provisioning Activities of Verizon Virginia Inc.

ORDER OF DISMISSAL

On March 8, 2001, Network Access Solutions L.L.C. ("NAS") and Covad Communications Company ("Covad") filed their Petition in the above-captioned case. Pursuant to the Preliminary Order issued by the State Corporation Commission ("Commission") in this case on April 2, 2001, Verizon Virginia Inc. ("Verizon Virginia") filed its Motion to Dismiss or, in the Alternative, Answer on April 23, 2001, and NAS and Covad filed their Opposition to Motion to Dismiss and Reply to Counterclaims on May 4, 2001.

The Commission, having considered the pleadings of the parties and having taken judicial notice of the Collaborative Committee established in Case No. PUC000026, now finds that adoption of a performance assurance plan governing Verizon Virginia's loop provisioning should first be addressed in the context of the Collaborative Committee of which both NAS and Covad are participants.[1] Therefore, this case should be dismissed without prejudice.

Accordingly, IT IS ORDERED THAT:

(1) The Petition in this case is hereby dismissed without prejudice, consistent with the findings above.

(2) The case is closed and placed in the files for ended causes.

[1] On October 10, 2001, the Staff of the Commission, on behalf of the Collaborative's Subcommittee on Performance Standards/Remedy Plans, moved the Commission to establish a separately docketed proceeding to consider a performance assurance plan for Verizon Virginia. The Staff's Motion is pending in Case No. PUC010206.

CASE NO. PUC010056
APRIL 4, 2001

APPLICATION OF
BROADRIVER COMMUNICATIONS OF VIRGINIA CORPORATION
f/k/a PUREPACKET COMMUNICATIONS OF VIRGINIA INC.

For cancellation and reissuance of certificate of public convenience and necessity to reflect corporate name change

ORDER

On September 19, 2000, PurePacket Communications of Virginia, Inc. ("PurePacket"), changed its corporate name to BroadRiver Communications of Virginia Corporation ("BroadRiver"). By letter dated March 7, 2001, BroadRiver requested the cancellation of the certificate of public convenience and necessity previously issued to PurePacket and reissuance of the certificate in its new name. For good cause shown, the Commission will grant the request.

Accordingly, IT IS ORDERED THAT:

(1) This matter should be docketed and assigned Case No. PUC010056.

(2) Certificate No. T-489 is cancelled and shall be reissued as Certificate No. T-489a in the name of BroadRiver Communications of Virginia Corporation.

(3) There being nothing further to come before the Commission, this matter is dismissed.

CASE NO. PUC010057
JULY 25, 2001

APPLICATION OF
McLEODUSA TELECOMMUNICATIONS SERVICES OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On April 20, 2001, McLeodUSA Telecommunications Services of Virginia, Inc. ("McLeodUSA" 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 telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated May 25, 2001, 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 McLeodUSA's application. On June 27, 2001, McLeodUSA filed proof of publication and proof of service as required by the May 25, 2001, Order.

On July 3, 2001, the Staff filed its Report finding that McLeodUSA'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 McLeodUSA'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 condition: should McLeodUSA collect customer deposits, it shall establish and maintain an escrow account for such funds, held in a Virginia office of a duly chartered state or national bank, savings and loan association or savings bank, or credit union that is unaffiliated with McLeodUSA and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

A hearing was conducted on July 12, 2001. 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) McLeodUSA Telecommunications Services of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-159A, 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) McLeodUSA Telecommunications Services of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-564, 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) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications services competitively.

(4) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) Should McLeodUSA collect customer deposits, it shall establish and maintain an escrow account for such funds, held in a Virginia office of a duly chartered state or national bank, savings and loan association or savings bank, or credit union that is unaffiliated with McLeodUSA and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

(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. PUC010076
SEPTEMBER 20, 2001

APPLICATION OF
NEW ACCESS COMMUNICATIONS LLC

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On June 7, 2001, New Access Communications LLC ("New Access" 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.

By Order dated June 22, 2001, 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 New Access' application. On July 3, 2001, New Access filed proof of service, and on August 3, 2001, the Company filed proof of publication as required by the Commission's June 22, 2001, Order.

On August 30, 2001, the Staff filed its Report finding that New Access' application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules"). Based upon its review of New Access' application, the Staff determined it would be appropriate to grant the Company a certificate to provide local exchange telecommunications services subject to the following condition: should New Access collect customer deposits, it shall establish and maintain an escrow account for such funds, held in a Virginia office of a duly chartered state or national bank, savings and loan association or savings bank, or credit union, that is unaffiliated with New Access and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

A hearing was conducted on September 13, 2001. 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) New Access is hereby granted a certificate of public convenience and necessity, No. T-567, 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) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(3) Should New Access collect customer deposits, it shall establish and maintain an escrow account for such funds, held in a Virginia office of a duly chartered state or national bank, savings and loan association or savings bank, or credit union, that is unaffiliated with New Access and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

(4) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.

CASE NO. PUC010077
MAY 25, 2001

APPLICATION OF
TOTAL-TEL OF VIRGINIA, INC.

For cancellation and reissuance of certificates of public convenience and necessity to reflect corporate name change

ORDER

On December 29, 2000, Total-Tel of Virginia, Inc. ("Total-Tel"), was issued a Certificate of Amendment by the State Corporation Commission ("Commission"), which reflected the change by Total-Tel of its corporate name to Covista of Virginia, Inc. ("Covista"). By application dated March 16, 2001, Total-Tel requested the cancellation of its certificate of public convenience and necessity to provide local exchange telecommunications services previously issued to it and reissuance of the certificate in its new Covista name. For good cause shown, the Commission will grant the request.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUC010077.

(2) Certificate No. T-395 is cancelled and shall be reissued as Certificate No. T-395a in the name of Covista of Virginia, Inc.

(3) There being nothing further to come before the Commission, this matter is dismissed.

CASE NO. PUC010078
MARCH 30, 2001

APPLICATION OF
P.V. TEL OF VIRGINIA, LLC

For cancellation of certificates of public convenience and necessity

ORDER

On September 22, 1999, the State Corporation Commission ("Commission") issued Certificate No. T-459, permitting the provision of local exchange telecommunications services, and Certificate No. TT-77A, permitting the provision of interexchange telecommunications services, to P.V. Tel of Virginia, LLC ("PVTel" or "Company"), in Case No. PUC990099. By letter application filed March 16, 2001, PVTel advised that it has ceased all its operations in Virginia and requested cancellation of its certificates of public convenience and necessity and its filed tariffs.

NOW THE COMMISSION, being sufficiently advised, will grant the requested cancellations.

Accordingly, IT IS ORDERED THAT:

(1) This matter shall be docketed and assigned Case No. PUC010078.

(2) Certificate Nos. T-459 and TT-77A issued to P.V. Tel of Virginia, LLC, are hereby cancelled.

(3) The Company's tariffs are hereby cancelled.

(4) This matter is dismissed.

CASE NO. PUC010079
JUNE 20, 2001

APPLICATION OF
INFOHIGHWAY OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On March 16, 2001, InfoHighway of Virginia, Inc. ("InfoHighway" or the "Company"), filed an application for a certificate of public convenience and necessity with the State Corporation Commission ("Commission") requesting authority to provide local exchange telecommunications services throughout the Commonwealth of Virginia.

By Order dated April 6, 2001, 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 InfoHighway's application. On May 9, 2001, InfoHighway filed proof of publication and proof of service as required by the April 6, 2001, Order.

On June 6, 2001, the Staff filed its Report finding that InfoHighway'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 InfoHighway's application, the Staff determined it would be appropriate to grant the Company a certificate to provide local exchange services subject to a certain condition. That condition was subsequently revised as follows: Should the Company collect customer deposits, it shall establish and maintain an escrow account for such funds, held in a Virginia office of a duly chartered state or national bank, savings and loan association, savings bank, or credit union that is unaffiliated with the Company and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

A hearing was conducted on June 19, 2001. At the hearing, the application and accompanying attachments and the Staff Report, as revised, 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) InfoHighway of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-562, 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) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(3) Should the Company collect customer deposits, it shall establish and maintain an escrow account for such funds, held in a Virginia office of a duly chartered state or national bank, savings and loan association, savings bank, or credit union that is unaffiliated with the Company and shall notify the

Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

(4) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.

CASE NO. PUC010093
JUNE 29, 2001

APPLICATION OF
BIT NETWORKS, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On April 3, 2001, BIT Networks, LLC ("BIT" 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 telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated April 19, 2001, 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 BIT's application. On May 16, 2001, BIT, by counsel, filed proof of publication and proof of service as required by the April 19, 2001, Order.

On June 5, 2001, the Staff filed its Report finding that BIT'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 BIT'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 condition: Should the Company collect customer deposits, it shall establish and maintain an escrow account for such funds held by an unaffiliated third party in a Virginia bank and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

A hearing was conducted on June 19, 2001. At the hearing, the application and accompanying attachments were entered into the record without objection. Also at the hearing, Commission Staff counsel submitted, and the Commission accepted, a revision agreed to by both Staff and BIT to the condition in Staff's Report requiring customer deposits to be held in an escrow account. The revision amended the first sentence of the condition as follows: "Should BIT collect customer deposits, it shall establish and maintain an escrow account for such funds, held in a Virginia office of a duly chartered state or national bank, savings and loan association or savings bank, or credit union that is unaffiliated with BIT and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change." No public witnesses appeared.

NOW THE COMMISSION, having considered the application and the Staff Report, including the amendment introduced at the hearing, 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) BIT Networks, LLC, is hereby granted a certificate of public convenience and necessity, No. TT-157A, 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) BIT Networks, LLC, is hereby granted a certificate of public convenience and necessity, No. T-563, 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) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications services competitively.

(4) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) Should BIT collect customer deposits, it shall establish and maintain an escrow account for such funds, held in a Virginia office of a duly chartered state or national bank, savings and loan association or savings bank, or credit union that is unaffiliated with BIT and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

(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. PUC010095
SEPTEMBER 25, 2001

APPLICATION OF
ENKIDO VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

ORDER GRANTING MOTION TO WITHDRAW APPLICATION

On September 19, 2001, Enkido Virginia, Inc. ("Enkido" or the "Company") filed with the State Corporation Commission ("Commission") a motion to withdraw without prejudice its application for certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia ("Application").[1] The motion further requests that the Commission cancel the hearing for the purpose of receiving evidence relevant to the Application scheduled for October 18, 2001.

In support of its motion, Enkido states that the Company is going through a transitional period and revising its business model. As such, it is unable to move forward with the Application at this time. Enkido indicates that it intends to resubmit its Application once this transitional period has been completed.

NOW, having considered the Company's motion, the Commission is of the opinion and finds that the motion should be granted.

Accordingly, IT IS ORDERED THAT:

(1) Enkido's motion to withdraw without prejudice its Application is hereby granted.

(2) The hearing on the Application scheduled for October 18, 2001, is hereby cancelled.

(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.

[1] Enkido completed this Application with the Commission on August 15, 2001. On August 23, 2001, the Commission issued an Order for Notice and Hearing establishing a procedural schedule and setting a hearing in this matter.

CASE NO. PUC010096
JUNE 26, 2001

JOINT PETITION OF
CAVALIER TELEPHONE L.L.C.,
NETWORK ACCESS SOLUTIONS, LLC,
COVAD COMMUNICATIONS COMPANY,
and
AT&T COMMUNICATIONS OF VIRGINIA, INC.

For Structural Separation of Verizon Virginia Inc. and Verizon South Inc.

ORDER GRANTING MOTION TO DISMISS

On April 9, 2001, Cavalier Telephone, L.L.C., Network Access Solutions, LLC, Covad Communications Company, and AT&T Communications of Virginia, Inc. (hereinafter "Petitioners"), filed with the State Corporation Commission ("Commission") a Joint Petition ("Joint Petition") for Structural Separation of Verizon Virginia Inc. ("Verizon Virginia") and Verizon South Inc. ("Verizon South"). Petitioners request the Commission to institute a proceeding to order the structural separation of Verizon Virginia and Verizon South so that each company is separated into two distinct wholesale and retail corporate subsidiaries.

The Competitive Telecommunications Association ("CompTel") was granted leave to participate in this proceeding by Order issued April 26, 2001.

On April 27, 2001, Verizon Virginia and Verizon South (collectively "Verizon") filed a Motion to Dismiss and Answer to Petition, pursuant to the Order for Response issued April 12, 2001.

On May 2, 2001, the Association of Communications Enterprises ("ASCENT") filed a Motion for Leave to Intervene. The Commission now grants ASCENT's Motion.[1]

The Petitioners and CompTel filed a Joint Reply to Verizon's Motion to Dismiss and Answer to Petition on May 4, 2001, pursuant to the Order for Response.

[1] ASCENT indicated its intention to monitor this proceeding and to submit a brief or comments, as appropriate. By today's Order Granting Motion to Dismiss, no further filings will be called for.

On May 23, 2001, Verizon filed its Motion for Leave to File Response to Joint Reply of Petitioners and attached Response. Verizon, as the movant on the Motion to Dismiss, should be granted leave to respond; and the Response filed on May 23, 2001, is accepted into the pleadings.

Joint Petitioners propose structural separation of Verizon as a tool for opening Virginia's local exchange markets to greater competition.[2] By ordering the structural separation of Verizon into distinct wholesale and retail units, Verizon's ability to use its network facilities to favor Verizon's own retail operations and stifle competition will be constrained, according to the Joint Petition.[3]

Joint Petitioners direct us to Article IX of the Virginia Constitution and several statutes of the Code of Virginia for the requisite authority to order structural separation of Verizon. Joint Petitioners urge us to find that these authorities grant the Commission broad powers to regulate incumbent LECs, promote competition, and protect Virginia consumers and, therefore, are clear grants of jurisdiction to order structural separation.[4]

Based on the pleadings of record and the applicable law, the Commission finds that Verizon's Motion to Dismiss should be granted for the following reasons. First, Joint Petitioners cite restructuring in the electric utility industry including the Virginia Electric Utility Restructuring Act ("Restructuring Act")[5] as support for our inherent authority to order the requested restructuring.[6] The Restructuring Act, of course, does not apply to Verizon or other telecommunications utilities. Moreover, the Restructuring Act does not support Joint Petitioners' contention that we have broad inherent authority to order the requested structural separation.[7]

Second, full structural separation would impair Verizon's property rights under its existing certificates of public convenience and necessity. Joint Petitioners contend that even if structural separation did affect Verizon's certificates, the Commission may nevertheless revoke, amend, or transfer a certificate if the certificate holder "has willfully violated or refused to observe the laws of this State touching such certificate," or "any of the Commission's proper orders, rules or regulations."[8] Based on the pleadings of Joint Petitioners, we will not invoke the revocation sanctions provided in § 56-265.6 of the Code of Virginia.

Third, Joint Petitioners urge that we may order structural separation, pursuant to § 56-35 of the Code of Virginia, to regulate Verizon's performance of its public duties and to correct abuses therein. Again, based upon the pleadings of Joint Petitioners, we do not conclude that this statute should be invoked to grant relief in this proceeding.

Fourth, the Commission finds no grant of authority under the federal Telecommunications Act of 1996[9] to order structural separation of Verizon.

Finally, Joint Petitioners invite us to "use the Joint Petition as an opportunity to investigate why there is so little local competition in Virginia and what can be done to improve the situation."[10] The Commission has several pending dockets addressing competition in the local exchange market.[11] Rather than launch a separate investigation in this case, the Commission concludes that it is more expedient and appropriate at this time to pursue the pending cases.

Accordingly, IT IS ORDERED THAT:

(1) The Motion for Leave to Intervene by ASCENT is hereby granted.

(2) The Motion to Dismiss is hereby granted.

(3) There being nothing further to come before the Commission, this case is closed.

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[2] Joint Petition at 4-5.

[3] Joint Petition at 4.

[4] Joint Reply of Petitioners at 8 et seq.

[5] Chapter 23 (§ 56-576 et seq.) of Title 56 of the Code of Virginia.

[6] Joint Petition at 24-25 and Joint Reply at 11.

[7] Indeed, the fact that the General Assembly passed specific legislative authority dealing with the kind of restructuring envisioned by Joint Petitioners (albeit for electric utilities) could be argued, as Verizon did, to support the proposition that, absent such enabling legislation, the Commission would not be able to order structural separation in telecommunications.

[8] Va. Code § 56-265.6.

[9] Pub. L. No. 104-104, 110 Stat. 56 (1996).

[10] Joint Reply at 3.

[11] A collaborative committee is investigating market opening measures and will make its report in Case No. PUC000026. Third-party testing of Verizon Virginia's Operation Support Systems ("OSS") is underway, and the results will be reported to the Commission in Case No. PUC000035. The Commission also continues to monitor premature disconnects through quarterly reports as ordered in Case No. PUC000262, Order Granting Injunction issued January 29, 2001.

CASE NO. PUC010097
APRIL 19, 2001

APPLICATION OF
NORTHPOINT COMMUNICATIONS OF VIRGINIA, INC.

For cancellation of certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On March 26, 2001, NorthPoint Communications of Virginia, Inc. ("NorthPoint" or the "Company"), filed a letter application requesting the State Corporation Commission ("Commission") to cancel the Company's certificates of public convenience and necessity authorizing it to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. Pursuant to an Order entered on March 24, 1998, in Case No. PUC980001, the Commission granted NorthPoint Certificate No. T-406 to provide local telecommunications services and Certificate No. TT-46A to provide interexchange telecommunications services.

In support of its request, NorthPoint states that, while it is certificated as a competitive local exchange carrier, it does not provide dial tone service to end-users. It provides only high speed DSL service which has been determined by the Federal Communications Commission to be an interstate service.[1] In addition, the Company references a March 22, 2001, Order of the United States Bankruptcy Court, Northern District of California, San Francisco Division, wherein that Court ordered the sale of substantially all of the assets of NorthPoint, its parent, and its affiliates to AT&T Corp.[2]

NOW THE COMMISSION, having considered NorthPoint's application and the representations detailed therein, is of the opinion and finds that NorthPoint is not providing intrastate telecommunications services to customers in Virginia. We will, therefore, consistent with NorthPoint's request, approve the above-captioned application and cancel the Company's certificates to provide local exchange and interexchange telecommunications services in Virginia.

Accordingly, IT IS ORDERED THAT:

(1) NorthPoint Communications of Virginia, Inc.'s certificate of public convenience and necessity, Certificate No. T-406, to provide local telecommunications services in Virginia is hereby canceled.

(2) NorthPoint Communications of Virginia, Inc.'s certificate of public convenience and necessity, Certificate No. TT-46A, to provide interexchange telecommunications services in Virginia is hereby canceled.

(3) There being nothing further to be done in this matter, this case shall be dismissed and the papers placed in the file for ended causes.

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[1] NorthPoint states that it "has no retail customers" and that "its only customers are businesses that resell NorthPoint's DSL services." Letter at 2. Additionally, NorthPoint does not have intrastate tariffs on file with this Commission.

[2] NorthPoint also requests approval and waiver of all applicable laws relating to the transfer of NorthPoint's assets in accordance with, or as a result of, the United States Bankruptcy Court's Order "to the extent any approvals or consents are required even after the withdrawal of NorthPoint's operating authority." Application at 1. Chapter 5 of Title 56 of the Code of Virginia requires Commission approval to "acquire or dispose of . . . a telephone company, or all of the assets thereof." Such approval is not required in this instance since NorthPoint is not a "telephone company" after its operating authority has been terminated.

CASE NO. PUC010098
JUNE 27, 2001

APPLICATION OF
FUZION WIRELESS COMMUNICATIONS OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

ORDER GRANTING MOTION TO DISMISS

On April 10, 2001, Fuzion Wireless Communications of Virginia, Inc. ("Fuzion" or "Applicant"), filed an application with the State Corporation Commission ("Commission") for certificates of public convenience and necessity ("certificates") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. On May 25, 2001, the Commission docketed Fuzion's application and established a procedural schedule for consideration of this matter.

On June 21, 2001, Fuzion filed a "Motion to Dismiss Application." In its motion, Fuzion requests that the Commission dismiss, without prejudice, its application for certificates. Fuzion states that its parent company has reassessed the growth and development plans for the Fuzion family of companies and has decided to focus first upon service in Florida. Fuzion states that it still intends to provide competitive services within Virginia but has decided that it is prudent to defer its plans in the current climate.

NOW THE COMMISSION, upon consideration of Fuzion's motion, is of the opinion and finds that the motion should be granted without prejudice.

Accordingly, IT IS ORDERED THAT:

(1) Fuzion's June 21, 2001, Motion to Dismiss Application is granted.

(2) This matter is hereby dismissed, without prejudice, 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. PUC010100
OCTOBER 22, 2001

COMMONWEALTH OF VIRGINIA ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of establishing rules governing an Alternative Dispute Resolution Process for telecommunications carriers

ORDER ADOPTING RULES

With the advent of competition in the telecommunications marketplace in Virginia, it is likely that disputes will arise between carriers that require expedited resolution to prevent an adverse impact on a carrier's ability to serve its customers. The State Corporation Commission ("Commission") recognizes the need for such an expedited procedure and herein promulgates rules governing an Alternative Dispute Resolution Process ("ADRP") to help support effective competition in Virginia.

On May 15, 2001, the Commission entered an Order inviting comments and requests for hearing on proposed rules ("Proposed Rules") for an ADRP. The Proposed Rules were developed with input from the Dispute Resolution Subcommittee[1] ("Subcommittee") established as part of our collaborative effort in Case No. PUC000026.

By June 13, 2001, the Commission had received comments on the Proposed Rules only from Verizon Virginia Inc. and Verizon South Inc. (collectively "Verizon"), and Cox Virginia Telecom, Inc. ("Cox").

Verizon notes that the Proposed Rules represent a fair balance of the interests of all carriers and recommends the Commission adopt them. In addition, Verizon raises one point of clarification regarding the application of the rules of evidence to ADRP proceedings.

Cox observes that although it was satisfied with the content of the rules at the time the last draft was circulated to the Subcommittee, a revision is necessary to one rule due to recent events that occurred since then. It also suggests clarifying language in another rule.

On September 5, 2001, Verizon filed a motion for leave to file reply comments and its reply comments to Cox's June 13, 2001, filing. In its motion, Verizon states that it has been in discussions with Cox, trying to resolve the issues raised by the changes sought by Cox. Verizon suggests minor wording revisions to the specific rules enumerated by Cox.

NOW THE COMMISSION, having considered the Proposed Rules and the comments thereto, finds that we should adopt the rules appended to this Order as Attachment A, effective October 23, 2001.

The rules we adopt herein contain only several minor modifications to those originally proposed by the Subcommittee and published in the Virginia Register of Regulations on June 4, 2001. These modifications were made after our consideration of the changes proposed by Verizon and Cox.

First, Verizon requests that the Commission clarify that the rules of evidence that apply to other on-the-record Commission proceedings will also apply to ADRP proceedings. We believe it was the Subcommittee's intent in drafting these rules to make them subject to 5 VAC 5-20-190. This rule requires that the common law and statutory rules of evidence, as observed and administered by the courts of record of the Commonwealth, apply to all proceedings in which the Commission is called upon to decide or render judgment in its capacity as a court of record. The rule also states that in other proceedings, evidentiary rules shall not be unreasonably used to prevent the receipt of evidence having substantial probative effect. We, therefore, affirm that the rules of evidence that apply to all formal Commission proceedings likewise apply to ADRP proceedings conducted pursuant to 20 VAC 5-405-10 et seq.

Next, we address Cox's suggestion that the last sentence of 20 VAC 5-405-10 B be revised to include directory listings and directory assistance in the definition of "scheduled service." Cox states that although it initially had accepted the language contained in the Proposed Rules regarding this section, upon further consideration and in light of recent events involving a telephone directory, it believes the Commission should consider adding language to specifically include directory assistance issues as within the scope of ADRP. In Verizon's reply to Cox's comments, it states that it believes that the existing language of the rule is broad enough to address Cox's concerns but suggests a minor modification to Cox's proposal if the Commission believes a change is needed. Verizon recommends replacing "directory assistance" with "directory assistance databases." We agree with Verizon and have modified 20 VAC 5-405-10 B accordingly.

Cox also suggests clarifying language for the last sentence of 20 VAC 5-405-20, which discusses the obligation of a party filing a petition under the ADRP to have first attempted to resolve the issue via negotiations. Cox proposes alternative language to clarify that such negotiations would not necessarily consume 30 individual days of negotiations but would represent good faith attempts at negotiation over a 30-day period. Verizon recommends further clarification to this section to read as follows: "The written notice shall include a request for negotiations with the Respondent with respect to the dispute in question, and both parties shall engage in good faith negotiations over the ensuing 30-day period; however, if the parties' interconnection

[1] The Dispute Resolution Subcommittee was established as a Subcommittee of the Collaborative Committee and consisted of representatives from numerous telephone companies, including both incumbent and competitive local exchange carriers and members of our Staff.

agreement provides for a longer period during which negotiations with respect to the dispute in question must take place, the parties must engage in negotiations for the period specified in such interconnection agreement provision." We agree that, together, the changes suggested by Cox and Verizon clarify the intent of the rule, and we therefore adopt these changes.

Accordingly, IT IS ORDERED THAT:

(1) We hereby adopt the Rules for an Alternative Dispute Resolution Process for telecommunications carriers, appended hereto as Attachment A.

(2) A copy of this Order and the rules adopted herein shall be forwarded promptly for publication in the Virginia Register of Regulations.

(3) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

NOTE: A copy of Attachment A entitled "Chapter 405. Rules for Alternative Dispute Resolution Process" 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. PUC010101
MAY 7, 2001

APPLICATION OF
LIGHTSOURCE TELECOM II, LLC f/k/a DYNAMIC TELCOM ENGINEERING II, LLC

For cancellation and reissuance of certificates of public convenience and necessity to reflect corporate name change

ORDER

By Order entered March 1, 2001, in Case No. PUC000238, the State Corporation Commission ("Commission") granted Dynamic Telcom Engineering II, LLC ("Dynamic"), Certificate No. T-542 to provide local exchange telecommunications services and Certificate No. TT-135A to provide interexchange telecommunications services in the Commonwealth of Virginia.

Subsequently, Dynamic changed its corporate name to LightSource Telecom II, LLC ("LightSource"), and has by letter dated April 12, 2001, requested the cancellation of the Dynamic certificates and reissuance of the certificates in its new name. For good cause shown, the Commission will grant the request.

Accordingly, IT IS ORDERED THAT:

(1) This matter should be docketed and assigned Case No. PUC010101.

(2) Certificate No. TT-135A is cancelled and shall be reissued as Certificate No. TT-135B in the name of LightSource Telecom II, LLC.

(3) Certificate No. T-542 shall be cancelled and reissued as Certificate No. T-542a in the name of LightSource Telecom II, LLC.

(4) There being nothing further to come before the Commission, this matter is dismissed.

CASE NO. PUC010102
MAY 7, 2001

APPLICATION OF
VITTS NETWORKS OF VIRGINIA, INC.

For cancellation of certificates of public convenience and necessity

ORDER

By prior Order in Case No. PUC000113, the State Corporation Commission ("Commission") issued Certificate No. T-501 permitting the provision of local exchange telecommunications services and Certificate No. TT-105A permitting the provision of interexchange telecommunications services to Vitts Networks of Virginia, Inc. ("Vitts" or "Company"). By letter dated April 10, 2001, Vitts advised that pursuant to Order of the United States Bankruptcy Court it would "terminate its business operations as of 5:00 p.m. on May 9, 2001." The Company requested by letter dated April 17, 2001, cancellation of its certificates of public convenience and necessity. The Company has no customers in the Commonwealth.

NOW THE COMMISSION, being sufficiently advised, will grant the requested cancellations.

Accordingly, IT IS ORDERED THAT:

(1) This matter shall be docketed and assigned Case No. PUC010102.

(2) Certificate Nos. T-501 and TT-105A, issued to Vitts Networks of Virginia, Inc., are hereby cancelled.

(3) This matter is dismissed.

CASE NO. PUC010104
MAY 25, 2001

APPLICATION OF
CABLE & WIRELESS OF VIRGINIA, INC.

For authority to discontinue provision of intrastate United Telnet service

ORDER APPROVING DISCONTINUANCE OF SERVICE

On April 20, 2001, Cable & Wireless of Virginia, Inc. ("C & W" or "Company"), filed an application with the State Corporation Commission ("Commission") requesting authority, pursuant to 20 VAC-400-60,[1] to discontinue provision of its intrastate United Telnet service ("T-Net service").

According to C & W's application, T-Net service is being discontinued nationwide, and an application is also pending before the Federal Communications Commission ("FCC") for approval to discontinue the interstate T-Net service. The Company states that network and other expenses for providing T-Net service have increased, which results in lost revenue to C & W and increased costs to T-Net customers.

C & W also reports that in August and September of 2000, it notified T-Net customers of the availability of another C & W service offering to which T-Net customers could migrate and receive comparable service at prices at or below the rates for T-Net service.[2]

A direct mail notice of the discontinuance of T-Net service was sent to affected customers on February 1, 2001. The Company further states that it only had twenty-five (25) T-Net customer accounts in Virginia as of the date the application was filed.

The Commission, having considered the application and attachments, is of the opinion that C & W should be granted authority to discontinue its T-Net service effective with the FCC's approval for discontinuance of the interstate portion of the T-Net service.

Accordingly, IT IS ORDERED THAT:

(1) C & W is hereby granted authority to discontinue intrastate T-Net service effective with the FCC's approval to discontinue interstate T-Net service.

(2) There being nothing further to come before the Commission, this case is hereby closed.

[1] The administrative code section reads: "No interexchange carrier shall abandon or discontinue service, or any part thereof established under provisions of § 56-265.4:4 of the Code of Virginia except with the approval of the Commission, and upon such terms and conditions as the Commission may prescribe."

[2] Customers migrating to the optional service offering are not subject to minimum monthly usage charge or set-up/installation fees. Application p.2.

CASE NO. PUC010110
AUGUST 3, 2001

APPLICATION OF
WOODLAWN COMMUNICATION, LLC

For certificates of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On April 30, 2001, Woodlawn Communication, LLC ("Woodlawn" 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 May 25, 2001, 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 Woodlawn's application. On June 4, 2001, Woodlawn filed a Motion to Extend Procedural Dates to reschedule certain prehearing matters originally scheduled in the May 25, 2001, Order. An Order Granting Motion to Change Procedural Dates was issued on June 6, 2001, with an Amending Order issued June 13, 2001. On June 22, 2001, Woodlawn filed proof of publication and proof of service as required by the May 25, 2001, Order.

On July 19, 2001, the Staff filed its Report finding that Woodlawn's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules"). Based upon its review of Woodlawn'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 Woodlawn collect customer deposits, the Company shall establish and maintain an escrow account for such funds, held in a Virginia office of a duly chartered state or national bank, savings and loan association or savings bank, or credit union that is unaffiliated with Woodlawn and shall notify the

Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained 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 the Company, Woodlawn shall comply with all requirements of § C (Conditions for Certification) of the Local Rules.

A hearing was conducted on July 31, 2001. 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) Woodlawn Communication, LLC, is hereby granted a certificate of public convenience and necessity, No. T-566, 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) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(3) Should Woodlawn collect customer deposits, it shall establish and maintain an escrow account for such funds, held in a Virginia office of a duly chartered state or national bank, savings and loan association or savings bank, or credit union that is unaffiliated with the Company and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

(4) At such time as voice services are initiated by the Company, Woodlawn shall comply with all requirements of § C (Conditions for Certification) of the Local Rules.

(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. PUC010113
MAY 25, 2001

APPLICATION OF
EVEREST CONNECTIONS CORPORATION OF VIRGINIA

For cancellation of certificates of public convenience and necessity

ORDER

On June 30, 2000, the State Corporation Commission ("Commission") issued Certificate No. T-492 permitting the provision of local exchange telecommunications services and Certificate No. TT-99A permitting the provision of interexchange telecommunications services to Everest Connections Corporation of Virginia ("Everest" or "Company") in Case No. PUC000073. By letter application filed May 3, 2001, Everest requested cancellation of its certificates of public convenience and necessity. The Company advised that it does not serve any customers in Virginia and desires the cancellation of its certificates "due to a change in business plans and a need to focus resources on other markets."

NOW THE COMMISSION, being sufficiently advised, will grant the requested cancellations.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUC010113.

(2) Certificate Nos. T-492 and TT-99A issued to Everest Connections Corporation of Virginia are hereby cancelled.

(3) This matter is dismissed.

CASE NO. PUC010122
OCTOBER 17, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of updating certain regulations relating to telecommunications

FINAL ORDER

On June 26, 2001, the State Corporation Commission ("Commission") issued an Order for Notice and Comment or Requests for Hearing in the above-captioned matter stating that we had determined that certain of our regulations relating to telecommunications required amendment or repeal to: (1) bring the regulations into conformance with the requirements of the Virginia Code Commission's Virginia Register Form, Style and Procedure Manual;

(2) reflect changes in the Code of Virginia ("Code") enacted by the General Assembly, orders subsequently issued by the Commission, or changes in federal law; (3) eliminate certain existing regulations that need not be codified in the Virginia Administrative Code ("VAC"); and (4) make any necessary clarifications that are not substantive in nature.

Interested persons were given the opportunity to comment or request a hearing on the proposed regulations. Verizon Virginia Inc. and Verizon South Inc. (jointly "Verizon"), Cox Virginia Telecom, Inc. ("Cox"), and the Virginia Cable Telecommunications Association ("VCTA") submitted comments. No party requested a hearing.

NOW UPON CONSIDERATION of the comments filed herein, the Commission is of the opinion and finds that we should revise the proposed regulations as described below, adopt such regulations appended to this Order as Attachment 1 as final rules, and cause this Order and the final regulations to be published in the Virginia Register of Regulations.

We revise the following proposed regulations to correct grammatical errors, to correct omissions or other editorial mistakes made in drafting the proposed rules, or to clarify the existing rules without changing substance: 20 VAC 5-401-10, 20 VAC 5-401-20 B, 20 VAC 5-401-30 B, 20 VAC 5-401-40 C and D, and 20 VAC 5-401-50 A and C of the Rules Governing the Provision of Network Interface Devices, 20 VAC 5-401-10 et seq. (currently codified as 20-VAC 5-400-20); 20 VAC 5-403-50 D 1 and 20 VAC 5-403-70 of the Rules Governing Small Investor-Owned Telephone Utilities, 20 VAC 5-403-10 et seq. (currently 20 VAC 5-400-30); 20 VAC 5-411-50 A of the Rules Governing the Certification of Interexchange Carriers, 20 5-411-10 et seq. (currently 20 VAC 5-400-60); 20 VAC 5-413-10 of the Rules Governing Disconnection of Local Exchange Telephone Service, 20 VAC 5-413-10 et seq. (currently 20 VAC 5-400-151); 20 VAC 5-415-20 B of the Rules Governing Telecommunications Relay Service, 20 VAC 5-415-10 et seq. (currently 20 VAC 5-440-170); and 20 VAC 5-421-20 B of the Rules Governing Exemption from Providing Physical Collocation, 20 VAC 5-421-10 et seq. (currently 20 VAC 5-400-200 B).

We do not adopt or address the merits of the remaining suggested substantive revisions from the parties as those revisions go beyond the scope of this case. However, we find it necessary to address the comments offered by Cox and VCTA regarding the applicability to competitive local exchange carriers ("CLECs") of the amendments being made in this proceeding to rules adopted prior to 1995. These parties argue that, since such rules were promulgated before there were CLECs, the rules do not apply to CLECs unless expressly incorporated by reference in the Rules Governing the Offering of Competitive Local Exchange Telephone Service, 5 VAC 2-400-180 ("Local Rules"). Cox and VCTA express concern that, since the rules are being amended post-1995, it may be construed that these amended rules would now apply not just to incumbent local exchange carriers ("ILECs"), but also to CLECs, and that this may be impractical or inappropriate.

The Commission finds no support for the position that rules promulgated prior to 1995, unless expressly identified in the Local Rules, are inapplicable to CLECs, and so rejects it. When we grant a certificate to a CLEC, we require the CLEC to comply with the Local Rules, § 56-265.4:4 of the Code, and any other conditions that may be contained within our order approving certification. These requirements were never intended to be an exhaustive list of provisions of the Code and the VAC with which a CLEC must also comply.

In this proceeding, we are adopting simple housekeeping changes and will not address substantive issues that are outside the scope of this proceeding. If the parties have concerns regarding compliance with certain rules promulgated by this Commission and codified in the VAC, the parties may petition for appropriate relief in a separate matter.

Accordingly, IT IS ORDERED THAT:

(1) We hereby adopt as final the regulations appended hereto as Attachment 1.

(2) A copy of this Order and the rules adopted herein shall be forwarded promptly to the Registrar of Regulations for publication in the Virginia Register of 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.

NOTE: A copy of Attachment 1 entitled "Communications Regulations" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. PUC010125
JUNE 22, 2001

APPLICATION OF
VIC-RMTS-DC, L.L.C. d/b/a VERIZON AVENUE
VIC-RMTS-DC, L.L.C. d/b/a ONEPOINT COMMUNICATIONS

To cancel existing certificate and issue certificate reflecting new name

FINAL ORDER

By letter application filed May 24, 2001, Verizon Avenue Corporation ("Verizon Avenue") informed the State Corporation Commission ("Commission") that VIC-RMTS-DC, L.L.C. d/b/a OnePoint Communications ("OnePoint") had changed its name to VIC-RMTS-DC, L.L.C. d/b/a Verizon Avenue. The application requested that the Company's certificate of public convenience and necessity be modified to reflect the new corporate name.

OnePoint holds a certificate of public convenience and necessity, No. T-386, issued September 10, 1997, that authorizes OnePoint to provide local exchange telecommunications services in the Commonwealth. The Commission is of the opinion that a revised certificate of public convenience and necessity should be granted.

Accordingly, IT IS ORDERED THAT:

(1) This matter should be docketed and assigned Case No. PUC010125.

(2) Certificate of public convenience and necessity No. T-386 is canceled and shall be reissued as amended Certificate No. T-386a in the name of VIC-RMTS-DC, L.L.C. d/b/a Verizon Avenue.

(3) Verizon Avenue 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.

(4) There being nothing further to come before the Commission, this matter is dismissed.

CASE NO. PUC010126
JUNE 27, 2001

APPLICATION OF
@LINK NETWORKS OF VIRGINIA, INC. f/k/a DAKOTA SERVICES, LTD.

For cancellation of certificates of public convenience and necessity

ORDER

On March 29, 2001, the State Corporation Commission ("Commission") issued Certificate No. T-548 permitting the provision of local exchange telecommunications services and Certificate No. TT-143A permitting the provision of interexchange telecommunications services to @Link Networks of Virginia, Inc. ("@Link" or "Company") in Case No. PUC000311. By letter application filed May 29, 2001, @Link requested cancellation of its certificates of public convenience and necessity. The Company advised that it does not serve any customers in Virginia and desires the cancellation of its certificates because it has filed for bankruptcy due to its inability "to raise additional financing or align themselves with a strategic partner."

NOW THE COMMISSION, being sufficiently advised, will grant the requested cancellations.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUC010126.

(2) Certificate Nos. T-548 and TT-143A issued to @Link Networks of Virginia, Inc. are hereby cancelled.

(3) This matter is dismissed.

CASE NO. PUC010127
OCTOBER 11, 2001

APPLICATION OF
TMC OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On July 16, 2001, TMC of Virginia, Inc. ("TMC" 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 telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated August 14, 2001, 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 TMC's application. On September 21, 2001, TMC filed proof of publication and proof of service as required by the August 14, 2001, Order.

On September 27, 2001, the Staff filed its Report finding that TMC'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 TMC'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 TMC collect customer deposits, it shall establish and maintain an escrow account for such funds, held in a Virginia office of a duly chartered state or national bank, savings and loan association or savings bank, or credit union that is unaffiliated with TMC and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained 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, Telecommunications Management Consultants, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of TMC's initial tariff.

A hearing was conducted on October 10, 2001. 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) TMC of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-162A, 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) TMC of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-571, 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) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications services competitively.

(4) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) Should TMC collect customer deposits, it shall establish and maintain an escrow account for such funds, held in a Virginia office of a duly chartered state or national bank, savings and loan association or savings bank, or credit union that is unaffiliated with TMC and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

(6) The Company shall provide audited financial statements of its parent, Telecommunications Management Consultants, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of TMC's initial tariff.

(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. PUC010132
JUNE 26, 2001

APPLICATION OF
LIGHTBONDING.COM VA INC.

For cancellation of certificates of public convenience and necessity

ORDER

On December 7, 2000, the State Corporation Commission ("Commission") issued Certificate No. T-520 permitting the provision of local exchange telecommunications services and Certificate No. TT-116A permitting the provision of interexchange telecommunications services to LightBonding.com VA Inc. ("LightBonding" or "Company") in Case No. PUC000199. By letter application filed June 6, 2001, LightBonding advised that it is "surrendering its CPCNs in connection with the cessation of the business operations of [its] parent company, MediaCenters, Inc., which took place June 4, 2001." The Company has no customers in the Commonwealth.

NOW THE COMMISSION, being sufficiently advised, will cancel the referenced certificates.

Accordingly, IT IS ORDERED THAT:

(1) This matter shall be docketed and assigned Case No. PUC010132.

(2) Certificate Nos. T-520 and TT-116A issued to LightBonding.com VA Inc. are hereby cancelled.

(3) This matter is dismissed.

CASE NO. PUC010133
JUNE 26, 2001

APPLICATION OF
TALK AMERICA OF VIRGINIA, INC. f/k/a TEL-SAVE HOLDINGS OF VIRGINIA, INC.

For cancellation and reissuance of certificates of public convenience and necessity to reflect corporate name change

ORDER

By Order entered October 9, 1997, in Case No. PUC970045, the State Corporation Commission ("Commission") granted Tel-Save Holdings of Virginia, Inc. ("Tel-Save"), Certificate No. T-391 to provide local exchange telecommunications services in the Commonwealth of Virginia.

Subsequently, Tel-Save changed its corporate name to Talk America of Virginia, Inc. ("Talk America"), and has by letter dated June 12, 2001, requested the cancellation of the Tel-Save certificate and reissuance of the certificate in its new name. For good cause shown, the Commission will grant the request.

Accordingly, IT IS ORDERED THAT:

(1) This matter should be docketed and assigned Case No. PUC010133.

(2) Certificate No. T-391 shall be cancelled and reissued as Certificate No. T-391a in the name of Talk America of Virginia, Inc.

(3) There being nothing further to come before the Commission, this matter is dismissed.

CASE NO. PUC010136
AUGUST 28, 2001

PETITION OF
SPRINT COMMUNICATIONS COMPANY OF VIRGINIA, INC.

For Arbitration of Interconnection Rates, Terms, and Conditions Pursuant to 47 U.S.C. § 252(b) and Related Arrangements with Verizon Virginia Inc. and Verizon South Inc.

ORDER OF DISMISSAL

On June 15, 2001, Sprint Communications Company of Virginia, Inc. ("Sprint"), filed with the State Corporation Commission ("Commission") a Petition for arbitration of certain terms, conditions, and prices for interconnection and related arrangements ("Arbitration Petition") with Verizon Virginia Inc. ("Verizon Virginia"), and Verizon South Inc. ("Verizon South"), pursuant to § 252(b) of the Telecommunications Act of 1996 (the "Act").[1]

On July 9, 2001, Verizon Virginia and Verizon South filed their Answer to the Arbitration Petition of Sprint and also their Supplemental Issues List and their alternative proposed interconnection agreements with Sprint.

The Commission issued a Preliminary Order on August 8, 2001, which allowed the parties to elect to proceed with arbitration by the Federal Communications Commission ("FCC") under the Act in lieu of this Commission, or pursue resolution of unresolved issues pursuant to 20 VAC-400-180 F 6. We incorporate the Preliminary Order herein by reference.

The parties have subsequently filed their individual notices of intent to pursue arbitration of these matters with the FCC. Therefore, the Commission finds that the Petition by Sprint should be dismissed so that the parties may proceed before the FCC. It shall be the responsibility of the parties to serve copies of all pleadings filed herein upon the FCC.

Accordingly, IT IS ORDERED THAT:

(1) This case is hereby dismissed without prejudice, consistent with the findings above. This Commission will not arbitrate the interconnection issues under federal law for the reasons set forth in the Preliminary Order issued in this case on August 8, 2001.

(2) There being nothing further to come before the Commission, this case is closed.

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[1] Telecommunications Act of 1996, Pub.L.No. 104-104, 110 Stat. 56, *codified* at 47 U.S.C. § 151 *et seq.*

CASE NO. PUC010137
JUNE 26, 2001

APPLICATION OF
URBAN MEDIA OF VIRGINIA, INC.

For cancellation of certificates of public convenience and necessity

ORDER

On October 13, 2000, the Commission issued Certificate No. T-511 permitting the provision of local exchange telecommunications services and Certificate No. TT-112A permitting the provision of interexchange telecommunications services to Urban Media of Virginia, Inc. ("Urban Media" or "Company"), in Case No. PUC000132. By letter application filed June 15, 2001, Urban Media requested that the Commission cancel its certificates of public convenience and necessity. The Company cited a lack of financial resources to continue its operations as the reason for the request. As the Company has no customers in the Commonwealth and the Commission being sufficiently advised, we will cancel the referenced certificates.

Accordingly, IT IS ORDERED THAT:

(1) This matter shall be docketed and assigned Case No. PUC010137.

(2) Certificate Nos. T-511 and TT-112A, issued to Urban Media of Virginia, Inc., are hereby cancelled.

(3) This matter is dismissed.

CASE NO. PUC010138
SEPTEMBER 25, 2001

APPLICATION OF
KMC DATA LLC

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On June 15, 2001, KMC DATA LLC ("KMC DATA" 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.

By Order dated July 3, 2001, 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 KMC DATA's application. On August 9, 2001, KMC DATA filed proof of service on all certificated local exchange and interexchange carriers in Virginia and proof of publication in all newspapers of general circulation throughout KMC DATA's service territory. Also on August 9, 2001, KMC DATA filed a Motion for Change in Procedural Date stating that, based on an oversight by the Norfolk Virginian-Pilot, advertised notice was not published in the newspaper until July 29, 2001, two days after the deadline set forth in our July 3, 2001, Order. KMC DATA requested that the date by which the Company must publish notice of its application be continued two days to July 29, 2001.

On August 30, 2001, the Staff filed its Report finding that KMC DATA's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules"). Based upon its review of KMC DATA'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 condition: should KMC DATA collect customer deposits, it shall establish and maintain an escrow account for such funds, held in a Virginia office of a duly chartered state or national bank, savings and loan association or savings bank, or credit union that is unaffiliated with KMC DATA and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

A hearing was conducted on September 13, 2001. At the hearing, the application and accompanying attachments and the Staff Report were entered into the record without objection. The Commission granted the Company's Motion for Change in Procedural Date to move the deadline for publication to July 29, 2001. 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) KMC DATA is hereby granted a certificate of public convenience and necessity, No. T-568, 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) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(3) Should KMC DATA collect customer deposits, it shall establish and maintain an escrow account for such funds, held in a Virginia office of a duly chartered state or national bank, savings and loan association or savings bank, or credit union that is unaffiliated with KMC DATA, and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

(4) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.

CASE NO. PUC010140
SEPTEMBER 18, 2001

PETITION OF
VERIZON SOUTH INC.'S ARCOLA EXCHANGE CUSTOMERS

To implement extended local service from Verizon South Inc.'s Arcola exchange to the Verizon-Washington D.C., District of Columbia exchange

ORDER IMPLEMENTING EXTENDED LOCAL SERVICE

On November 5, 1999, telephone customers in Verizon South Inc.'s ("Verizon South") Arcola exchange petitioned the State Corporation Commission ("Commission") for extended local service to the District of Columbia exchange. Verizon South conducted a cost study and, on June 18, 2000, polled the Arcola exchange customers and determined that a majority of those customers were willing to pay an increase in monthly rates for local service to the District of Columbia exchange. Results of the poll were certified to the Staff of the Commission on September 14, 2000.

On October 23, 2000, the Staff of the Commission wrote a letter to the District of Columbia Public Service Commission ("DC PSC") requesting consideration of reciprocal calling from the District of Columbia exchange to Verizon South's Arcola exchange. On April 26, 2001, the Staff received a response from the DC PSC denying the request for reciprocal calling.

NOW THE COMMISSION, having considered the petition and § 56-484.2 of the Code of Virginia, finds that extended local service from Verizon South's Arcola exchange to the District of Columbia exchange should be implemented on a one-way calling basis.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) One-way extended local service from Verizon South's Arcola exchange to the District of Columbia exchange shall be implemented.

(2) Verizon South shall file the tariff revisions necessary for the extension of local service.

(3) This case shall be dismissed and the papers placed in the file for ended causes.

CASE NO. PUC010146
OCTOBER 16, 2001

PETITION OF
YIPES TRANSMISSION VIRGINIA, INC.

For Arbitration Pursuant to § 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement

ORDER OF DISMISSAL

By Preliminary Order of August 21, 2001, the State Corporation Commission ("Commission") docketed this petition of Yipes Transmission Virginia, Inc. ("Yipes"), for arbitration of unresolved issues in its interconnection negotiations with Verizon Virginia Inc. ("Verizon Virginia") pursuant to § 252(b) of the Telecommunications Act of 1996.[1] In the Preliminary Order, the Commission made certain findings on its jurisdiction to arbitrate pursuant to our "Rules governing the offering of competitive local exchange service", 20 VAC 5-400-180 F 6. We ordered Yipes and Verizon Virginia to advise the Commission by September 5, 2001, whether they wished to pursue arbitration under 20 VAC 5-400-180 F 6.

By letter filed with the Commission on September 5, 2001, Verizon Virginia claimed that most of the unresolved issues are related to dark fiber which had been addressed by the Federal Communications Commission ("FCC") in its "UNE Remand Order." Verizon Virginia stated that it expected that Yipes would pursue its claims before the FCC and that it would raise any defense before that agency.

On September 10, 2001, Yipes filed its Motion for Extension of Time. According to its motion, Yipes required additional time to consider whether it should proceed with its petition. By Order Granting Extension of September 12, 2001, the Commission authorized Yipes to advise the Commission by September 21, 2001, of its intention to proceed. On September 24, 2001, Yipes filed its Motion for Further Extension of Time. By Order Granting Further Extension of September 27, 2001, the Commission extended the filing date to October 5, 2001, as requested by Yipes.

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[1] Telecommunications Act of 1996, Pub.L. No. 104-104, 110 Stat. 56, *codified* at 47 U.S.C. § 151 *et seq.*

By letter filed with the Commission on October 5, 2001, Yipes advised the Commission that it would not pursue arbitration pursuant to our "Rules governing the offering of competitive local exchange service," 20 VAC 5-400-180 F 6. Yipes will pursue arbitration before the FCC, and it requested dismissal of its petition.

The Commission issued a Preliminary Order on August 21, 2001, which allowed the parties to elect to proceed with arbitration by the FCC under the Act in lieu of this Commission or pursue resolution of unresolved issues pursuant to 20 VAC-400-180 F 6. We incorporate the Preliminary Order herein by reference.

Therefore, the Commission finds that the petition by Yipes should be dismissed so that the parties may proceed before the FCC. It shall be the responsibility of the parties to serve copies of all pleadings filed herein upon the FCC.

Accordingly, IT IS ORDERED THAT:

(1) This case is hereby dismissed without prejudice, consistent with the findings above. This Commission will not arbitrate the interconnection issues under federal law for the reasons set forth in the Preliminary Order issued in this case on August 21, 2001.

(2) There being nothing further to come before the Commission, this case is closed.

CASE NO. PUC010148
OCTOBER 1, 2001

APPLICATION OF
GLOBAL TELECOM BROKERS OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On July 2, 2001, Global Telecom Brokers of Virginia, Inc. ("Global" 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. 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 July 25, 2001, 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 provided interested parties with an opportunity to comment and request a hearing on Global's application.

On September 5, 2001, the Company filed proof of publication and proof of service as required by the July 25, 2001, Order. No comments or requests for hearing were received from any interested party.

On September 19, 2001, the Staff filed its Report finding that Global'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 the Company'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 Global collect customer deposits, it shall establish and maintain an escrow account for such funds held in a Virginia office of a duly chartered state or national bank, savings and loan association or savings bank, or credit union that is unaffiliated with Global, and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary; and (2) the Company shall provide audited financial statements for its parent, VDL, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of Global's initial tariff.

Global did not file any response to the Staff Report.

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) Global Telecom Brokers of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-161A, 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) Global is hereby granted a certificate of public convenience and necessity, No. T-569, 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) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications services competitively.

(4) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) Should Global collect customer deposits, it shall establish and maintain an escrow account for such funds, held in a Virginia office of a duly chartered state or national bank, savings and loan association or savings bank, or credit union that is unaffiliated with Global, and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

(6) The Company shall provide audited financial statements for its parent, VDL, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of Global's initial tariff.

(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. PUC010149
JULY 13, 2001

APPLICATION OF
CONECTIV COMMUNICATIONS OF VIRGINIA, INC.

For cancellation of certificates of public convenience and necessity

ORDER

On March 3, 2000, the State Corporation Commission ("Commission") issued Certificate No. T-482, permitting the provision of local exchange telecommunications services and Certificate No. TT-88A, permitting the provision of interexchange telecommunications services to Conectiv Communications of Virginia, Inc. ("Conectiv" or "Company") in Case No. PUC990232. By application filed with the Commission on July 2, 2001, Conectiv requested cancellation of its certificates of public convenience and necessity.

In its application, the Company advised that it does not provide telecommunications services to any customers in the Commonwealth, nor does it have an effective tariff for Virginia. The Company advised that in connection with the transfer of assets and customers in other states to Cavalier Telephone, L.L.C. ("Cavalier"), Conectiv is abandoning its Virginia certificates of public convenience and necessity.

NOW THE COMMISSION, being sufficiently advised, has determined to grant the requested cancellations.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUC010149.

(2) Certificate Nos. T-482 and TT-88A issued to Conectiv Communications of Virginia, Inc. are hereby cancelled.

(3) This matter is hereby dismissed from the Commission's docket of active proceedings.

CASE NO. PUC010151
OCTOBER 2, 2001

APPLICATION OF
eLINK TELECOMMUNICATIONS OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services and for interim operating authority

ORDER FOR NOTICE AND COMMENT
AND GRANTING INTERIM AUTHORITY

On September 10, 2001, eLink Telecommunications of Virginia, Inc. ("eLink" 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 and requested interim authority to provide local exchange and interexchange telecommunications services to existing customers of OnSite Access Local LLC ("OnSite").[1]

NOW UPON CONSIDERATION of the application, the Commission is of the opinion and finds that eLink's application should be docketed; that the Applicant should give notice to the public of its application; that interested parties should have an opportunity to comment and request a hearing on eLink's application; and that the Commission Staff should conduct an investigation into the reasonableness of the application and present its findings in a

[1] By Commission Order dated April 27, 2000, in Case No. PUC000014, OnSite was authorized to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. On July 3 and July 19, 2001, OnSite filed an application to transfer its assets to eLink. That application is docketed as Case No. PUA010034. Since the proposed transfer would not transfer Certificate No. TT-90A authorizing OnSite to provide interexchange telecommunications services and Certificate No. T-485 authorizing OnSite to provide local exchange telecommunications services, eLink has filed this application, as eLink will obtain part of the operating assets of OnSite if the proposed transfer is approved.

Staff Report. We will, considering the application filed in Case No. PUA010034, grant eLink authority to operate and provide service to existing customers under the tariffs of OnSite Access Local LLC subject to further order of this Commission.

Accordingly, IT IS ORDERED THAT:

(1) This case is docketed and assigned Case No. PUC010151.

(2) eLink Telecommunications of Virginia, Inc., is hereby granted interim operating authority to operate and provide local exchange and interexchange telecommunications services to existing customers of OnSite, under the tariffs of OnSite, pending the issuance of further Commission Orders.

(3) On or before October 31, 2001, 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
eLINK TELECOMMUNICATIONS OF VIRGINIA, INC.
FOR CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY
TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE
TELECOMMUNICATIONS SERVICES THROUGHOUT THE COMMONWEALTH
OF VIRGINIA, AND FOR INTERIM OPERATING AUTHORITY
CASE NO. PUC010151

On September 10, 2001, eLink Telecommunications of Virginia, Inc. ("eLink" or "Applicant") filed an application with the State Corporation Commission ("Commission") for certificates of public convenience and necessity ("certificates") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. In its application, 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 and requested interim operating authority to provide telecommunications services to customers of Onsite Access Local LLC.

On July 3 and July 19, 2001, OnSite Access Local LLC ("OnSite") filed an application to transfer the operating assets of OnSite to eLink. That proceeding is docketed as Case No. PUA010034. If approved, that application would not transfer OnSite's Certificate No. TT-90A to provide interexchange telecommunications services and OnSites's Certificate T-485 to provide local exchange telecommunications services to eLink. Accordingly, on September 10, 2001, eLink completed an application for certificates of public convenience and necessity ("certificates") to the Commission to provide local exchange and interexchange services.

Copies of the applications 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 eLink's counsel, Richard J. Dyer, O'Melveny & Myers LLP, 555 13th Street, N.W., Washington, D.C. 20004-1109.

Any person desiring to comment on eLink's application for certificates to provide local exchange and interexchange telecommunications services may do so by directing such comments in writing on or before November 21, 2001, to the Clerk of the Commission at the address set out below.

Any person may request a hearing on eLink's application by filing an original and fifteen (15) copies of its request for hearing on or before November 21, 2001, with the Clerk of the Commission at the address set out below. Requests for hearing must state with specificity why a hearing should be conducted.

All written communications to the Commission concerning eLink's application should be directed to Joel H. Peck, Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, and must refer to Case No. PUC010151.

eLINK TELECOMMUNICATIONS OF VIRGINIA, INC.

(4) On or before October 31, 2001, Applicant shall provide a copy of the notice contained in ordering paragraph (3) 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. Lists of all current local exchange and interexchange carriers in Virginia are attached to this Order as Appendices A and B, respectively.

(5) Any person desiring to comment in writing on eLink's application for a certificate to provide local exchange and interexchange telecommunications services may do so by directing such comments on or before November 21, 2001, to the Clerk of the Commission at the address set forth below. Comments must refer to Case No. PUC010151.

(6) On or before November 21, 2001, any person wishing to request a hearing on eLink's application for certificates to provide local exchange and interexchange telecommunications services shall file an original and fifteen (15) copies of its request for hearing in writing with Joel H. Peck, Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218. Written requests for hearing shall refer to Case No. PUC010151 and shall state the following: (i) a precise statement of the interest of the filing party; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in the matter. Copies shall also be served on the applicant.

(7) On or before November 30, 2001, the Applicant shall file with the Commission proof of notice and proof of service as ordered herein.

(8) The Commission Staff shall analyze the reasonableness of eLink's application and present its findings in a Staff Report to be filed on or before December 5, 2001.

(9) On or before December 13, 2001, the Applicant shall file with the Clerk of the Commission an original and fifteen (15) copies of any response to the Staff Report or parties' objections and requests for hearing. A copy of the response shall be delivered to Staff and the other parties by overnight delivery.

(10) The Applicant shall respond to written interrogatories or data requests within seven (7) days after the receipt of the same. Parties shall provide to the Applicant, other additional parties, and Staff any workpapers or documents used in preparation of their requests for hearing, promptly upon request. Except as so modified, discovery shall be in accordance with Part IV of the Rules.

CASE NO. PUC010159
NOVEMBER 7, 2001

APPLICATION OF
OPENBAND OF VIRGINIA, INC.

To cancel certificates of public convenience and necessity

ORDER CANCELING CERTIFICATES

On July 31, 2001, OpenBand of Virginia, Inc. ("OpenBand" or the "Corporation"), filed an application requesting the State Corporation Commission ("Commission") to cancel its certificates of public convenience and necessity ("Certificates") authorizing it to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia, Certificate Nos. T-500a and TT-104B, respectively.[1] In that application, OpenBand stated that it planned to change the structure of the entity certificated in Virginia from a Virginia public service corporation to a Virginia limited liability company.

Pursuant to that plan, M.C. Dean, Inc., OpenBand, and OpenBand of Virginia, LLC ("LLC"), filed a joint petition requesting Commission approval pursuant to Chapter 5 of Title 56 of the Code of Virginia for an intra-corporate merger, reorganization, and transfer of assets from the Corporation to LLC. That joint petition was approved in Case No. PUA010032 by Commission Order issued on August 27, 2001.[2]

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that the Certificates issued to OpenBand should be cancelled.

Accordingly, IT IS ORDERED THAT:

(1) Certificate No. T-500a authorizing OpenBand of Virginia, Inc., to provide local telecommunications services throughout the Commonwealth of Virginia is hereby cancelled.

(2) Certificate No. TT-104B authorizing OpenBand of Virginia, Inc., to provide interexchange telecommunications services throughout the Commonwealth of Virginia is hereby cancelled.

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

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[1] In an Order issued on July 26, 2000, in Case No. PUC000018, the Commission issued Dean Networks of Virginia, Inc. ("Dean Networks"), certificates of public convenience and necessity authorizing it to provide local exchange and interexchange telecommunications services in Virginia, Certificate Nos. T-500 and TT-104A, respectively. By Commission Order dated November 9, 2000, in Case No. PUC000030, those certificates were amended (Certificate Nos. T-500a and TT-104B, respectively) to reflect that corporation's new name.

[2] In an Order dated August 20, 2001, in Case No. PUC010161 (Application of OpenBand of Virginia, LLC, for certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services), the Commission granted interim authority to LLC to operate and to provide telecommunications services to customers in Virginia under the tariffs of Corporation until the Commission renders a decision in the matter.

CASE NO. PUC010160
AUGUST 28, 2001

APPLICATION OF
2ND CENTURY COMMUNICATIONS OF VIRGINIA, INC.

For cancellation of a certificate of public convenience and necessity

ORDER

On October 12, 1999, the State Corporation Commission ("Commission") issued Certificate No. T-463 permitting the provision of local exchange telecommunications services to 2nd Century Communications of Virginia, Inc. ("2nd Century" or "Company"), in Case No. PUC990095. By letter application filed July 27, 2001, 2nd Century advised that it has filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code,

requested cancellation of its certificate of public convenience and necessity and its filed tariffs, and voluntarily surrendered its certificate of public convenience and necessity. The Company disclosed that it had provided its customers with 60 to 90 days' written notice of its intended discontinuance of service and a toll-free telephone number through which it could be contacted by customers, if necessary, to assist with the transition of service to another carrier.

NOW THE COMMISSION, being sufficiently advised, will grant the requested cancellations.

Accordingly, IT IS ORDERED THAT:

(1) This matter shall be docketed and assigned Case No. PUC010160.

(2) Certificate No. T-463, issued to 2nd Century Communications of Virginia, Inc., is hereby cancelled.

(3) The Company's tariffs are hereby cancelled.

(4) This matter is dismissed.

CASE NO. PUC010161
NOVEMBER 7, 2001

APPLICATION OF
OPENBAND OF VIRGINIA, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On July 31, 2001, OpenBand of Virginia, LLC ("OpenBand" 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. The Company also requested interim operating authority and 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 20, 2001, 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 granted OpenBand's request for interim authority to operate and provide telecommunications services under the tariffs of OpenBand of Virginia, Inc.[1] On September 28, 2001, OpenBand filed proof of publication and proof of service as required by the August 20, 2001, Order. No comments or requests for hearing were filed.

On October 19, 2001, the Staff filed its Report finding that OpenBand'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 OpenBand'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 condition: should OpenBand collect customer deposits, it shall establish and maintain an escrow account for such funds held in a Virginia office of a duly chartered state or national bank, savings and loan association or savings bank, or credit union that is unaffiliated with OpenBand, and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

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) OpenBand of Virginia, LLC, is hereby granted a certificate of public convenience and necessity, No. TT-163A, 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) OpenBand of Virginia, LLC, is hereby granted a certificate of public convenience and necessity, No. T-572, 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) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications services competitively.

(4) The Company shall provide tariffs to the Division of Communications within sixty (60) days of the date of this Order. The tariffs shall conform to all applicable Commission rules and regulations.

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[1]In an Order dated November 9, 2000, the Commission, in Case No. PUC000300, amended the certificates of public convenience and necessity granted Dean Networks of Virginia, Inc., to reflect the name of that entity, i.e., OpenBand of Virginia, Inc. ("OpenBand, Inc."). OpenBand, Inc., currently holds Certificate No. TT-104B to provide interexchange telecommunications services and Certificate No. T-500a to provide local exchange telecommunications services.

(5) Should OpenBand collect customer deposits, it shall establish and maintain an escrow account for such funds, held in a Virginia office of a duly chartered state or national bank, savings and loan association or savings bank, or credit union that is unaffiliated with OpenBand, and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

(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. PUC010163
AUGUST 22, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CAVALIER TELEPHONE, LLC,
Defendant

ORDER OF DISMISSAL

On August 6, 2001, the Staff of the State Corporation Commission ("Commission") filed a Motion for Rule to Show Cause, requesting the Commission to enter an order directing Cavalier Telephone, LLC ("Cavalier") to show cause why it should not be enjoined from refusing or failing to port telephone numbers for customers switching from Cavalier service to another local exchange telecommunications company as requested by Cavalier's customers. The Commission issued a Rule To Show Cause on August 7, 2001, which directed Cavalier to file its answer to Staff's Motion for Rule to Show Cause and set this matter for hearing to be convened on Wednesday, September 5, 2001, at 10:00 a.m. On August 17, 2001, the Staff, by counsel, filed its Notice To Take Deposition. On August 21, 2001, Cavalier filed its Motion to Dismiss.

The Commission, being duly advised that Staff joins in the Motion to Dismiss and that Cavalier has made its customer's telephone number available for porting to another local exchange carrier, now finds that the Notice To Take Deposition should be vacated, that Cavalier's Motion should be granted, and that this case should be dismissed.

Accordingly, IT IS ORDERED THAT:

(1) The Notice to Take Deposition filed by Staff in this case is hereby vacated.

(2) Cavalier's Motion to Dismiss is hereby granted.

(3) This case is dismissed.

CASE NO. PUC010167
NOVEMBER 27, 2001

APPLICATION OF
R.T.O. COMMUNICATIONS, L.L.C. d/b/a BEST-WAY PHONES,
BEST-WAY COMMUNICATIONS,
BEST-WAY RENT TO OWN,
and
BEST-WAY SALES

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On August 30, 2001, R.T.O. Communications, L.L.C. d/b/a BEST-WAY Phones, BEST-WAY Communications, BEST-WAY Rent to Own, and BEST-WAY Sales ("R.T.O." 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 proposes to offer a prepaid month-by-month local exchange telephone service to business and residential subscribers.

In order to provide this prepaid service, R.T.O. 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 September 20, 2001, the Commission directed the Company to provide notice to the public of its application and directed the Commission Staff to conduct an investigation and file a Staff Report. On October 18, 2001, R.T.O. filed proof of publication and proof of service as required by the September 20, 2001, Order. No comments or requests for hearing were filed.

On November 2, 2001, the Staff filed its Report finding that the Company's application was, overall, acceptable and in compliance with the Local Rules. Based upon its review of the Company's application, the Staff did not object to R.T.O.'s request for waivers from specific requirements of the Local Rules for its monthly prepaid local exchange telecommunications service offering or its request for a certificate to provide local exchange telecommunications services subject to certain conditions. These conditions follow:

(1) Regarding R.T.O.'s prepaid month-by-month local exchange telecommunications service offering, the Company should not be allowed to collect customer deposits under any circumstances.

(2) R.T.O. should provide its audited financial statements to the Commission's Division of Economics and Finance no later than one year from the effective date of its initial tariff.

(3) Regarding R.T.O.'s prepaid month-by-month local exchange telecommunications service offering, the Company should provide full disclosure to consumers about the services and features R.T.O. will and will not furnish to subscribers of its alternative prepaid month-by-month local exchange telecommunications 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.

(4) Any waivers of Local Rules § C 1 d, access to directory assistance; § C 1 e, access to operator services; § C 1 f, equal access to interLATA long distance carriers; § C 5, intraLATA access requirements; and § D 3 c, price ceilings, granted to R.T.O. for its prepaid month-by-month local exchange telecommunications service described in the Company's filing should be limited solely to that service offering.

(5) Any waivers granted to R.T.O. for its prepaid month-by-month local exchange telecommunications 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.

(6) Any subsequent increase in the rate for R.T.O.'s prepaid month-by-month local exchange telecommunications service should be subject to 30 days' notice to the Commission and notice to customers provided through billing inserts or publication for two consecutive weeks as display advertising in newspapers having general circulation in the areas served by the Company.

(7) If at any time R.T.O. begins to offer non-prepaid (standard) local exchange telecommunications services and the Company collects customer deposits for such services, the Company should establish and maintain an escrow account for such funds, held in a Virginia office of a duly chartered state or national bank, savings and loan association or savings bank, or credit union, that is unaffiliated with R.T.O., and should notify the Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement should be maintained until the Staff or Commission determines that it is no longer necessary.

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 with the conditions recommended by the Staff.

Accordingly, IT IS ORDERED THAT:

(1) R.T.O. is hereby granted a certificate of public convenience and necessity, No. T-573, 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) Local Rules § C 1 d, § C 1 e, § C 1 f, § C 5, and § D 3 c are waived solely for R.T.O.'s prepaid month-by-month local exchange telecommunications service described in the application, and the Local Rules shall otherwise apply to all local exchange telecommunications services provided by R.T.O.

(3) The waivers granted to R.T.O for its prepaid month-by-month local exchange telecommunications service in ordering paragraph (2) of this Order shall be subject to revocation, alteration, or the imposition of additional conditions, such as pricing restrictions, in the event the Commission subsequently determines the service is operating improperly or is not in the public interest.

(4) Regarding R.T.O.'s prepaid month-by-month local exchange telecommunications service offering, the Company shall not be allowed to collect customer deposits under any circumstances.

(5) R.T.O. shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations from which the Company has not been granted waivers.

(6) Regarding R.T.O.'s prepaid month-by-month local exchange telecommunications service offering, the Company shall provide full disclosure to customers about the services and features R.T.O. will and will not furnish to subscribers of its alternative prepaid month-by-month local exchange telecommunications 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.

(7) R.T.O. shall provide its 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.

(8) Any subsequent increase in the rate for R.T.O.'s prepaid month-by-month local exchange telecommunications 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.

(9) If at any time R.T.O. begins to offer non-prepaid (standard) local exchange telecommunications services and the Company collects customer deposits for such services, the Company shall establish and maintain an escrow account for such funds, held in a Virginia office of a duly chartered state or

national bank, savings and loan association or savings bank, or credit union, that is unaffiliated with R.T.O., and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

(10) There being nothing further to come before the Commission, this case shall remain open to evaluate R.T.O.'s prepaid, month-by-month local exchange telecommunications service.

CASE NO. PUC010171
NOVEMBER 27, 2001

APPLICATION OF
XO LONG DISTANCE SERVICES (VIRGINIA), LLC

For a certificate of public convenience and necessity to provide interexchange telecommunications services

FINAL ORDER

On August 10, 2001, XO Long Distance Services (Virginia), LLC ("XO LD" or the "Company"), filed an application with the State Corporation Commission ("Commission") for a certificate of public convenience and necessity ("certificate") to provide 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 August 29, 2001, the Commission directed XO LD to give notice to the public of its application, providing an opportunity for interested parties to comment and request a hearing on the Company's application; directed the Commission Staff to conduct an investigation and file a Staff Report, if necessary; and, if substantive objections were received, directed that a public hearing be scheduled to receive evidence relevant to XO LD's application.

XO LD filed proof of publication and proof of service on October 9, 2001, as required by the August 29, 2001, Order. No comments or requests for hearing were filed.

On November 1, 2001, the Staff filed its Report finding that XO LD's application was in compliance with the Rules Governing the Certification of Interexchange Carriers. Based upon its review of XO LD's application, the Staff determined it would be appropriate to grant the Company a certificate to provide interexchange telecommunications services.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that the Company should be granted a certificate to provide 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) XO LD is hereby granted a certificate of public convenience and necessity, No. TT-164A, 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) The Company 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, the Company 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.

CASE NO. PUC010173
DECEMBER 19, 2001

APPLICATION OF
ONSITE ACCESS LOCAL LLC

For cancellation of certificates of public convenience and necessity

ORDER CANCELING CERTIFICATES

On April 27, 2000, the State Corporation Commission ("Commission") issued Certificate No. T-485, permitting the provision of local exchange telecommunications services and Certificate No. TT-90A, permitting the provision of interexchange telecommunications services to OnSite Access Local LLC, ("OnSite" or "the Company") in Case No. PUC000014. By letter dated June 29, 2001, OnSite requested cancellation of its certificates of public convenience and necessity and authority to discontinue local exchange and interexchange telecommunications services to any remaining customers. OnSite stated that its withdrawal from the telecommunications services market in Virginia is necessary and reasonable given the Company's dire financial situation. The Company stated that it has filed for bankruptcy protection and must discontinue its operations in Virginia.

In a letter dated December 6, 2001, OnSite stated that it provided its customers with at least 60 days' written notice of its intended discontinuance of services. OnSite also provided a copy of the notice sent to customers that included a toll-free telephone number through which it could be contacted by customers, if necessary, to assist with the transition of service to another carrier.

NOW THE COMMISSION, being sufficiently advised, will grant the requested cancellations.

Accordingly, IT IS ORDERED THAT:

(1) This matter shall be docketed and assigned Case No. PUC010173.

(2) Certificate Nos. T-485 and TT-90A issued to OnSite Access Local LLC are hereby cancelled.

(3) All tariffs on file in the Division of Communications in the name of OnSite Access Local LLC are hereby cancelled.

(4) This matter is dismissed.

CASE NO. PUC010177
SEPTEMBER 5, 2001

APPLICATION OF
RHYTHMS LINKS INC. - VIRGINIA

For authority to discontinue local exchange and interexchange telecommunications services

FINAL ORDER

On August 21, 2001, Rhythms Links Inc. - Virginia ("Rhythms") filed an application with the State Corporation Commission ("Commission") for termination of its local exchange and interexchange certificates. However, on August 27, 2001, Rhythms filed a combined Motion to Dismiss Application for Termination of Local Exchange and Interexchange Certificates and Application for Authority to Discontinue Local Exchange and Interexchange Service.

The Commission finds that Rhythms' Motion to Dismiss its Application filed August 21, 2001, should be granted.[1]

Rhythms' Application for Authority to Discontinue Local Exchange and Interexchange Service ("Application of August 27, 2001") states that Rhythms is a provider of digital subscriber line ("DSL") broadband services in the Commonwealth of Virginia.

The Division of Communications is informed by Rhythms' attorney that Rhythms provides only interstate DSL services in Virginia and does not provide voice services to customers in Virginia.[2] Rhythms attaches to its Application of August 27, 2001, a copy of notice sent to its customers in Virginia, dated August 9, 2001, which includes: the termination of service date of September 10, 2001; letter of authorization to the customer's incumbent local exchange carrier to transfer the customer's unbundled network loop(s) (identified) to an alternative service provider of the customer's choosing; circuit identification data including collocation wiring location data, known as connecting facility assignment or "CFA"; a referral, if available, to all carriers that will accept the customer's request to migrate service; and information on where the customer may seek assistance or lodge a complaint with the FCC.

The Commission concludes that Rhythms has given adequate notice to its interstate customers in Virginia of its intended September 10, 2001, termination of DSL services and sufficient information to assist its customers to obtain an alternative service provider.

Accordingly, IT IS ORDERED THAT:

(1) Rhythms' Motion to Dismiss is hereby granted.

(2) Rhythms is hereby granted authority to cease operations in Virginia and to discontinue the offering of local exchange and interexchange telecommunications services on September 10, 2001.

(3) Rhythms' tariffs on file with the Division of Communications shall be cancelled on September 10, 2001.

(4) There being nothing further to come before the Commission, this case is hereby closed.

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[1]While the Application for Termination of Rhythms' local exchange and interexchange certificates filed August 21, 2001, (Certificate Nos. T-412a and TT-52B, respectively) has been dismissed, the Commission notes that these certificates are not otherwise transferable.

[2]Rhythms does not provide service to any customers in Virginia pursuant to its intrastate tariffs.

CASE NO. PUC010177
NOVEMBER 9, 2001

APPLICATION OF
RHYTHMS LINKS INC. – VIRGINIA

For authority to discontinue local exchange and interexchange telecommunications services

SUPPLEMENTAL ORDER

On September 5, 2001, the State Corporation Commission issued a Final Order which authorized Rhythms Links Inc.-Virginia ("Rhythms") to cease operations in Virginia and to discontinue the offering of local exchange and interexchange telecommunications services on September 10, 2001. Rhythms' tariffs on file with the Division of Communications were also cancelled on September 10, 2001.

The Final Order of September 5, 2001, also granted Rhythms its motion to dismiss its original application to terminate its local exchange and interexchange certificates. On October 12, 2001, Rhythms filed a renewed request for the termination of its local exchange and interexchange certificates.

The Commission finds that Rhythms' certificate number T-412a to provide local exchange telecommunications services and certificate number TT-52B to provide interexchange telecommunications services should be cancelled.

Accordingly, IT IS ORDERED THAT:

(1) Rhythms' certificate number T-412a to provide local exchange telecommunications services is hereby cancelled.

(2) Rhythms' certificate number TT-52B to provide interexchange telecommunications services is hereby cancelled.

(3) There being nothing further to come before the Commission, this case is hereby closed.

CASE NO. PUC010180
SEPTEMBER 20, 2001

CAVALIER TELEPHONE, LLC,
Petitioner
v.
VERIZON VIRGINIA INC.,
Defendant

ORDER OF DISMISSAL

On August 3, 2001, Verizon Virginia Inc. ("Verizon Virginia") filed with the Division of Communications of the State Corporation Commission ("Commission") a tariff to introduce FlexGrow® Service ("FlexGrow"), to become effective September 4, 2001.[1]

On August 29, 2001, Cavalier Telephone, LLC ("Cavalier") filed its Petition seeking a suspension of the FlexGrow tariff for 150 days pending an investigation and public hearing, and that Verizon Virginia be enjoined from continuing certain alleged illegal and discriminatory conduct complained of in the Petition.

The Commission finds that Cavalier's Petition should be docketed. However, on August 30, 2001, Verizon Virginia filed notice with the Division of Communications of its withdrawal of the FlexGrow tariff before the proposed effective date. Therefore, the request for suspension of the tariff raised in Cavalier's Petition is now moot.[2] Verizon indicates in its notice of withdrawal of the FlexGrow tariff that it intends to refile the tariff at a later date. Verizon Virginia is required by § D.1. of its Plan for Alternative Regulation[3] to serve notice on all local and interexchange carriers certificated in Virginia when refiling its FlexGrow or successor tariff.

Cavalier has indicated to Staff's counsel that it does not intend to separately pursue the injunctive relief requested in its Petition before the Commission.

The Commission finds that Cavalier's Petition should be dismissed without prejudice.

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[1] FlexGrow is described in the tariff filing as "an interexchange multifunctional digital service for business customers that provides voice and high-speed data services on an integrated basis over a single high-capacity T-1 facility." The proposed classification of FlexGrow under Verizon Virginia's Plan for Alternative Regulation is Discretionary.

[2] We note that Cavalier is pursuing related action at the FCC. Exhibit A of the Petition is a copy of Cavalier's letter dated July 27, 2001, requesting expedited resolution, pursuant to 47 C.F.R. 1.730, by the FCC to prevent Verizon Communications from discriminatory treatment in its application of the process of provisioning DS-1 (T-1) UNE loop orders for Cavalier.

[3] *Application of Verizon Virginia Inc., For approval of its Plan for Alternative Regulation*, Case No. PUC010032, Order Approving Plan, issued May 15, 2001.

Accordingly, IT IS ORDERED THAT:

(1) The Petition filed by Cavalier is hereby dismissed without prejudice, consistent with the findings above.

(2) This case is hereby closed.

CASE NO. PUC010181
DECEMBER 14, 2001

APPLICATION OF
US LEC OF VIRGINIA L.L.C.

For a certificate of public convenience and necessity to provide interexchange telecommunications services

FINAL ORDER

On August 28, 2001, US LEC of Virginia L.L.C. ("US LEC" or the "Company"), filed an application with the State Corporation Commission ("Commission") for a certificate of public convenience and necessity to provide 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 14, 2001, 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 provided that interested persons may file comments on US LEC's application.

US LEC filed proof of publication and proof of service on October 29, 2001, as required by the September 14, 2001, Order.

On November 20, 2001, the Staff filed its Report finding that US LEC's application was in compliance with the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"). Based upon its review of US LEC's application, the Staff determined it would be appropriate to grant the Company a certificate to provide interexchange telecommunications services.

Pursuant to the November 14, 2001, Order, interested persons were to file comments on or before November 1, 2001. No comments were filed.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that the Company should be granted a certificate to provide 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) US LEC of Virginia L.L.C. is hereby granted a certificate of public convenience and necessity, No. TT-165A, 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) The Company 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, the Company 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.

CASE NO. PUC010186
DECEMBER 13, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of revising rules governing payphone service and instruments

ORDER ADOPTING RULES

By Order dated November 24, 1993, the State Corporation Commission ("Commission") adopted Regulations for Payphone Service and Instruments (20 VAC 5-400-90). On October 17, 2001, the Commission entered an Order inviting comments and requests for hearing on the Staff's new proposed rules governing payphone service and instruments ("Proposed Rules"). As stated in that Order, the Proposed Rules were designed to update and modernize the current rules adopted in 1993.

In the October 17, 2001, Order, the Commission also recognized the fact that payphone service remains essential to many Virginians and the traveling public who depend upon payphones to satisfy their communications needs and who rely on operator assistance to complete their calls and provide emergency assistance.

By November 14, 2001, the Commission had received comments on the Proposed Rules from WorldCom, Inc. ("WorldCom"), Cox Virginia Telcom, Inc. ("Cox"), the Division of Consumer Counsel, Office of the Attorney General, Verizon Virginia Inc. and Verizon South Inc. ("Verizon"), the Atlantic Payphone Association ("APA"), USLD Communications, Inc., Sprint, and one private citizen.

NOW THE COMMISSION, having considered the Proposed Rules and the comments thereto, finds that we should adopt the rules appended to this Order as Attachment A, effective December 14, 2001.

The rules we adopt herein contain several modifications and clarifications to those originally proposed by the Staff and published in the Virginia Register of Regulations on November 5, 2001. These modifications were made after our consideration of the changes proposed by the various interested parties in this proceeding and our analysis of how best to balance the interests of payphone users, payphone service providers, serving local exchange carriers, and operator service providers. We will not review each rule in detail but will comment briefly on several of them.

First, however, we will address issues raised by WorldCom and Cox in their comments. In its comments, WorldCom states that the Proposed Rules are inconsistent with the Commission's determinations in Case No. PUC990157, Robert E. Lee Jones, Jr. v. MCI WorldCom Network Services of Virginia, Inc. et al.[1] because they specifically exempt from regulation "[p]ayphone instruments located in confinement facilities. . .." Cox simply requests that the Commission establish rules governing service from payphone instruments in confinement facilities, either in this proceeding or in a future rulemaking proceeding, that are generally applicable to all companies providing or interested in providing payphone instruments and/or service in confinement facilities.

WorldCom mischaracterizes Proposed Rule 20 VAC 5-407-10 B. This Proposed Rule exempts payphone instruments located in confinement facilities from the provisions of proposed Chapter 407. The Staff's Proposed Rules govern distinct aspects of payphone service and instruments, including registration, renewal, and cancellation procedures, service requirements, and housing card requirements for payphone service providers ("PSPs"), operator service providers ("OSPs"), and serving local exchange carriers ("serving LECs"). The Proposed Rules are deliberately narrow in application and do not preclude the Commission from exercising regulatory authority in appropriate circumstances in the future. In fact, Cox urges the Commission to establish a generic rulemaking proceeding to consider regulation of payphone instruments in confinement facilities. While we have no immediate intention to establish such a proceeding, we believe this is a reasonable request and will consider it.

Next, the APA recommended a revision to Rule 20 VAC 5-407-50 B to permit more than one payphone instrument to be attached to one access line in certain circumstances. The APA stated that there are circumstances where the monthly recurring access line fees are too great to allow each instrument its own access line, i.e., truck-stop restaurants. We agree with the APA that where multiple coinless phones are installed in the same physical area, one access line is sufficient to connect up to three coinless phones. Thus, Rule 20 VAC 5-407-50 B has been revised to incorporate the APA's comments.

In addition, based on the APA's comments, we have revised Rule 20 VAC 5-407-50 J to permit PSPs sufficient time to implement changes to central office codes and local and extended calling areas rather than requiring that the changes be implemented by the effective date of the change.

With regard to Rule 20 VAC 5-407-50 K, we considered the comments of both the APA and Verizon and have revised the rule accordingly. This Rule now contains an exception to restoral standards for out-of-service payphones where site construction has interrupted service and requires serving LECs to restore 80% of all out-of-service conditions within 24 hours and 100% of all such conditions within 48 hours from receipt of the trouble report. We believe this rule now contains reasonable standards for both PSPs and serving LECs.

Further, we revised Proposed Rule 20 VAC 5-407-50 N, which mandated that PSPs could not charge fees for incoming calls, and, instead, we will permit such fees for calls in excess of one minute. This should be posted on the housing card in accordance with Rule 20 VAC 5-407-60 A 12.

Finally, we revised Rule 20 VAC 5-407-50 O (now 20 VAC 5-407-50 O and P) to ensure consistency with the Commission's Order in Case No. PUC970029, Petition of PayTel Communications, Inc., et al., For rejection of and investigation of tariffs filed by Virginia local exchange carriers pursuant to § 276 of the Telecommunications Act of 1996. In the May 11, 2001, Final Order in that case, we stated that the Federal Communications Commission's ("FCC") regulations implementing § 276 of the Telecommunications Act of 1996 ("the Act") attempt to impose upon the Commonwealth, in its sovereign capacity, a role pursuant to § 276 of the Act that is in violation of the Tenth Amendment. We, therefore, found that the Commission does not have the authority independent of the Constitution of Virginia and state statutes to strictly assist the FCC in fulfilling the FCC's statutory and regulatory duties. To assure consistency with that finding, we revised Rule 20 VAC 5-407-50 O to remove the reference to FCC tariffs and, instead, included an additional rule clarifying the compliance requirements as they may relate to the FCC.

Accordingly, IT IS ORDERED THAT:

(1) We hereby repeal the Regulations for Payphone Service and Instruments, 20 VAC 5-400-90 et seq., and adopt the Rules For Payphone Service and Instruments, 20 VAC 5-407-10 et seq., appended hereto as Attachment A.

(2) Because these rules may require changes to effective or proposed tariffs currently on file at the Commission, operator service providers and serving local exchange carriers are directed to file revised tariffs, if necessary, on or before January 18, 2002, incorporating changes required by these rules.

(3) A copy of this Order and the rules adopted herein shall be forwarded promptly for publication in the Virginia Register of Regulations.

(4) This case is dismissed and the papers filed herein shall be placed in the file for ended causes.

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

[1] Commonwealth of Virginia, ex rel. Robert E. Lee Jones, Jr. v. MCI WorldCom Network Services of Virginia, Inc., and MCI WorldCom Communications of Virginia, Inc., Case No. PUC990157, Doc. Cont. Ctr. No. 010840017 (August 22, 2001 Final Order), *reconsideration granted*, Doc. Cont. Ctr. No. 010920111 (*Order Granting Petition for Reconsideration and Motion to Suspend Final Order*, September 11, 2001).

CASE NO. PUC010187
DECEMBER 14, 2001

APPLICATION OF
TELECENTS OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On September 6, 2001, TeleCents of Virginia, Inc. ("TeleCents" 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. 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 25, 2001, the Commission directed the Company to provide notice to the public of its application and directed the Commission Staff to conduct an investigation and file a Staff Report. On October 31, 2001, the Company filed proof of publication and proof of service as required by the September 25, 2001, Order.

On November 20, 2001, the Staff filed its Report finding that TeleCents' 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 TeleCents' 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 TeleCents collect customer deposits, it shall establish and maintain an escrow account for such funds, held in a Virginia office of a duly chartered state or national bank, savings and loan association or savings bank, or credit union that is unaffiliated with the Company and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained 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, TeleCents Communications, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of TeleCents' initial tariff.

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) TeleCents is hereby granted a certificate of public convenience and necessity, No. TT-166A, 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) TeleCents is hereby granted a certificate of public convenience and necessity, No. T-574, 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) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications services competitively.

(4) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) Should TeleCents collect customer deposits, it shall establish and maintain an escrow account for such funds, held in a Virginia office of a duly chartered state or national bank, savings and loan association or savings bank, or credit union that is unaffiliated with the Company and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

(6) The Company shall provide audited financial statements for its parent, TeleCents Communications, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of TeleCents' initial tariff in Virginia.

(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. PUC010189
SEPTEMBER 20, 2001

JOINT APPLICATION OF
VERIZON VIRGINIA INC.
and
VERIZON SOUTH INC.

To clarify extended local calling status between Hampton and Crittenden and between Newport News and Crittenden

ORDER

On September 7, 2001, Verizon Virginia Inc. ("Verizon Virginia") and Verizon South Inc. ("Verizon South") (collectively, the "Companies") filed an application with the State Corporation Commission ("Commission") requesting relief from the Commission's Final Orders issued in Case Nos. PUC000168 and PUC000276, which required the extension of local service from Verizon Virginia's Newport News Exchange to Verizon South's Crittenden Exchange and from Verizon Virginia's Hampton Exchange to Verizon South's Crittenden Exchange, respectively.[1] In these Final Orders, Verizon Virginia was required to implement extended local service ("ELS") between these exchanges and to file the necessary tariff revisions to collect ELS adder charges.

As the result of the Commission's Order issued in Case Nos. PUC990100, Verizon Virginia and Verizon South agreed to implement at no charge local calling between the Companies' contiguous or adjacent exchanges, which includes Newport News, Hampton, and Crittenden.[2] Further, in Case No. PUC000204, the Commission authorized the implementation of basic local service on the Newport News and Crittenden and the Hampton and Crittenden routes.[3] Verizon Virginia and Verizon South have not implemented the ELS on these routes or collected any of the ELS adder charges. The Companies request relief from the Commission's Final Orders requiring the implementation of ELS along these routes and imposing the adder charges.

NOW THE COMMISSION, upon consideration of this matter, finds that the Companies' request should be granted.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) The Companies shall not implement ELS between Verizon Virginia's Newport News Exchange and Verizon South's Crittenden Exchange and Verizon Virginia's Hampton Exchange and Verizon South's Crittenden Exchange as authorized by our Final Orders in Case Nos. PUC000168 and PUC000276.

(2) The Companies shall not file tariff revisions and collect ELS adder charges for ELS service between Verizon Virginia's Newport News Exchange and Verizon South's Crittenden Exchange and Verizon Virginia's Hampton Exchange and Verizon South's Crittenden Exchange as authorized by our Final Orders in Case Nos. PUC000168 and PUC000276.

(3) The Companies shall continue to operate pursuant to our Orders issued in Case Nos. PUC990100 and PUC000204.

(4) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

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[1] 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, Case No. PUC000168, Doc. Ctr. Cont. No. 001080076, Final Order (October 31, 2000), and Application of Verizon Virginia Inc., To implement extended local service from the Hampton Zone of the Newport News Metropolitan Exchange Area to Verizon South Inc.'s Crittenden Exchange, Case No. PUC000276, Doc. Ctr. Cont. No. 010420189, Final Order (April 19, 2001).

[2] Joint Petition of Bell Atlantic-Virginia and GTE Corporation, For approval of agreement and plan for merger, Case No. PUC990100, Doc. Cont. Ctr. No. 991140029, Order Approving Petition (November 29, 1999).

[3] 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, Case No. PUC000204, Doc. Cont. Ctr. No. 010140142, Order Authorizing Implementation of Remaining Second Phase Expanded Local Calling (January 30, 2001).

CASE NO. PUC010194
OCTOBER 24, 2001

PETITION OF
US LEC OF VIRGINIA, LLC

For Declaratory Judgment Interpreting and Enforcing Interconnection Agreement with Verizon Virginia Inc.

FINAL ORDER

On September 13, 2001, US LEC of Virginia, LLC ("US LEC") filed with the State Corporation Commission ("Commission") a petition for declaratory judgment against Verizon Virginia Inc. ("Verizon Virginia") seeking enforcement of a certain interconnection agreement between US LEC and Verizon Virginia (the "Agreement"), which is based upon US LEC's adoption, pursuant to Section 252(i) of the Telecommunications Act of 1996 ("the

Act"), of an interconnection agreement between Verizon Virginia and MCImetro Access Transmission Services, Inc. ("MCIm") (the "MCIm Agreement").[1] Specifically, US LEC seeks interpretation and enforcement of the Agreement and its terms relating to the payment of reciprocal compensation for their transport and termination of Verizon Virginia's traffic to Internet Service Providers ("ISPs").

US LEC contends that Verizon Virginia will not make payments to US LEC for reciprocal compensation for the transport and termination of telephone exchange service traffic handed off by Verizon Virginia to US LEC for termination by US LEC to its exchange service end users that are ISPs or Enhanced Service Providers (collectively "ISPs"). US LEC relies upon the adopted MCIm agreement's requirement that the parties will pay such compensation for the transport and termination of "Local Traffic." Furthermore, US LEC requests that the Commission enter an order affirming an earlier Commission decision that calls to ISPs are local for purposes of reciprocal compensation.[2]

Finally, US LEC contends that a Commission order will not be impacted by the Federal Communications Commission's ("FCC") recent reevaluation of the treatment to be accorded to traffic delivered to ISPs.[3] The FCC has stated that its determination does not "alter existing contractual obligations," and "does not preempt any state commission decision regarding compensation for ISP-bound traffic for the period prior to the effective date of the interim regime we adopt here."[4]

In Petition of Cox Virginia Telecom, Inc.,[5] Cox Virginia Telecom, Inc. ("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.

However, subsequent decisions have been issued by the FCC concerning reciprocal compensation for ISP-bound traffic[6] and the treatment of Internet-bound traffic as interstate in nature.[7] The Commission remains steadfast in its concern regarding the possibility of conflicting results by this Commission and the FCC.[8] The FCC has still not reached determinations on the various outstanding issues concerning its treatment of ISP-bound traffic. Both parties in this case are seeking an expedited decision. Rather than prolong the resolution of the issues involved in this case, the most practical action is for this Commission to decline jurisdiction and allow the parties to present their case to the FCC.[9]

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 respond to the petition 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.

NOW THE COMMISSION, upon full consideration of the pleadings, the Act, the Reciprocal Compensation Order, the Order on Remand, and the applicable statutes and rules, finds that we should take no action on the petition. We will dismiss the petition without prejudice and encourage the parties to request interpretation of this Agreement from the FCC.

Accordingly, IT IS THEREFORE ORDERED that the petition in Case No. PUC010194 be DISMISSED and, there being nothing further to come before the Commission, the papers transferred to the files for ended causes.

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[1] The interconnection agreement by and between Verizon and MCImetro Access Transmission Services, Inc. was approved by this Commission in Petition of MCI Telecommunications Corporation and MCI Metro Access Transmission Services of Virginia, Inc., For arbitration of unresolved issues with Bell Atlantic-Virginia, Inc., pursuant to § 252 of the Telecommunications Act of 1996, Case No. PUC960113, 1997 S.C.C. Ann. Rep. 236.

[2] Petition of Cox Virginia Telecom, Inc., For enforcement of interconnection agreement with Bell Atlantic-Virginia, Inc. and arbitration award for reciprocal compensation for the termination of local calls to Internet service providers ("Petition of Cox Virginia Telecom, Inc."), Case No. PUC970069, 1997 S.C.C. Ann. Rep. 298.

[3] See Implementation of the Local Competition Provisions in the Telecommunications Act of 1996 and Inter-Carrier Compensation for ISP-Bound Traffic, CC Docket Nos. 96-98 and 99-68, Order on Remand and Report and Order, FCC 01-131, 16 F.C.C.R. 9151 (2001) (the "ISP Remand Order").

[4] *Id.* at Para. 82.

[5] Petition of Cox Virginia Telecom, Inc., Case No. PUC970069, 1997 S.C.C. Ann. Rep. 298.

[6] 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, 14 F.C.C.R. 3689 (1999) (hereinafter, "Reciprocal Compensation Order").

[7] In re Implementation of the Local Competition Provisions in the Telecommunications Act of 1996: Intercarrier Compensation for ISP-Bound Traffic, Order on Remand and Report & Order, FCC No. 01-131, 16 F.C.C.R. 9151 (2001) ("Order on Remand").

[8] Petition of Starpower Communications, LLC, For declaratory judgment and enforcement of interconnection agreement with Bell Atlantic-Virginia, Inc., Case No. PUC990156, 2000 S.C.C. Ann. Rep. 272; Petition of Starpower Communications, LLC, For declaratory judgment interpreting interconnection agreement with GTE South, Inc., Case No. PUC990023; and Petition of Cox Virginia Telecom, 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, 2000 S.C.C. Ann. Rep. 263.

[9] Furthermore, if interpretation of this interconnection agreement requires action under § 252(e) of the Act, the Commission would decline to waive sovereign immunity under the Eleventh Amendment of the Constitution of the United States. See 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, Case No. PUC000282, 2000 S.C.C. Ann. Rep. 368.

CASE NO. PUC010198
NOVEMBER 21, 2001

APPLICATION OF
BROADSTREET COMMUNICATIONS OF VIRGINIA, L.L.C.

For authority to discontinue telecommunications services in certain geographic regions of the Commonwealth of Virginia

ORDER

On September 27, 2001, BroadStreet Communications of Virginia, L.L.C. ("BroadStreet" or the "Company"), filed an application with the State Corporation Commission ("Commission") requesting Commission approval to discontinue provision of local exchange telecommunications services to its 24 customers in its Roanoke, Virginia, market. The Company is certificated to provide local exchange telecommunications services throughout the Commonwealth of Virginia.[1] The Company proposes to retain its certificate to provide local exchange telecommunications services in order to continue to provide service in areas other than the Roanoke, Virginia, market.

The Company proposed a discontinuance date of November 26, 2001. Our October 19, 2001, Order in this matter suspended this date until further order of the Commission. We ordered BroadStreet to deliver, on or before October 26, 2001, the October 19, 2001, Order to each customer affected by the proposed discontinuance. Further, the Company was required to notify the Commission's Division of Communications of the number of its remaining customers in the Roanoke market on November 13, 2001.

As required by the October 19, 2001, Order, BroadStreet provided a status of its customers on November 13, 2001. The Company states that: seven customers have switched to other providers; in addition to the initial customer notice, a copy of the October 19, 2001, Order was provided to each customer and that each customer has been contacted by telephone regarding the discontinuance; and all but one customer has responded to the Company.

NOW THE COMMISSION, being sufficiently advised, will grant the request.

Accordingly, IT IS ORDERED THAT:

(1) The Company's request to discontinue provision of local exchange telecommunications services to the Roanoke, Virginia market is hereby granted with the effective date of November 27, 2001.

(2) Tariff revisions reflecting discontinuance of service in the Roanoke, Virginia, market shall be filed with the Commission's Division of Communications within thirty (30) days of the date of this Order.

(3) There being nothing further to be done in this matter, this case shall be dismissed and the papers placed in the file for ended causes.

[1] Certificate of public convenience and necessity No. T-507 ("certificate") was issued September 13, 2000, in Case No. PUC000076.

CASE NO. PUC010210
NOVEMBER 21, 2001

APPLICATION OF
PICUS COMMUNICATIONS, LLC

For cancellation of certificates of public convenience and necessity

ORDER

On April 23, 1999, the State Corporation Commission ("Commission") issued Certificate No. T-442 permitting the provision of local exchange telecommunications services and Certificate No. TT-68A permitting the provision of interexchange telecommunications services to PICUS Communications, LLC ("Picus" or "Company") in Case No. PUC990026. By letter application filed October 11, 2001, Picus requested cancellation of its certificates of public convenience and necessity. The Company advised that it desired the cancellation of its certificates because it had filed for bankruptcy and its subsequent cessation of business.

NOW THE COMMISSION, being sufficiently advised, will grant the requested cancellations.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUC010210.

(2) Certificate Nos. T-442 and TT-68A issued to PICUS Communications, LLC, are hereby cancelled.

(3) All tariffs on file in the Division of Communications in the name of PICUS Communications, LLC, are hereby cancelled.

(4) This matter is dismissed.

CASE NO. PUC010214
NOVEMBER 20, 2001

JOINT APPLICATION OF
VERIZON ADVANCED DATA - VIRGINIA, INC.,
VERIZON VIRGINIA INC.,
and
VERIZON SOUTH INC.

For approval for Verizon Advanced Data - Virginia, Inc. to discontinue local exchange and intraLATA interexchange telecommunications services and for authority for Verizon Virginia Inc. and Verizon South Inc. to provide advanced data services under the tariffs filed by Verizon Advanced Data - Virginia, Inc. on an interim basis

ORDER GRANTING JOINT APPLICATION

On October 16, 2001, Verizon Advanced Data - Virginia, Inc. ("VADI-VA"), Verizon Virginia Inc. ("Verizon Virginia"), and Verizon South Inc. ("Verizon South") (collectively, "Joint Applicants") filed with the State Corporation Commission ("Commission") their Joint Application for authority to return the provision of broadband packet data services ("Advanced Services")[1] from VADI-VA to Verizon Virginia and Verizon South.

The Commission notes that the Federal Communications Commission ("FCC") has already granted Joint Applicants such authority, on an interstate basis, to move the provision of Advanced Services from VADI-VA to Verizon Virginia and Verizon South.[2]

On November 9, 2001, Verizon Virginia and Verizon South filed certification that notice depicted in the attachment was mailed on November 6, 2001, to VADI-VA's customers advising them that their Advanced Services (interstate and intrastate) would again be provided by Verizon Virginia and Verizon South. The Commission finds that VADI-VA's customers have been given sufficient notice of the return of the provisioning of Advanced Services to Verizon Virginia and Verizon South.

The Commission is of the opinion that the Joint Application should be granted. Accordingly, VADI-VA is granted approval, pursuant to 20 VAC 5-400-180 D 7, to withdraw its provision of local exchange and intraLATA interexchange telecommunications services, contemporaneous with the transfer of VADI-VA's customers to the Verizon incumbent local exchange carriers, or ILECs, that previously provided their Advanced Services. The Commission further finds that Verizon Virginia and Verizon South should be authorized to provide intrastate Advanced Services under the existing VADI-VA tariffs on an interim basis, not to exceed ninety (90) days from the date of this Order.

Verizon Virginia and Verizon South should file their proposed tariffs for Advanced Services offerings with the Division of Communications at least thirty (30) days prior to the proposed effective date and comply with all other classification requirements for new services pursuant to their alternative regulatory plans.[3]

Accordingly, IT IS ORDERED THAT:

(1) The Joint Application is hereby granted, consistent with the findings above.

(2) VADI-VA is hereby authorized to withdraw from the provision of local exchange and intraLATA interexchange telecommunications services pursuant to 20 VAC 5-400-180 D 7.

(3) Verizon Virginia and Verizon South are hereby authorized to provide Advanced Services to the former VADI-VA's customers under the existing VADI-VA tariffs for an interim period, not to exceed ninety (90) days from the date of this Order.

(4) Verizon Virginia and Verizon South shall file their tariffs for intrastate Advanced Services with the Division of Communications at least thirty (30) days prior to the proposed effective date, consistent with their respective alternative regulatory plans.

(5) Upon the effective date of Verizon Virginia's and Verizon South's tariffs for intrastate Advanced Services, the tariffs of VADI-VA shall be cancelled.

(6) There being nothing further to come before the Commission, this case is closed.

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[1] Such services include ATM, Frame Relay, SMDS, and DSL.

[2] In an Order dated September 26, 2001, the FCC approved Joint Applicants' request to accelerate its Advanced Services reintegration by terminating the sunset period established in the FCC's order approving the merger of Bell Atlantic and GTE Corporation (*In the Matter of GTE Corporation, Transferor, and Bell Atlantic Corporation, Transferee, For Consent to Transfer Control*, CC Docket No. 98-184, Memorandum Opinion and Order (Adopted and Released: June 16, 2000)) and allowing Joint Applicants to begin the reintegration process "effective immediately." See *In the Matter of GTE Corporation, Transferor, and Bell Atlantic Corporation, Transferee, For Consent to Transfer Control*, CC Docket No. 98-184, Order (Adopted and Released: September 26, 2001), paragraph 18.

[3] In the interim, we expect Verizon South and Verizon Virginia to abide by the requirement for VADI-VA in Case No. PUC000181 not to increase rates for intrastate Advanced Services without approval by the Commission. See *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*, Case No. PUC000181, Final Order, December 19, 2000.

CASE NO. PUC010221
NOVEMBER 20, 2001

PETITION OF
STARPOWER COMMUNICATIONS, LLC

For Authority to Grandfather Resale Local Exchange Telecommunications Services

ORDER GRANTING AUTHORITY TO GRANDFATHER RESALE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

On October 26, 2001, Starpower Communications, LLC ("Starpower"), filed its petition requesting the State Corporation Commission ("Commission") to authorize Starpower to grandfather its resale local exchange telecommunications services ("resale services").[1]

Starpower currently serves 2,283 residential resale customers and 9 business resale customers. Starpower will continue to provide resale services to its existing customers and will allow those customers to make changes to their current services.[2] Starpower proposes to terminate the offering of its resale services on a going forward basis.

The Commission finds that Starpower should be authorized to grandfather its resale services as requested once (1) thirty days' notice is given to its resale customers in the form depicted in the attachment to its petition, and (2) revised tariffs have been accepted by the Division of Communications reflecting the grandfathered resale services.

Accordingly, IT IS ORDERED THAT:

(1) Starpower is hereby granted its petition for authority to grandfather resale services, consistent with the findings above.

(2) Starpower is hereby ordered to submit to the Division of Communications certification that notice has been given to its resale customers in accordance with the findings above.

(3) Starpower is further directed to work with the Division of Communications and provide revised tariffs reflecting the grandfathering of its resale services, consistent with the findings above.

(4) There being nothing further to come before the Commission, this case is hereby closed.

[1] Starpower was granted Certificate No. T-407 to provide intrastate local exchange telecommunications services on March 24, 1998.

[2] Changes to current resale services would include addition or deletion of line features. Grandfathered resale customers will not be able to add additional resold lines.

CASE NO. PUC010239
DECEMBER 20, 2001

PETITION OF
KMC TELECOM OF VIRGINIA, INC.,
KMC TELECOM IV OF VIRGINIA, INC.,
and
KMC TELECOM V OF VIRGINIA, INC.

For Declaratory Judgment Interpreting and Enforcing Interconnection Agreements With Verizon Virginia Inc.

FINAL ORDER

On November 9, 2001, KMC Telecom of Virginia, Inc., KMC Telecom IV of Virginia, Inc., and KMC Telecom V of Virginia, Inc. (collectively "KMC"), filed with the State Corporation Commission ("Commission") a petition for declaratory judgment against Verizon Virginia Inc. ("Verizon Virginia") seeking enforcement of three interconnection agreements between KMC and Verizon Virginia (the "Agreements")[1]. Specifically, KMC seeks interpretation and enforcement of the Agreements and their terms relating to the payment of reciprocal compensation for their transport and termination of Verizon Virginia's traffic to Internet Service Providers ("ISPs"). On November 30, 2001, Verizon Virginia filed its response to KMC's petition.

KMC contends that Verizon Virginia will not make payments to KMC for reciprocal compensation for the transport and termination of telephone exchange service traffic handed off by Verizon Virginia to KMC for termination by KMC to its exchange service end users that are ISPs or Enhanced Service Providers (collectively "ISPs"). KMC relies upon the Verizon Virginia Agreements' requirement that the parties will pay such compensation for the

[1] Only one of the three interconnection agreements referred to by Petitioner, by and between Verizon Virginia and KMC, were approved by this Commission: First Agreement: Joint Application of Bell Atlantic-Virginia, Inc. and KMC Telecom of Virginia, Inc., For approval of interconnection agreement under Section 252(e) of the Telecommunications Act of 1996, Case No. PUC970037, 1997 S.C.C. Ann. Rep. 280. The other two interconnection agreements were not formerly filed with this Commission.

transport and termination of "Local Traffic". Furthermore, KMC requests that the Commission enter an order affirming an earlier Commission decision that calls to ISPs are local for purposes of reciprocal compensation.[2]

Finally, KMC contends that a Commission order will not be impacted by the Federal Communications Commission's ("FCC") recent reevaluation of the treatment to be accorded to traffic delivered to ISPs.[3] The FCC has stated that its determination does not "alter existing contractual obligations," and "does not preempt any state commission decision regarding compensation for ISP-bound traffic for the period prior to the effective date of the interim regime we adopt here. "[4]

In Petition of Cox Virginia Telecom, Inc.,[5] Cox Virginia Telecom, Inc. ("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.

However, subsequent decisions have been issued by the FCC concerning reciprocal compensation for ISP-bound traffic[6] and the treatment of Internet-bound traffic as interstate in nature.[7] The Commission remains steadfast in its concern regarding the possibility of conflicting results by this Commission and the FCC.[8] The FCC has still not reached determinations on the various outstanding issues concerning its treatment of ISP-bound traffic. Both parties in this case are seeking an expedited decision. Rather than prolong the resolution of the issues involved in this case, the most practical action is for this Commission to decline jurisdiction and allow the parties to present their case to the FCC.[9]

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 respond to the petition 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.

NOW THE COMMISSION, upon full consideration of the pleadings, the Act, the Reciprocal Compensation Order, the Order on Remand, and the applicable statutes and rules, finds that we should take no action on the petition. We will dismiss the petition without prejudice and encourage the parties to request interpretation of this Agreement from the FCC.

Accordingly, IT IS THEREFORE ORDERED that the petition in Case No. PUC010194 be DISMISSED and, there being nothing further to come before the Commission, the papers transferred to the files for ended causes.

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[2] Petition of Cox Virginia Telecom, Inc., For enforcement of interconnection agreement with Bell Atlantic-Virginia, Inc., and arbitration award for reciprocal compensation for the termination of local calls to Internet service providers ("Petition of Cox Virginia Telecom, Inc."), Case No. PUC970069, 1997 S.C.C. Ann. Rep. 298.

[3] See Implementation of the Local Competition Provisions in the Telecommunications Act of 1996 and Inter-Carrier Compensation for ISP-Bound Traffic, CC Docket Nos. 96-98 and 99-68, Order on Remand and Report and Order, FCC 01-131, 16 F.C.C.R. 9151 (2001) (the "ISP Remand Order").

[4] Id. at Para. 82.

[5] Petition of Cox Virginia Telecom, Inc., Case No. PUC970069, 1997 S.C.C. Ann. Rep. 298.

[6] 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 Docket 96-98 and 99-68, FCC 99-38, 14 F.C.C.R. 3689 (1999) (hereinafter, "Reciprocal Compensation Order").

[7] In re Implementation of the Local Competition Provisions in the Telecommunications Act of 1996: Intercarrier Compensation for ISP-Bound Traffic, Order on Remand and Report & Order, F.C.C. No. 01-131, 16 F.C.C.R. 9151 (2001) ("Order on Remand").

[8] Petition of Starpower Communications, LLC, For declaratory judgment and enforcement of interconnection agreement with Bell Atlantic-Virginia, Inc., Case No. PUC990156, 2000 S.C.C. Ann. Rep. 272; Petition of Starpower Communications, LLC, For declaratory judgment interpreting interconnection agreement with GTE South, Inc., Case No. PUC990023; and Petition of Cox Virginia Telecom, 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, 2000 S.C.C. Ann. Rep. 263.

[9] Furthermore, if interpretation of these interconnection agreements require action under Section 252 (e) of the Act, the Commission would decline to waive sovereign immunity under the Eleventh Amendment of the Constitution of the United States. See 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, Case No. PUC000282, 2000 S.C.C. Ann. Rep. 368.

CASE NO. PUC010242
DECEMBER 12, 2001

APPLICATION OF
MVX.COM COMMUNICATIONS OF VIRGINIA, INC.

To cancel existing certificates and issue certificates reflecting new name

FINAL ORDER

By letter application filed November 9, 2001, MVX.COM Communications of Virginia, Inc. ("MVX.COM"), informed the State Corporation Commission ("Commission") that it had changed its name to QuantumShift Communications of Virginia, Inc. The application requested that the Company's certificates of public convenience and necessity be modified to reflect the new corporate name.

MVX.COM holds certificates of public convenience and necessity, Nos. T-498 and TT-102A, issued July 24, 2000, that authorize MVX.COM to provide local exchange telecommunications services and interexchange telecommunications services in the Commonwealth of Virginia, respectively. The Commission is of the opinion that revised certificates of public convenience and necessity should be granted.

Accordingly, IT IS ORDERED THAT:

(1) This matter should be docketed and assigned Case No. PUC010242.

(2) Certificates of public convenience and necessity, No. T-498 for local exchange telecommunications services and No. TT-102A for interexchange telecommunications services, are canceled and shall be reissued as amended Certificate Nos. T-498a and TT-102B in the name of QuantumShift Communications of Virginia, Inc.

(3) QuantumShift Communications 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.

(4) There being nothing further to come before the Commission, this matter is dismissed.

CASE NO. PUC010245
DECEMBER 14, 2001

APPLICATION OF
TELIGENT OF VIRGINIA, INC.

For Emergency Authority to Discontinue Local Exchange Telecommunications Services

ORDER DISCONTINUING LOCAL EXCHANGE SERVICE

On November 15, 2001, Teligent of Virginia, Inc. ("Teligent" or the "Company"), filed an application with the State Corporation Commission ("Commission") requesting Commission approval to discontinue its provision of local exchange telecommunications services to its business customers in northern Virginia.[1] In its application, Teligent requests an effective date of December 15, 2001, for discontinuing its local exchange telecommunications services. Teligent represents that it is currently in Chapter 11 and has very limited financial resources, stating that its "current financial resources enable its northern Virginia operations to continue only for the next 30 days. . .." Teligent did not request that its local certificate of public convenience and necessity ("CPCN") be canceled.[2] The Company states that it intends to continue to provide other services in Virginia and remains hopeful that, at the conclusion of its Chapter 11 reorganization, the Company or its successor will be in a position to rebuild in Virginia.

Teligent serves approximately 60 local exchange business customers in northern Virginia. The Company stated that it notified each affected customer on two separate occasions of the proposed discontinuance of service.[3] On December 12, 2001, Teligent provided a status report on its remaining customers in northern Virginia to the Commission's Division of Communications.

NOW THE COMMISSION, being sufficiently advised, will grant the requested discontinuance of service.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUC010245.

[1] The northern Virginia area represents all remaining Teligent local exchange customers. Northern Virginia customers are included in Teligent's District of Columbia market area. Previously, by Orders issued May 15, and May 22, 2001, Teligent was granted authority to discontinue the provision of local exchange telecommunications services in the Richmond Standard Metropolitan Statistical Area, Case No. PUC010112. All of Teligent's subscribers are business customers. Once the northern Virginia local customers are disconnected from service, Teligent will no longer provide local exchange telecommunications services in Virginia.

[2] Teligent holds CPCN No. T-392 to provide local exchange telecommunications services and CPCN No. TT-40A to provide interexchange telecommunications services, issued October 28, 1997, in Case No. PUC970124.

[3] Affected customers received a notification letter dated November 13, 2001, and a reminder notice mailed on November 27, 2001.

(2) Teligent is hereby granted authority, effective December 15, 2001, to cease its local exchange operations in northern Virginia and to discontinue its offering of local exchange telecommunications services.

(3) The local exchange tariff of Teligent of Virginia, Inc., Tariff VA S.C.C. No. 1, on file with the Division of Communications, is hereby canceled.

(4) There being nothing further to come before the Commission, this matter is dismissed.

CASE NO. PUC010247
DECEMBER 19, 2001

APPLICATION OF
MPOWER COMMUNICATIONS OF VIRGINIA, INC.

For cancellation of a certificate of public convenience and necessity

ORDER

On July 24, 2000, the Commission issued certificate No. T-497 permitting the provision of local exchange telecommunications services to Mpower Communications of Virginia, Inc. ("Mpower"), in Case No. PUC000055. By letter application filed November 8, 2001, Mpower advised that it has decided to discontinue local exchange telecommunications services in Virginia and requested cancellation of its certificate of public convenience and necessity and its filed tariffs. The application further states that Mpower does not currently provide any local exchange telecommunications services to customers in Virginia.

NOW THE COMMISSION, being sufficiently advised, will grant the requested cancellations.

Accordingly, IT IS ORDERED THAT:

(1) This matter shall be docketed and assigned Case No. PUC010247.

(2) Certificate No. T-497 issued to Mpower Communications of Virginia, Inc., is hereby cancelled.

(3) Any Mpower tariffs currently on file with the Division of Communications are hereby cancelled.

(4) This matter is dismissed.

CASE NO. PUC010250
DECEMBER 19, 2001

APPLICATION OF
NEWSOUTH COMMUNICATIONS OF VIRGINIA, INC.

For cancellation of certificate of public convenience and necessity

ORDER

On December 15, 2000, the State Corporation Commission ("Commission") issued Certificate No. T-522, permitting the provision of local exchange telecommunications services, to NewSouth Communications of Virginia, Inc. ("NewSouth"), in Case No. PUC000178. By letter application filed November 30, 2001, NewSouth advised that it would like to withdraw its certificate to provide local exchange telecommunications services in Virginia and requested cancellation of its certificate of public convenience and necessity.

NOW THE COMMISSION, being sufficiently advised, will grant the requested cancellation.

Accordingly, IT IS ORDERED THAT:

(1) This matter shall be docketed and assigned Case No. PUC010250.

(2) Certificate No. T-522 issued to NewSouth Communications of Virginia, Inc., is hereby cancelled.

(3) This matter is dismissed.

CASE NO. PUC010258
DECEMBER 28, 2001

APPLICATION OF
BROADSTREET COMMUNICATIONS OF VIRGINIA, LLC

For authority to cease operations and discontinue all telecommunications services in the Commonwealth of Virginia

ORDER AUTHORIZING DISCONTINUANCE OF ALL TELECOMMUNICATIONS SERVICES AND CANCELLATION OF CERTIFICATE

On December 17, 2001, BroadStreet Communications of Virginia, LLC ("BroadStreet") filed with the State Corporation Commission ("Commission") an Application For Authority To Discontinue All Telecommunications Services in the Commonwealth of Virginia ("Application"). The Application further requested cancellation of all certificates issued to BroadStreet.[1]

Pursuant to 20 VAC 5-400-180 D 7, BroadStreet cannot "abandon or discontinue local exchange service except with the approval of the Commission, and upon such terms and conditions as the Commission may prescribe." The Commission's primary concern with authorizing discontinuance is that adequate customer notice be given. BroadStreet's Application complies with a portion of our proposed Rule 20 VAC 5-423-20 A (Requirements for discontinuance) at subsection 2, which calls for a description of customer notification efforts and copies of written notices.[2]

The Commission finds that BroadStreet's customers should receive thirty (30) days' advance notice of discontinuance, although as BroadStreet notes in its Application, BroadStreet may be unable to continue service for thirty days after filing its Application due to underlying economic circumstances. Nevertheless, BroadStreet should continue to assist its customers in transitioning them to an alternative provider.

Accordingly, IT IS ORDERED THAT:

(1) BroadStreet is hereby authorized to discontinue all telecommunications services provided in the Commonwealth of Virginia, effective January 16, 2002, subject to the findings above.

(2) BroadStreet's Certificate No. T-507 is hereby cancelled, effective January 16, 2002.

(3) There being nothing further to come before the Commission, this case is hereby closed.

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[1] BroadStreet was issued Certificate No. T-507 on September 13, 2000, in Case No. PUC000076. Certificate No. T-507 authorizes the provision of local exchange telecommunications services and is the only certificate issued to BroadStreet by the Commission.

[2] A copy of its customer notice, mailed December 10, 2001, is attached to the Application. The customer notice appears to satisfy the requirements of the Federal Communications Commission ("FCC"), codified at 47 CFR § 63.71. BroadStreet's § 63.71 Application to the FCC is also attached.

The Commission issued 130 orders in 2001 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. PUC960100, Application of Verizon Virginia Inc. and AT&T Communications of Virginia, Inc., Order Approving Amendment dated May 25, 2001.

Case No. PUC960124, Petition of MCI Telecommunications Corporation and MCImetro Access Transmission Services of Virginia, Inc., Supplemental Order Declining Jurisdiction dated October 31, 2001.

Case No. PUC970010, Application of Verizon Virginia Inc. and WinStar Wireless of Virginia, LLC, Order Approving Amendment dated August 29, 2001.

Case No. PUC970066, Application of Verizon Virginia Inc. and R&B Network, Inc., Order Approving Amendment dated May 11, 2001.

Case No. PUC970066, Application of Verizon Virginia Inc. f/k/a Bell Atlantic-Virginia, Inc. and R&B Network, Inc., Order Approving Amendment dated August 8, 2001.

Case No. PUC970183, Application of Verizon South Inc. f/k/a GTE South Incorporated and Teligent of Virginia, Inc., Order Approving Amendment dated January 22, 2001.

Case No. PUC980006, Application of Verizon South Inc. and WinStar Wireless of Virginia, LLC, Order Approving Amendment dated October 23, 2001.

Case No. PUC990048, Application of Verizon Virginia Inc. and Cavalier Telephone, L.L.C., Order Approving Amendments dated May 14, 2001.

Case No. PUC990058, Joint Application of Bell Atlantic-Virginia, Inc. (n/k/a Verizon Virginia Inc.) and UniDial Communications, Inc. (n/k/a Lightyear Communications of Virginia, Inc., Order Approving Amendment dated February 23, 2001.

Case No. PUC990111, Application of Verizon Virginia Inc. and Allegiance Telecom of Virginia, Inc., Order Approving Amendment dated May 11, 2001.

Case No. PUC990111, Application of Verizon Virginia Inc. f/k/a Bell Atlantic-Virginia, Inc. and Allegiance Telecom of Virginia, Inc., Order Approving Amendment dated August 8, 2001.

Case No. PUC990111, Application of Verizon Virginia Inc. and Allegiance Telecom of Virginia, Inc., Order Approving Agreement dated December 21, 2001.

Case No. PUC990113, Application of Verizon Virginia, Inc. and Sprint Communications Company of Virginia, Inc., Order Approving Amendments dated August 29, 2001.

Case No. PUC990137, Application of Verizon Virginia Inc. and Picus Communications, LLC, Order Approving Amendments dated June 6, 2001.

Case No. PUC990167, Application of Verizon Virginia Inc. and HarvardNet - Virginia, Inc., Order Approving Amendment dated May 11, 2001.

Case No. PUC990216, Application of Verizon Virginia Inc. and IG2, Inc., Order Approving Amendments dated September 20, 2001.

Case No. PUC990225, Application of Central Telephone Company of Virginia and DSLnet Communications VA, Inc., Order Approving Amendment dated March 13, 2001.

Case No. PUC990226, Application of United Telephone-Southeast, Inc. and DSLnet Communications VA, Inc., Order Approving Amendment dated March 13, 2001.

Case No. PUC990241, Application of Verizon Virginia Inc. f/k/a Bell Atlantic-Virginia, Inc. and Arbros Communications Licensing Company, VA, Order Approving Amendment dated August 8, 2001.

Case No. PUC000005, Application of Verizon Virginia Inc. f/k/a Bell Atlantic-Virginia, Inc. and Advanced Telcom Group of Virginia Incorporated, Order Approving Amendments dated June 6, 2001.

Case No. PUC000024, Application of Verizon South Inc. and Advanced Telcom Group of Virginia, Incorporated, Order Approving Supplement dated November 27, 2001.

Case No. PUC000031, Application of Bell Atlantic-Virginia, Inc. n/k/a Verizon Virginia Inc. and US West Interprise America, Inc. d/b/a US West !nterprise America of Virginia, Inc., Order Approving Amendments dated May 15, 2001.

Case No. PUC000036, Application of Verizon South Inc. and Chesapeake Telecommunications Corporation, Order Approving Amendment dated December 12, 2001.

Case No. PUC000143, Application of Verizon South Inc., f/k/a GTE South Incorporated and SBC Telecom, Inc., Order Approving Terms dated January 17, 2001.

Case No. PUC000176, Application of Verizon Virginia, Inc. and BroadStreet Communications of Virginia, LLC, Order Approving Amendments dated May 18, 2001.

Case No. PUC000189, Application of Verizon Virginia Inc., f/k/a Bell Atlantic-Virginia, Inc., and Verizon Advanced Data - Virginia Inc., f/k/a Bell Atlantic Network Data-Virginia, Inc., Order Approving Amendment dated February 5, 2001.

Case No. PUC000190, Application of Verizon South Inc. and Verizon Advanced Data Inc. - Virginia, Order Approving Amendment dated June 19, 2001.

Case No. PUC000270, Application of Central Telephone Company of Virginia and United Telephone-Southeast, Inc., Order Approving Agreement dated January 5, 2001.

Case No. PUC000272, Application of Verizon Virginia Inc. and Plan B Communications of Virginia, Inc., Order Approving Agreement dated January 9, 2001.

Case No. PUC000280, Application of Amelia Telephone Corporation, New Castle Telephone Company, and Virginia Telephone Company and APC, PCS, LLC, and SPRINTCOM, INC., Order Approving Agreement dated January 5, 2001.

Case No. PUC000284, Application of United Telephone-Southeast, Inc. and Central Telephone Company of Virginia and USA Digital, Inc. d/b/a USA Digital of Nevada, Inc., Order Approving Agreement dated January 11, 2001.

Case No. PUC000285, Application of Verizon South Inc. and BroadStreet Communications of Virginia, L.L.C., Order Approving Agreement dated January 19, 2001.

Case No. PUC000287, Application of Verizon Virginia Inc. and Business Telecom, Inc. d/b/a Business Telecom of Virginia, Inc., Order Approving Agreement dated January 5, 2001.

Case No. PUC000288, Application of Verizon Virginia Inc. and Aquis Wireless Communications, Inc., Order Approving Agreement dated January 8, 2001.

Case No. PUC000290, Application of United Telephone-Southeast, Inc. and 1-800-RECONEX, Inc., Order Approving Agreement dated January 16, 2001.

Case No. PUC000291, Application of Central Telephone Company of Virginia and 1-800-RECONEX, Inc., Order Approving Agreement dated January 16, 2001.

Case No. PUC000292, Application of Amelia Telephone Corporation, New Castle Telephone Company, Virginia Telephone Company, and U.S. Cellular Corporation, Order Approving Agreement dated January 19, 2001.

Case No. PUC000298, Application of Verizon Virginia Inc. and Choctaw Communications of Virginia, Inc., d/b/a Smoke Signal Communications, Order Approving Agreement dated February 5, 2001.

Case No. PUC000299, Application of Verizon Virginia Inc. and PUREPACKET COMMUNICATIONS OF VIRGINIA, INC., Order Approving Agreement dated February 5, 2001.

Case No. PUC000302, Application of Verizon South Inc. f/k/a GTE South Incorporated and Metro Teleconnect, Inc., Order Approving Agreement dated January 19, 2001.

Case No. PUC000308, Application of Verizon Virginia Inc. and Urban Media of Virginia, Inc., Order Approving Agreement dated February 5, 2001.

Case No. PUC000310, Application of Central Telephone Company of Virginia, United Telephone-Southeast, Inc., and NPCR, Inc., Order Approving Agreement dated February 20, 2001.

Case No. PUC000312, Application of United Telephone-Southeast, Inc. and Metro Teleconnect, Inc., Order Approving Agreement dated February 6, 2001.

Case No. PUC000313, Application of Central Telephone Company of Virginia and Metro Teleconnect, Inc., Order Approving Agreement dated February 6, 2001.

Case No. PUC000314, Application of Verizon Virginia Inc. and Tel-Save Holding of Virginia, Inc., d/b/a Talk.Com Holding, Corp., Order Approving Agreement dated February 23, 2001.

Case No. PUC000315, Application of Verizon Virginia Inc. and NEXTLINK Virginia, L.L.C., Order Approving Agreement dated February 5, 2001.

Case No. PUC000318, Application of Verizon Virginia Inc. and Network Access Solutions, LLC, Order Approving Agreement dated February 21, 2001.

Case No. PUC000318, Application of Verizon Virginia Inc. and Network Access Solutions, LLC, Order Approving Amendment dated May 9, 2001.

Case No. PUC000320, Application of Central Telephone Company of Virginia, United Telephone-Southeast, Inc., and MountaiNet Telephone Company, Order Approving Agreement dated February 23, 2001.

Case No. PUC000322, Application of Verizon Virginia Inc. and HJN Telecom of Virginia, Inc., Order Approving Agreement dated February 23, 2001.

Case No. PUC000323, Application of Verizon Virginia Inc. and Phone Reconnect of America, LLC, Order Approving Agreement dated February 23, 2001.

Case No. PUC000326, Application of United Telephone-South, Inc. and Virginia Global Communications System, Inc., Order Approving Agreement dated January 10, 2001.

Case No. PUC000329, Joint Application of United Telephone-Southeast, Inc. and Central Telephone Company of Virginia and WinStar Wireless of Virginia, LLC, Order Approving Agreement dated March 7, 2001.

Case No. PUC010005, Application of Verizon South Inc. and Preferred Carrier Services of Virginia, Inc., Order Approving Agreement dated February 23, 2001.

Case No. PUC010007, Application of Central Telephone Company of Virginia and United Telephone - Southeast, Inc. and CAT Communications International, Inc. d/b/a CCI, Order Approving Agreement dated March 13, 2001.

Case No. PUC010009, Application of United Telephone-Southeast, Inc. and KMC Telecom of Virginia, Inc., KMC Telecom IV of Virginia, Inc., and KMC Telecom V of Virginia, Inc., Order Approving Agreement dated March 30, 2001.

Case No. PUC010009, Application of United Telephone-Southeast, Inc. and KMC Telecom of Virginia, Inc., KMC Telecom IV of Virginia, Inc., and KMC Telecom V of Virginia, Inc., Order Approving Amendment dated May 7, 2001.

Case No. PUC010010, Application of Central Telephone Company of Virginia and KMC Telecom of Virginia, Inc., KMC Telecom IV of Virginia, Inc., and KMC Telecom V of Virginia, Inc., Order Approving Agreement dated March 30, 2001.

Case No. PUC010012, Application of United Telephone-Southeast, Inc. and Central Telephone Company of Virginia and MAX-Tel Communications, Inc., Order Approving Agreement dated March 13, 2001.

Case No. PUC010014, Application of Verizon Virginia Inc. and Broadview Networks of Virginia, Inc., Order Approving Agreement dated March 7, 2001.

Case No. PUC010015, Application of Verizon Virginia Inc. and ATX Telecommunications Services, Ltd., Order Approving Agreement dated April 23, 2001.

Case No. PUC010021, Application of Amelia Telephone Corporation, New Castle Telephone Company, Virginia Telephone Company, and NTELOS, Inc., Order Approving Agreement dated March 19, 2001.

Case No. PUC010024, Joint Application of Verizon Virginia Inc. and Level 3 Communications, LLC, Order Approving Agreement dated February 23, 2001.

Case No. PUC010026, Application of United Telephone - Southeast, Inc., and Central Telephone Company of Virginia and Direct-Tel USA, LLC., Order Approving Agreement dated March 9, 2001.

Case No. PUC010027, Application of Central Telephone Company of Virginia and United Telephone-Southeast, Inc. and Metrocall, Inc., Order Approving Agreement dated April 2, 2001.

Case No. PUC010028, Application of Verizon Virginia Inc. and Z-Tel Communications of Virginia, Inc., Order Approving Agreement dated March 30, 2001.

Case No. PUC010029, Application of Verizon Virginia Inc. and Looking Glass Networks of Virginia, Inc., Order Approving Agreement dated March 30, 2001.

Case No. PUC010030, Application of Verizon South Inc. and ReFlex Communications of Virginia, Inc., Order Approving Agreement dated March 23, 2001.

Case No. PUC010031, Application of Verizon South Inc. and Single Source of Virginia, Incorporated, Order Approving Agreement dated April 6, 2001.

Case No. PUC010036, Application of Verizon Virginia Inc. and GCR Telecommunications, Inc., Order Approving Agreement dated March 20, 2001.

Case No. PUC010036, Application of Verizon Virginia Inc. and GCR Telecommunications, Inc., Order Approving Amendment dated August 27, 2001.

Case No. PUC010039, Application of Central Telephone Company of Virginia, United Telephone-Southeast, Inc., and Aspire Telecom, Inc., Order Approving Agreement dated March 9, 2001.

Case No. PUC010040, Application of Sprint Spectrum L.P. and Shenandoah Telephone Company, Order Approving Agreement dated April 12, 2001.

Case No. PUC010042, Application of Verizon Virginia Inc. and Pathnet Operating of Virginia, Inc., Order Approving Agreement dated March 13, 2001.

Case No. PUC010043, Application of Verizon Virginia Inc. and EGIX Network Services of Virginia, Inc., Order Approving Agreement dated April 19, 2001.

Case No. PUC010045, Application of Verizon Virginia Inc. and Massachusetts Local Telephone Company, Inc., Order Approving Agreement dated April 10, 2001.

Case No. PUC010046, Application of Verizon Virginia Inc. and LightBonding.com VA Inc., Order Approving Agreement dated April 10, 2001.

Case No. PUC010047, Application of Verizon Virginia Inc. and Arch Paging, Inc. and Mobile Communications Corporation of America, Order Approving Agreement dated April 23, 2001.

Case No. PUC010050, Application of Verizon Virginia Inc. and AT&T Wireless Services, Inc., Order Approving Agreement dated April 20, 2001.

Case No. PUC010091, Application of Verizon South Inc. and OpenBand of Virginia, Inc., Order Approving Agreement dated May 7, 2001.

Case No. PUC010094, Joint Application of Verizon Virginia Inc. and OnSite Access Local, LLC, Order Approving Agreement dated May 16, 2001.

Case No. PUC010099, Application of United Telephone-Southeast, Inc. and Central Telephone Company of Virginia and Zephion Networks Communications, Inc., Order Approving Agreement dated May 25, 2001.

Case No. PUC010103, Application of Verizon Virginia Inc. and NTELOS Network Inc., Order Approving Agreement dated May 21, 2001.

Case No. PUC010103, Application of Verizon Virginia Inc. and NTELOS Network Inc., Order Approving Supplement dated December 12, 2001.

Case No. PUC010105, Application of Verizon South Inc. and Telephone Company of Central Florida, Inc. d/b/a TCCF, Order Approving Agreement dated May 16, 2001.

Case No. PUC010106, Application of Verizon South Inc. and LightWave Communications, LLC, Order Approving Agreement dated June 22, 2001.

Case No. PUC010107, Application of Verizon Virginia Inc. and Fuzion Wireless Communications of Virginia, Inc., Order Approving Agreement dated June 6, 2001.

Case No. PUC010108, Application of Verizon Virginia Inc. and Single Source of Virginia, Incorporated, Order Approving Agreement dated June 22, 2001.

Case No. PUC010109, Application of Amelia Telephone Corporation, New Castle Telephone Company, Virginia Telephone Company, and RCTC Wholesale Corporation, Order Approving Agreement dated June 6, 2001.

Case No. PUC010111, Application of Verizon South Inc. and Edge Connections of Virginia, LLC, Order Approving Agreement dated June 19, 2001.

Case No. PUC010116, Application of Verizon Virginia Inc. and OpenBand of Virginia, Inc., Order Approving Agreement dated June 26, 2001.

Case No. PUC010118, Application of Amelia Telephone Corporation, New Castle Telephone Company, and Virginia Telephone Company, Order Approving Agreement dated June 22, 2001.

Case No. PUC010119, Application of Verizon South Inc. and Fuzion Wireless Communications of Virginia, Inc., Order Approving Supplement dated July 25, 2001.

Case No. PUC010120, Application of Verizon South Inc. and Cyris, LLC, Order Approving Supplement dated August 7, 2001.

Case No. PUC010121, Application of Verizon Virginia Inc. and Focal Communications Corporation of Virginia, Order Approving Supplement dated August 7, 2001.

Case No. PUC010123, Application of Verizon Virginia Inc. and American Fiber Network of Virginia, Inc. d/b/a AFN, Order Approving Agreement dated July 25, 2001.

Case No. PUC010130, Application of Central Telephone Company of Virginia and United Telephone-Southeast, Inc. and AT&T Wireless Services, Inc., Order Approving Agreement dated July 6, 2001.

Case No. PUC010141, Application of Central Telephone Company of Virginia, United Telephone-Southeast, Inc., and BroadSlate Networks of Virginia, Inc., Order Approving Agreement dated August 20, 2001.

Case No. PUC010142, Application of Amelia Telephone Corporation and Cavalier Telephone, L.L.C., Order Approving Agreement dated August 8, 2001.

Case No. PUC010143, Application of Verizon Virginia Inc. and FairPoint Communications Corp. - Virginia, Order Approving Agreement and Amendments dated August 8, 2001.

Case No. PUC010144, Application of Verizon Virginia Inc. and Jones Telecommunications of Virginia, Inc. d/b/a Comcast Communications of Virginia, Order Approving Agreement dated August 8, 2001.

Case No. PUC010145, Application of Central Telephone Company of Virginia and United Telephone-Southeast, Inc. and NTCH-ET, Inc. and NTCH-WEST TENN, Inc., Order Approving Agreement dated August 14, 2001.

Case No. PUC010156, Application of VoiceStream Wireless Corporation and Shenandoah Telephone Company, Order Approving Agreement dated September 4, 2001.

Case No. PUC010158, Application of Verizon South Inc. and 1-800-Reconex, Inc., Order Approving Agreement dated October 22, 2001.

Case No. PUC010162, Application of Central Telephone Company of Virginia and United Telephone-Southeast, Inc. and American Fiber Network of Virginia, Inc., Order Approving Agreement dated August 27, 2001.

Case No. PUC010168, Application of Central Telephone Company of Virginia and United Telephone-Southeast, Inc. and Cellco Partnership, Virginia RSA 5 Limited Partnership, and Washington DC SMSA Limited Partnership, all d/b/a Verizon Wireless, Order Approving Agreement dated August 28, 2001.

Case No. PUC010169, Application of United Telephone-Southeast, Inc. and Central Telephone Company of Virginia, Order Approving Agreement dated September 5, 2001.

Case No. PUC010170, Application of Central Telephone Company of Virginia and United Telephone-Southeast, Inc. and Business Telecom, Inc., Order Approving Agreement dated September 5, 2001.

Case No. PUC010178, Application of Central Telephone Company of Virginia and United Telephone-Southeast, Inc. and Highland Cellular, Order Approving Agreement dated October 3, 2001.

Case No. PUC010182, Application of Verizon South Inc. and VIC-RMTS-DC, L.L.C. d/b/a Verizon Avenue, Order Approving Agreement dated October 10, 2001.

Case No. PUC010185, Application of Verizon South Inc. and Premiere Network Services of Virginia, Inc., Order Approving Agreement dated October 10, 2001.

Case No. PUC010190, Application of Verizon South Inc. and NOS Communications, Inc., Order Approving Agreement dated November 27, 2001.

Case No. PUC010192, Application of Verizon South Inc. and Business Telecom of Virginia, Inc., Order Approving Agreement dated October 22, 2001.

Case No. PUC010193, Application of Verizon South Inc. f/k/a GTE South Incorporated and Adelphia Business Solutions of Virginia, L.L.C. f/k/a Hyperion Telecommunications of Virginia, Inc., Order Approving Amendment dated October 30, 2001.

Case No. PUC010195, Application of United Telephone-Southeast, Inc., Central Telephone Company of Virginia, and ShenTel Communications Company, Order Approving Agreement dated October 24, 2001.

Case No. PUC010199, Application of United Telephone-Southeast, Inc. and Central Telephone Company of Virginia and 1-800-RECONEX, Inc., Order Approving Agreement dated November 27, 2001.

Case No. PUC010200, Joint Application of Central Telephone Company of Virginia, United Telephone-Southeast, Inc., and Preferred Carrier Services of Virginia, Inc., Order Approving Agreement dated December 14, 2001.

Case No. PUC010205, Application of Verizon South Inc. and IDS Telcom, LLC, Order Approving Agreement dated November 21, 2001.

Case No. PUC010209, Application of Verizon Virginia Inc. and Telephone Company of Central Florida, Inc., Order Approving Agreement dated November 20, 2001.

Case No. PUC010215, Application of Verizon South Inc. and Stickdog Telecom, Inc., Order Approving Agreement dated November 27, 2001.

Case No. PUC010216, Application of Verizon Virginia Inc. and Business Telecom of Virginia, Inc., Order Approving Agreement dated November 27, 2001.

Case No. PUC010218, Application of Central Telephone Company of Virginia and United Telephone-Southeast, Inc. and Shentel Communications Company, Order Approving Agreement dated November 20, 2001.

Case No. PUC010224, Application of Verizon Virginia Inc. and IDS Telcom, LLC, Order Approving Agreement dated December 19, 2001.

Case No. PUC010225, Application of Verizon Virginia Inc. and 1-800-RECONEX, Inc., Order Approving Agreement dated November 30, 2001.

Case No. PUC010229, Application of United Telephone-Southeast, Inc. and Central Telephone Company of Virginia and Direct2Internet Corporation, Order Approving Agreement dated December 19, 2001.

Case No. PUC010230, Application of Verizon South Inc. and Access Point of Virginia, Inc., Order Approving Agreement dated December 21, 2001.

Case No. PUC010234, Application of Verizon Virginia Inc. and New Access Communications LLC, Order Approving Agreement dated December 11, 2001.

Case No. PUC010236, Application of Verizon Virginia Inc. and Preferred Carrier Services of Virginia, Inc., Order Approving Agreement dated December 12, 2001.

Case No. PUC010237, Application of Verizon South Inc. and NOW Communications of Virginia, Inc., Order Approving Agreement dated December 21, 2001.

Case No. PUC010241, Application of Verizon South Inc. and IG2, Inc., Order Approving Agreement dated December 21, 2001.

DIVISION OF ENERGY REGULATION

CASE NO. PUE930065
MARCH 8, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SHAWNEE LAND UTILITIES COMPANY, INC.,
Defendant

VACATING ORDER

IT APPEARING to the State Corporation Commission ("Commission") that the Order of Settlement issued on January 25, 1994, indicated, among other things, that: (1) the Commission accepted Shawnee Land Utilities Company, Inc.'s ("the Company"), offer of compromise and settlement for a violation of § 56-265.13:4 of the Code of Virginia; and (2) the Company was fined ten thousand dollars ($10,000), which would be suspended and subsequently vacated, in whole or in part, provided Shawnee Land timely filed the required affidavits and made certain remedial action.

THE COMMISSION, having considered the matter and § 12.1-15 of the Code of Virginia, is of the opinion and finds that the offer of compromise and settlement and the fine detailed in our January 25, 1994, Order should be vacated because it is in the public interest for a new entity to take over the operation and management of Shawnee Land Water system.

Accordingly, IT IS ORDERED THAT:

(1) The offer of compromise and settlement and the fine detailed in our January 25, 1994, Order is hereby VACATED.

(2) This matter shall be continued until further order of the Commission.

CASE NO. PUE970766
MAY 31, 2001

APPLICATION OF
APPALACHIAN POWER COMPANY

For certificates of public convenience and necessity authorizing transmission lines in the Counties of Bland, Botetourt, Craig, Giles, Montgomery, Roanoke and Tazewell: Wyoming-Cloverdale 765 kV Transmission Line and Cloverdale 500 kV Bus Extension

ORDER GRANTING AUTHORITY TO CONSTRUCT TRANSMISSION FACILITIES

Background

Before the Commission is the application of Appalachian Power Company ("AEP-Virginia" or "the Company") for certificates of public convenience and necessity authorizing the construction and operation of the Virginia portion of a 765 kV transmission line. The transmission line, as proposed in the application filed on September 30, 1997, would originate at the Company's Wyoming Station, near Oceana, West Virginia, and terminate at the Company's Cloverdale Station in Botetourt County, Virginia ("Cloverdale Project"). The Company also applied for a certificate authorizing construction in Botetourt County of a 500 kV bus extension from its existing Cloverdale Station 765 kV switchyard to the existing Cloverdale Station 345 kV switchyard. By Order for Notice and Hearing of November 7, 1997, the Commission docketed the application and directed publication of the proposed and alternate routes for the Cloverdale Project.[1]

On September 15, 1998, the Commission Staff filed a Motion for Ruling Directing Study of Alternative Route, requesting that the Company be directed to study alternative 765 kV transmission lines that would originate at the Wyoming Station, and terminate at the Company's Jackson's Ferry Station in Wythe County, Virginia. On September 22, 1998, the Examiner directed AEP-Virginia to study such alternative routes and file a report regarding these alternatives with the Commission.

On May 7, 1999, the Company filed a report identifying a preferred route and a number of alternative corridors that would extend to the Jackson's Ferry Station. The proposed Wyoming-Jackson's Ferry alternative corridors cross the Counties of Tazewell, Bland, Pulaski, Wythe, and Giles. The Hearing Examiner preferred route, which we approve in this Order, as modified by conditions we impose herein, is referred to as the "Jackson's Ferry Project."

On June 1, 1999, the Examiner issued a Ruling directing the Company to publish notice of the alternative Jackson's Ferry corridors, and establishing a new procedural schedule.[2]

[1] In its application filed September 30, 1997, AEP-Virginia proposed a Preferred Corridor for a Wyoming-Cloverdale transmission line and five Alternative Corridors for various segments of the route. The Preferred Corridor and the five Alternative Corridors are described in detail in the Commission's Order for Notice and Hearing of November 7, 1997.

[2] On October 14, 1999, a new procedural schedule was established, continuing the evidentiary hearing to commence May 1, 2000.

The Hearing Examiner presided at local hearings in the following locations: Bland (April 14, 1998, and July 13, 1999), Christiansburg (March 26, 1998), Max Meadows (July 22, 1999), Pearisburg (April 21, 1998), Pulaski (July 15, 1999), Tazewell (March 24, 1998, and July 20, 1999), and Vinton (April 23, 1998). Over 500 witnesses with a variety of backgrounds and interests testified. Further hearings for the receipt of testimony from the Company, the Commission Staff, and experts of several protestants (i.e., parties other than the applicant) were held in Richmond on May 1-5 and 10, 2000.

At the May 2000 hearings, AEP-Virginia maintained that the Cloverdale Project proposed in this proceeding was the best solution to the need for additional capacity to maintain adequate reliability of service. Nevertheless, the Company stated that the Jackson's Ferry Project was acceptable, and that the route for the project is "for all practical purposes the more realistically feasible project" and "clearly preferable from an environmental perspective."[3]

The Report of Hearing Examiner Howard P. Anderson, Jr. (hereinafter "Report") was filed on October 2, 2000. The Hearing Examiner recommended approval of the Jackson's Ferry Project. He also recommended granting the application for authorization to construct the Cloverdale bus extension.[4] Comments on the Report were filed by the Company and the following protestants: Alliance for the Protection and Preservation of Appalachian Land, Inc., Bland County Board of Supervisors, Citizens Organized for the Preservation of the Environment of Giles County, Citizens United to Protect Tazewell County, Friends of Regional Culture and Environment, Giles County Board of Supervisors, Greater Newport Rural Historic District, and the Town of Bluefield.

The Prior Proceeding

The application now before the Commission was preceded by Case No. PUE910050, which commenced in 1991. In that proceeding, AEP-Virginia applied for certificates to construct a Wyoming-Cloverdale 765 kV transmission line along a different route that would have crossed Giles, Craig, Roanoke, and Botetourt Counties. In his Report filed December 2, 1993, Hearing Examiner Howard P. Anderson, Jr., recommended that the application be granted. The Commission made preliminary findings in our Interim Order of December 13, 1995, 1995 S.C.C. Ann. Rep. 260, 260-61. The Commission found that there was a significant need for additional transmission resources in the Company's Virginia service territory and, considering the record and the statutory criteria, that the proposed transmission line appeared to be the most reasonable means of meeting the need. We also found that the Company's proposed route might be environmentally acceptable, with mitigation measures. We did not make, however, the specific findings mandated by § 56-46.1 of the Code of Virginia. We directed the Company to make additional studies of the route. We also directed studies of other transmission improvements and regulatory developments that might have affected the need for the proposed line. Id. at 266-67.

In 1997, the Company simultaneously filed the application now before the Commission and moved for leave to withdraw its application docketed as Case No. PUE910050. The Company identified two developments that led it to withdraw the 1991 application and to file a second application using another route. (Application of AEP-Virginia, Vol. I at 3) First, AEP-Virginia stated that Congress had directed a study of a segment of the New River for possible addition to the National Wild and Scenic River System. The route proposed in Case No. PUE910050 would have crossed the New River in the segment under study, and the Company determined that the crossing was foreclosed. In addition, the U.S. Forest Service and other federal agencies released on June 18, 1996, a draft environmental impact statement addressing the 1991 route. Preparation of the draft statement was part of the process of approving the crossing of federal lands and the New River. The draft statement raised a number of issues and suggested that the proposed route through federal lands would not be approved. These developments led the Company to reconsider the project. The Commission dismissed the 1991 application in its Order Granting Leave to Withdraw and Dismissing Application of November 7, 1997, in Case No. PUE910050, 1997 S.C.C. Ann. Rep. 327.

The Proposed Projects in this Proceeding

AEP-Virginia's Cloverdale Project identified in its 1997 application would affect the Counties of Bland, Botetourt, Craig, Giles, Montgomery, Roanoke, and Tazewell, Virginia. The Cloverdale Project would extend for a distance of approximately 132 miles in the preferred corridor in Virginia and West Virginia with approximately 100.4 miles in Virginia. Approval of alternate corridors identified in the public notice could lengthen the proposed transmission line.

We also considered the Jackson's Ferry Project that was based on studies conducted by a consultant who assisted Staff in investigating the need for the proposed transmission line.[5] The Jackson's Ferry Project would extend for approximately 90 miles from the Wyoming Station in West Virginia to the Company's Jackson's Ferry Station in Virginia. Approximately 57.1 miles of the corridor are in Virginia. The preferred and alternate corridors for this Project identified in the public notice would cross the Counties of Tazewell, Bland, Pulaski, Wythe, and Giles.

For either project, the transmission line would consist of a single three-phase 765 kV circuit supported by a combination of self-supporting and guyed-V lattice galvanized steel towers. The line would require four to five towers per mile with an average tower height of 132 feet. The line would require a 200-foot wide right-of-way.

Discussion

In reviewing the Company's application, we must decide, pursuant to § 56-265.2 A of the Code of Virginia, whether the public convenience and necessity requires the construction of either Company's proposed 765 kV transmission line or the alternative line to the Jackson's Ferry Station. More specifically, § 56-265.2 A of the Code of Virginia provides that it shall be unlawful for any public utility to construct facilities for use in public utility service without first having obtained a certificate from the Commission that the public convenience and necessity requires the exercise of such right or

[3] Tr. at 3674.

[4] In the Report's findings and recommendations, the Examiner erroneously referred in finding 4 to a 765 kV bus line. The bus voltage is 500 kV.

[5] An independent consulting firm, KEMA Consulting, Inc., ("KEMA"), conducted a twenty-four month investigation examining the power supply situation in southwestern Virginia, and the Company's proposed 765 kV transmission line and numerous alternatives. The Consultants' assessment of the need for the proposed facilities ("KEMA Report"), prepared by Principal Investigators Richard A. Wakefield and P. Jeffrey Palermo, is Attachment No. 2, to Mr. Palermo's testimony marked Exhibit PJP-13. As part of the KEMA study, Wayne D. McCoy conducted a review of the environmental impact of the projects. Ex. WDM-28.

privilege. Section 56-265.2 A also provides that a certificate for overhead electrical transmission lines of 150 kilovolts or more shall be issued by the Commission only after compliance with the provisions of § 56-46.1.

Section 56-46.1 A provides that:

> Whenever the Commission is required to approve the construction of any electrical utility facility, it shall give consideration to the effect of that facility on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact. In such proceedings it shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection . . . . Additionally, the Commission (i) may consider the effect of the proposed facility on economic development within the Commonwealth and (ii) shall consider any improvements in service reliability that may result from the construction of such facility.

Section 56-46.1 B provides, in relevant part, that, "[a]s a condition to approval the Commission shall determine that the line is needed and that the corridor or route that the line is to follow will reasonably minimize adverse impact on the scenic assets, historic districts and environment of the area concerned."

Our review of the Company's application requires us to consider and weigh the factors set forth in §§ 56-265.2 and 56-46.1 of the Code, factors that are, to a large extent, interrelated and overlapping. While we discuss the statutory criteria below on an individual basis, we emphasize that each criterion is also considered as a part of the whole, in light of all the relevant statutory criteria and with regard to other concerns raised by the parties and public witnesses. We have examined the degree of need and the impact of failing to meet that need, and reviewed alternative responses to it. These alternatives included, among others, a demand side management plan; the purchase of power from sources that would require fewer or no additional transmission resources; additional generation in the service territory provided by AEP-Virginia or others; construction of one or more lower voltage lines in lieu of the 765 kV line; and combinations of these and other alternatives. In determining whether a 765 kV transmission line should be approved, we have considered and weighed the competing considerations of need and of the various ways it might be addressed, including the proposed route, the impact on the environment, and other criteria provided by the statutes.

Based on consideration of the Report, the comments, the extensive record developed in this proceeding, and the relevant statutes, we have concluded that the construction of the Jackson's Ferry Project is required by the public convenience and necessity. We are approving the same type of facility as that proposed by the Company, a 765 kV transmission line; however, compared with the proposed Cloverdale Project, the Jackson's Ferry Project traverses a shorter route and has a significantly reduced impact on the environment. The route we approve includes the five modifications identified in the Hearing Examiner's Report, at 31-32. We also find that AEP-Virginia's request for authority to construct the proposed 500 kV bus extension at the Company's Cloverdale Station is required by the public convenience and necessity, and we authorize the construction of that facility.

The Commission recognizes that this has been a protracted and highly contested proceeding. There has been substantial and understandable opposition to the Company's proposal to build a 765 kV transmission line, both the Cloverdale Project that was proposed by the Company, and the alternative Jackson's Ferry Project, recommended by Staff. The opponents' concerns primarily relate to the proposed transmission line's potential impact on the environment. We have taken these concerns very seriously, both in our consideration of the application and the implementation of our decision. We studied the entire record carefully. In evaluating the Jackson's Ferry Project, we reviewed testimony, exhibits, briefs, and comments; moreover, we examined maps in detail and members of the Commission viewed the Project by ground and air.[6] Further, the Commission has conditioned its approval of AEP-Virginia's application on the Company's commitment to implement measures to protect the environment during construction of the line and throughout its service life. We expect AEP-Virginia to make a concerted effort to implement the mitigation measures developed in the record and identified below. We also will require our Staff to monitor the Company's efforts and report to the Commission on the Company's progress.

We will not, in this Order, discuss each alternative and all of the concerns raised by each party. We will, however, provide the basis for our decision and comment on certain issues.

Need for Transmission Line

The first fundamental question is whether additional capacity is needed to serve southwestern Virginia reliably. The Hearing Examiner found that "there is a critical need for enhancement of the transmission system in the Company's Virginia service territory and that construction of a 765 kV transmission line is the best solution."[7] He stated that an independent analysis revealed that the existing transmission system in southwestern Virginia is seriously overloaded and does not meet industry reliability standards.[8] He observed that since the last major reinforcement to the Company's transmission system in southwestern Virginia was completed in 1973, there have been no additional "backbone" transmission lines added in that area; however, the demand on the transmission system has increased by 136%. The Examiner added that the demand is forecasted to increase at 2.2% per year in the foreseeable future. He further found that the studies showing 32 different contingencies that violate the single or double contingency criteria are "clear and compelling evidence that the current situation is critical and must be addressed promptly."[9]

We agree with the Examiner that immediate action is necessary to ensure that reliability is not diminished, and AEP-Virginia's transmission system in southwestern Virginia requires reinforcement.

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[6] The Commission conducted a similar review of the 765 kV transmission line proposed by the Company in the prior proceeding, discussed supra.

[7] Report at 24.

[8] Specifically, the Examiner is referring to the national reliability standards of the North American Electric Reliability Council ("NERC") and the reliability standards of the regional reliability council in which AEP is located, the East Central Area Reliability Coordination Agreement ("ECAR"). Report at 24, n. 138.

[9] Report at 24.

As stated above, KEMA assisted Staff in evaluating the power supply situation in southwestern Virginia, and assessing whether the proposed transmission line is needed.[10] The KEMA Report explained that although the Company currently has sufficient generating capacity to meet its supply obligations, over the long term, it will increasingly rely on new capacity sources of its own or of others. The KEMA Report further explained that to the extent such sources are located outside Virginia, additional loading will be placed on critical elements of the Company's transmission system.[11]

In discussing the current power supply situation in southwestern Virginia, the KEMA Report stated that peak customer load in the winter of 1998-1999 exceeded the capacity available from local resources by approximately 1,700 MW, and the shortage is expected to increase to over 2,500 MW by the winter of 2002-2003. The KEMA Report further stated that as the load in southwestern Virginia continues to grow, so will the region's dependence on imported power from the Ohio River Valley. KEMA explained that the reliable delivery of such imports depends on the Company's interconnections, especially the interconnections to AEP's main transmission system.[12] The KEMA Report found that the AEP-Virginia's transmission system in Virginia currently is not meeting national and regional electric power reliability standards, and the Company's customers already face an unacceptably high risk of service interruption. KEMA predicted that system overloading will become significantly worse over the next few years. It stated that the "consequences of not addressing this issue could be as severe as a complete system collapse affecting southwestern Virginia and surrounding regions."[13]

The Giles County Board of Supervisors, Citizens Organized for the Preservation of the Environment of Giles County, and the Greater Newport Rural Historic District Committee (collectively, "Commentors") argue that the need for enhancing the Company's transmission system is much less pressing than the Examiner's Report suggests. Relying on the testimony of the witness sponsored by Giles County, William Lewis, the Commentors state that conditions depicted by the Company's load flow simulations (predicting outages in the winter of 2002-2003 in a variety of scenarios involving concurrent outages of two major transmission lines) have never occurred and cannot occur. The Commentors cite Mr. Lewis' testimony in which he asserted that the icing outage scenario is fundamentally improbable because during periods of peak load, icing would cause the distribution lines to fail first, and this failure of the distribution lines and the resulting localized outages would reduce the peak. The Commentors also cite Mr. Lewis' testimony that icing occurs at temperatures too high to result in peak demand, since, in winter, demand is inversely related to temperature. Based on this, the Commentors contend that because icing is the most likely cause of the double contingency outages modeled by the Company, and icing does not occur -- and cannot occur -- during periods of peak load, the Company's model upon which it bases its case for transmission reinforcement is inherently flawed and is not reasonable. The Commentors assert that there is no reason why the Cloverdale Project should be favored over the Jackson's Ferry Project since both transmission lines would function identically, except in the worst case scenario that postulates an icing-caused outage that, according to the Commentors, has not occurred and probably never will occur.

In essence, the Commentors' argument was presented to support their conclusion that the Cloverdale Project was not superior to the Jackson's Ferry Project.[14] We address this matter because if their argument were correct, it could lead to the conclusion that the need for transmission reinforcement is not as great as determined by the Examiner. We do not agree with the Commentors that the double contingency outages modeled by the Company "essentially cannot occur."[15] The Commentors assume in their analysis of the icing scenario that weather conditions are uniform across both the areas traversed by the lines and the areas served by them; that is, icing occurs throughout the area or it does not. However, if load areas experience extremely cold weather with snow and thus have peak conditions, but in another area where transmission lines are located, the temperature is higher such that icing occurs, it is quite possible that the icing would cause the transmission lines to fail. Such failure would result in the loss of electricity in the load areas where the distribution lines did not fail. In addition, as noted in Company witness Pasternack's rebuttal testimony, the collapse of one or more extra high voltage ("EHV") lines in a region could take days or weeks to repair. Occurrence of extreme cold weather during the interim period necessary for restoration of the EHV lines could produce a scenario very close to the double contingency studied by the Company. It is also important to note that some of the heaviest loadings on the Company's transmission system occur during shoulder peak load periods due to such factors as the pumping load requirements of the Smith Mountain and nearby Bath County pumped storage plants. Therefore, it is quite possible that icing and peak transmission loadings may coincide.

Further, the Company is required to operate its system reliably and to adhere to national (NERC's) and regional (ECAR's) industry criteria, and these criteria require that power systems must be able to withstand probable, as well as less probable, credible contingencies. The Company did not select its testing criteria based on a specific high probability of occurrences; instead, the Company selected contingency scenarios that were possible and would serve as proxies for a broad range of possible events.[16] We do not agree with the Commentors' conclusion that the need for the 765 kV line is overstated by the Company's analysis.

As part of determining whether there is a need for transmission reinforcement, we also have considered, as provided in § 56-46.1 of the Code of Virginia, whether the construction of a 765 kV transmission line will result in any improvements in service reliability that may result from the construction of such facility, and whether it will have a positive effect on economic development within the Commonwealth. As discussed above, the AEP-Virginia transmission system currently is not meeting national and regional reliability standards; over the long term, additional loading will be placed on critical elements of the transmission system, further reducing the system's ability to meet established reliability criteria. Either the Cloverdale Project or the Jackson's Ferry Project would significantly increase transfer capability within Virginia, as well as increase interregional transfer capability, and thus would improve service reliability throughout the state. It is also apparent that if southwestern Virginia does not have adequate and reliable power supplies in coming years, inevitably that area's economy would be adversely affected. Although the majority of public witnesses were opposed to the construction of

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[10] See supra n. 5.

[11] KEMA Report at 1.

[12] Id. at 5. AEP-Virginia is one of seven operating companies of the American Electric Power Company, Inc. ("AEP"), a multi-state public utility corporation.

[13] KEMA Report at 14.

[14] The Commentors state "crediting Lewis' testimony necessarily calls into question the need for reinforcement; but, in all candor, does not disprove the company's need case." Commentors Comments to Report at 4.

[15] Id. at 3.

[16] KEMA Report at 11-14.

any transmission line in southwestern Virginia, as the Examiner noted, several public witnesses associated with business and municipal groups in that area supported the proposed transmission line as necessary to sustain existing businesses and to foster future economic growth.[17]

We now turn to the issue of whether a 765 kV transmission line is the best alternative of all of the options, or combinations of options, that have been proposed. The Hearing Examiner discussed several options that were suggested, including building additional generation, other transmission alternatives, the construction of a second 345 kV transmission line, the conversion or upgrade of existing 138 kV transmission facilities or corridors, new transmission technology, demand side management, purchased power, and distributed generation.[18] He concluded that there is "no viable, cost effective alternative or combination of alternatives."[19]

Certain parties contend in their comments that the Examiner failed to consider other alternatives, or combination of alternatives, that would delay or possibly eliminate the need for a 765 kV transmission line. The Board of Supervisors of Bland County and Citizens United to Protect Tazewell County ("Protestants") and the Alliance for the Preservation and Protection of Appalachian Land, Inc. ("APPAL") assert that the Hearing Examiner considered each option in a vacuum, rather than considering the best combination of available resources to meet the local area energy needs. The Protestants assert that the Company's computer modeling is inadequate because it avoided analysis of several areas that could have delayed the need to construct the proposed line. They contend that the modeling failed to include, for example, new generation and purchased power as at least a partial solution, and improperly modeled the Smith Mountain hydro facility at zero MW of capacity.

APPAL asserts that the Examiner erroneously considered the Smith Mountain hydro facility's generation as a single substitute, but in fact APPAL's witness had recommended that the Smith Mountain generation be considered in conjunction with other identified options. APPAL argues that the Examiner erred in dismissing generation as a viable option because limited gas supplies would render the generation alternative more expensive than the cost of a 765 kV line. Specifically, APPAL cited the Examiner's statement that the least cost generation alternatives would include the addition of 1,200 MW of gas-fired combustion turbines ("CTs") at the Matt Funk 345 kV bus, but the gas supply in the area would support only about 600 MW of CT generation. APPAL counters that a company of AEP's size and power could have additional gas supplies brought into the area. APPAL asserts that the Examiner's preoccupation with the relative costs of the options reinforces the public perception that the well-being of the Company is more important than the well-being of the public.[20]

Further, APPAL asserts that AEP has made no documented effort to investigate the available and firm contract availability of gas; thus, there is no basis for the Examiner's concern about the uncertainty of gas supplies. APPAL also takes issue with the Examiner's comment that, if capacity is added in the future, it may not be located in an area that is a cost-effective site. APPAL contends that no one has conducted any load flow analyses to study the impact of capacity additions, and it is imprudent and premature to dismiss the effect of AEP system and non-AEP system generation without having conducted such studies.[21]

We disagree with APPAL and the Protestants that combinations of options have not been sufficiently considered. Further, while cost must be a factor in the consideration of alternatives, it is, by no means, the sole factor. It was not so for the Hearing Examiner, and it is not for us. The KEMA Report discussed certain combinations of alternatives that could be viable solutions. It also identified the positive and negative aspects of these combinations.

With respect to APPAL's arguments concerning the generation alternative involving the addition of 600 MW of generation at the Matt Funk 345 Station in combination with the Company's acquisition of additional capacity as needed, KEMA determined that the initial capital cost of this generation option would be approximately twice the capital cost of the 765 kV line reinforcement options, and an additional capital investment of approximately $58 million each year thereafter would be necessary to meet future load growth.[22] KEMA opined that the higher cost of this alternative makes it less attractive than the construction of either of the proposed 765 kV transmission lines.[23] Moreover, KEMA stated that all generation alternatives share the problem that it is not clear where new generation will be located, when it will be built, or by whom.[24]

Staff witness Walker elaborated on this point. He explained that with the deregulation of generation in Virginia, the Company will continue to have an obligation to provide service to customers who do not or cannot otherwise choose a competitive supplier, but may no longer have an obligation to construct generating facilities to ensure that adequate power supplies are available.[25] The Company could choose to meet its needs through purchases in the wholesale market. However, Mr. Walker stated, reliance on the competitive market to locate and construct generation so as to eliminate the need for the proposed transmission line could pose unacceptable reliability risks to the Company's customers. He pointed out that there is no guarantee that merchant

[17] See Report at 9-12.

[18] See id. at 16-24.

[19] Id. at 24.

[20] See APPAL Comments on Report at 4.

[21] APPAL agrees that the cost of a generation alternative would be higher but retorts that the rate impact would be negligible if the Company's figures at the hearing are used. Moreover, APPAL states, if independent power producers ("IPPs") were to build new generation, the Company would not have to bear the capital or maintenance costs of such construction and could simply augment supplies through purchased power arrangements. APPAL Comments on Report at 2.

[22] KEMA Report at 50-51.

[23] Id. at 51.

[24] Id. at 52.

[25] Ex. CDW-6 at 9-11. The Virginia Electric Utility Restructuring Act has been amended since Mr. Walker testified. We do not decide here whether a distributor, as a default service provider, may be required to construct generation if necessary.

plants will be built in southwestern Virginia in light of the relative lack of infrastructure that would be needed to support such generation.[26] Staff witness Walker also stated that the construction of significant amounts of generation in a specific area could impose additional environmental compliance costs such as increased emission control equipment, which may make building generating facilities in southwestern Virginia even less attractive to entrepreneurs. He observed that it may be unrealistic to assume that a significant amount of generation could be built in southwestern Virginia because air permitting requirements and water supply problems could effectively limit the level of viable generation that could be constructed within an area the size of AEP-Virginia's eastern service territory.[27]

Moreover, Staff witness Walker stated, even if entrepreneurs do build generating facilities in southwestern Virginia, such units would not, in and of themselves, eliminate the need for the proposed line because such units would have to be dispatched at certain times and from certain locations to relieve overloading on the transmission system.[28] Even assuming that entrepreneurs were to build generating facilities at effective sites, Mr. Walker explained that, in order to ensure the availability of such facilities, AEP-Virginia would have to enter into what in effect would be "must run" contracts, which could be as expensive, if not more expensive, than the alternative where the Company constructs generation to meet load growth.[29]

As stated, APPAL expresses concern that the cost of the alternatives is the driving factor in this case. We acknowledge that cost is, and should be, a factor; it is not, however, the sole consideration. We should not require the Company to take action that is not economically prudent for the Company or the Commonwealth, and might not be beneficial for its customers. This is especially true here where reliance on additional generation could impose unacceptable reliability risks, as explained by Staff witness Walker. Finally, while there is an environmental cost to building transmission lines, there is also such a cost for the construction of power plants and the transmission lines and associated equipment to connect them to the transmission system. Each alternative would impact the environment.

Another example of a combination of options that has been considered is KEMA's observation that the needs of southwestern Virginia could conceivably be met by a combination of new generation and lower-voltage transmission alternatives. According to KEMA's analysis, the most reasonable such option would be the addition of a second Kanawha River-Matt Funk 345 kV circuit in combination with the addition of 680 MW of new generation at the Matt Funk 345 kV Station. KEMA estimated that this combination would provide enough capacity to meet the region's need roughly through the winter of 2008-2009, and each year thereafter either additional generation or additional transmission construction would be required.[30] KEMA stated that the cost and environmental impact of a second Kanawha River-Matt Funk 345 kV line would be about the same as those of the Jackson's Ferry Project; however, the 765 kV alternative would provide "far greater improvement in capability and would meet the needs of the region for many more years than any 345 kV option."[31] A second Kanawha River-Matt Funk 345 kV circuit would meet the Company's needs though the winter of 2002/2003. The additional 680 MW of generating capacity installed at the Matt Funk Station would satisfy expected needs in the region for approximately five years,[32] while the Cloverdale Project would meet the regional needs for 11 to 17 years.[33] The Jackson's Ferry Project would provide adequate service for at least 7 to 11 years based on a 1998 load forecast.[34] Further, using more updated data, Giles County witness William Lewis determined that the Jackson's Ferry Project could be in service for up to 15 years before needing additional reinforcement.[35]

Upon consideration of the evidence relative to combinations of options as a solution, we are persuaded that it would be unrealistic and risky to rely on any generation alternative that assumes that adequate power supplies will be available when and where the Company would need it to relieve critical transmission facilities. The evidence shows that, considering all of the criteria, including the impact on the environment, none of the alternatives or combinations of suggested alternatives, including those discussed above, attain as satisfactory of a balance of the factors that must be considered as the 765 kV transmission line.

We will address the assertion reiterated in some of the comments that the Company is seeking to build the proposed line for its own benefit to enable it to increase future off-system sales. For example, APPAL stated in its Comments on the Report that the Hearing Examiner failed to document the assertions made by the Company that projected load growth in AEP-Virginia's Central/Eastern area is tied to need in the affected counties, and asserted that the "line is proposed for a need that . . . has little or nothing to do with the citizens whose lives will be impacted."[36]

We disagree. While some portion of the capacity resulting from the addition of the transmission line can undoubtedly be used in making off-system sales, the evidence shows that currently there is a local need for transmission reinforcement, which will only increase in the future. AEP-Virginia has a statutory obligation to provide reliable electric service to customers in its service territory. In light of this obligation, as well as the many other factors discussed herein, we have determined that the transmission line we approve herein will be essential to ensure that customers in Virginia will receive reliable service.

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[26] Id. at 9-11.

[27] Id. at 7, 10.

[28] For a discussion of the importance of locating generating facilities in the most effective way from a transmission perspective, see KEMA Report at 49-50.

[29] Ex. CDW-6 at 10-11.

[30] KEMA Report at 52-53.

[31] Id. at 53.

[32] Id. at n.23.

[33] Id. at 22-23, 30.

[34] Id. at 31-32.

[35] Tr. at 3015-3017.

[36] Comments of APPAL on Report at 1.

Finally, we will comment on APPAL's assertion that the Examiner failed to consider the impact and the role of the emerging regional transmission organization ("RTO") as the proper vehicle to address long range regional planning.[37] We have considered this factor and conclude that it does not change our decision. The RTO's primary function is to manage the transmission system efficiently; the creation of an RTO does not add transmission capacity. In fact, because an RTO has the potential of moving electric power across the grid more efficiently, it could result in significantly increasing the number of wholesale transactions across AEP-Virginia's system, and increased use of the transmission system could offset efficiencies gained by the RTO's operation of the system. We cannot rely on the creation of an RTO to solve the transmission needs of southwestern Virginia.

The Jackson's Ferry Project

We agree with the Examiner's conclusion that the Jackson's Ferry Project will best meet the need for additional capacity to maintain adequate reliability of service in southwestern Virginia. As part of our determination, we have considered and weighed all of the relevant factors, including the need to maintain adequate reliability, the impact on the environment, and relative costs.

The Commission is well aware of the fact that either project would pass through areas with sensitive environmental resources. In balancing these factors between the two proposed projects, we find that the Jackson's Ferry Project would have a lesser adverse environmental impact and also would sufficiently meet the need for additional capacity. Among other factors, the route for the Jackson's Ferry Project is significantly shorter in Virginia than the Cloverdale Project route and affects fewer homes. Like the Cloverdale Project, the Jackson's Ferry Project would improve service reliability to customers in southwestern Virginia and support economic development in the Commonwealth.

In their Comments on the Report at 2, 3-6, the Protestants contend that alternate route segments to the preferred Wyoming-Cloverdale corridor identified in the Company's application were not fully considered. The Protestants criticize the Hearing Examiner for failing to consider a route identified as WJFE-9. The Protestants also fault the Examiner for not considering errors in the Company's environmental analysis. But for these errors, the Protestants seem to suggest, a route generally avoiding Bland County would have been considered.

The Protestants' Comments suggest a route north of the New River through Giles and Montgomery Counties. The added length of the line, the impact on more homes, the impact on existing historic districts, and other adverse impacts raise numerous obstacles to such a route. The record does not establish or indicate that the WJFE-9 route is superior to the published routes.

APPAL, in its Comments at 8-9, also contends that the consideration of route alternatives was flawed. APPAL argued that the proposed route for the Jackson's Ferry Station was influenced by the route approved by the West Virginia Public Service Commission for the line originating at Wyoming and continuing to the West Virginia-Virginia boundary.

We find that the record demonstrates that the Jackson's Ferry route was influenced by a number of other factors, including the decision of Congress to designate additional segments of the New River for study as a national scenic river. The Jackson's Ferry route will have a reduced total impact on the George Washington and Jefferson National Forests; further, it is the most direct route to the Jackson's Ferry Station. These and other factors, not simply the West Virginia Public Service Commission's action, led to the route recommended by the Examiner and now approved by the Commission.

The Environmental Impact

As discussed above, §§ 56-265.2 and 56-46.1 of the Code of Virginia, impose upon the Commission the obligation, in reviewing applications for a certificate to construct transmission facilities of 150 kV or more, to consider potential adverse impacts of the proposed line on the environment.[38] If a line is to be constructed, we are to "establish such conditions as may be desirable or necessary to minimize adverse environmental impact." Section 56-46.1. That provision also directs the Commission to "receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection." Id. Additionally, § 56-46.1 B provides, among other things, that the Commission may not approve an application to construct an overhead electric transmission line of 150 kV or more unless the Commission determines that the proposed line is needed and that the line's corridor or route will "reasonably minimize adverse impact on the scenic assets, historic districts and environment of the area concerned."

In determining whether to approve the 765 kV line, we have considered all statutory criteria, including need and the alternatives to meet that need, and the impact of those alternatives on the environment. We conclude, based on the record, that the Jackson's Ferry Project should be approved. Further, we find that the construction of the Jackson's Ferry Project will reasonably minimize any adverse impact on the scenic assets, historic districts, and the environment of the area. In reaching this determination, members of the Commission viewed the impacted areas and examined the extensive record developed in this proceeding, including the transcripts of the public hearings, and considered all comments and briefs.

With respect to the testimony of public witnesses and certain parties, it is readily apparent that residents along the possible routes have a strong attachment to the land that would be affected by the Project. In their testimony before the Hearing Examiner, many spoke of generations of a family living and working on particular farms. Their words by themselves conveyed the strong attachments the witnesses have. In addition to individuals' testimony, the study sponsored by Protestant witnesses John Dodson and Denise Smith documented the particular attachments to the land of the residents of the Dry Fork community in Bland County.[39] Further, Protestant witness Melinda Bolar Wagner collected additional expressions of attachment to particular farms and communities and of continuous habitation in her study of cultural attachment of residents of Bland and Wythe Counties.

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[37] Id. at 3.

[38] Section 56-46.1 D provides that the term "environment" or "environmental" means "historic," as well as a "consideration of the probable effects of the line on the health and safety of the persons in the area concerned."

[39] Ex. DS-46 and Ex. JD-47.

The Commission disagrees with the Hearing Examiner's conclusions on bias in Ms. Wagner's study.[40] We give weight to the study's conclusions that residents of the two counties, especially the Dry Fork and Walker's Creek communities, have individual and communal ties to particular pieces of land. We accept her conclusion that these residents have "emotional, economic, and social connections to their surrounding landscapes."[41]

In addition to their attachment to the land, those living along the proposed routes expressed deep concern over the intrusion of the towers and conductors into the rural landscape. They were joined in these expressions of concern by those who might have views of the line or might encounter the line as they travel through the affected communities.

The Commission has considered carefully these and other expressions of concern about the line. As noted earlier, members of the Commission personally inspected much of the route on the ground, and one Commissioner viewed the routes from the air. Reading statements made at the hearing, reviewing the statements and interviews collected in the Wagner and Dodson and Smith studies, and our viewing of the route give us some insight into the concerns of these people. We have been mindful of these concerns as we have discharged our responsibility to consider the impact of the line on the environment, and to approve the route that, on balance, minimizes adverse environmental impact.

Unfortunately, any of the alternatives we have considered would have undesirable impacts that may, in some individual instances, be significant. Nevertheless, the record demonstrates clearly the potential negative consequences of failing to take appropriate action. We must make a decision that inevitably and regrettably will have some negative impact. As discussed above, we have determined that of the feasible alternatives, the Jackson's Ferry route, on balance, would have the least negative impact.

We have considered the residents of all areas that would be impacted by this line and the alternatives, including the Bland County communities of Dry Fork and Walker's Creek. Members of the Commission visited these communities, among others. We saw first hand the potential impacts where the proposed line would cross the mountain's face. While APPAL suggested in its Comments that participation in the process was in vain, the Commission values all expressions of views and efforts to provide information.

The route selected takes advantage, whenever possible, of the contours of the land to mask the line from view. For example, the line will be constructed between hills or behind ridges to avoid views from roads and homes whenever possible. As we discuss later, the Commission will direct its Staff to approve the placement of supporting structures to assure that views are preserved, as far as possible. To further reduce visual intrusion, the Commission will direct the Company to use, as proposed, nonreflecting conductors and subdued colors for tower structures.

We also direct AEP-Virginia to use the six-bundle configuration of conductors to reduce noise. While APPAL, in its Comments at 5 and 8, sees little value in this configuration, Company testimony identified this bundle design as a measure that may reduce the impact of the line. As noted in the Report, the Examiner found less noise with this configuration.[42]

- *Consideration of Reports From State Agencies*

In enacting § 56-46.1 of the Code of Virginia, the General Assembly directed the Commission to receive and consider reports from state agencies on the impact of a proposed transmission line. Virginia environmental agencies contributed to the record before us in two ways. First, the agencies assisted the Company and the Staff. Staff consultant Wayne D. McCoy and Company witness Leonard Simutis referred in their testimony to reports, maps, and other information obtained from their several meetings with representatives of these agencies. The resources of the agencies were made available to these experts, which contributed to the record before the Commission. In addition to assisting the Staff and AEP-Virginia, a number of agencies participated in the coordinated review led by the Department of Environmental Quality. The agencies prepared for the Commission's consideration extensive reports on both the prior case and in this case. The Commission has considered these reports and supporting testimony offered by the agencies.

With regard to the reports of these state agencies, the Protestants argue, in their Comments at 7-8, that the Examiner ignored a letter from David G. Brickley, the Director of the Department of Conservation and Recreation. According to the Protestants, Mr. Brickley recommended that the line avoid Skydusky Hollow. However, Terry Brown, a representative of the Department of Conservation and Recreation, offered clarification of Mr. Brickley's letter in testimony proffered after the letter was filed. Taken together, the letter and the testimony advise the Commission of the sensitive nature of the karst areas in Skydusky Hollow and other areas potentially impacted by the route of the Jackson's Ferry Project. The letter and the testimony also identify measures to mitigate and to avoid damage which the Commission has considered.

- Air Quality

In the Report, the Examiner reviewed the record developed on air pollution in this proceeding.[43] In its Comments at 3-4, the Company requested that the Commission find, based on the testimony and exhibits of Staff Witness William T. Lough, that the proposed transmission line project would have a negligible impact on air emissions. We will not grant this request. It is not necessary for the Commission to make the finding requested by the Company.

- *The Appalachian Trail*

The Appalachian Trail ("Trail") is a natural and recreational resource of great importance to Virginia and the nation. The Appalachian Trail is important to all who walk it, whether for short distances, or its entire length. Also, as the record demonstrates, the localities crossed by the Trail and the communities near it are keenly aware of the economic benefits of associated tourism and recreational activities. The Trail also enjoys substantial federal protection, and these federal concerns must be taken into account.

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[40] Report at 41.

[41] Ex. MBW-48 at 92.

[42] Report at 33.

[43] Id. at 37-38.

Company witnesses, KEMA, and representatives of the Appalachian Trail Conference and the Roanoke Appalachian Trail Club addressed the impact of a proposed line on the Trail. There was agreement among these witnesses that routing the Jackson's Ferry line to take advantage of a relocation of the Trail's crossing of US I-77 in Bland County would minimize the line's impact. Relocation of the Trail's crossing of the interstate highway has been planned for some years. Members of the Commission walked segments of the Appalachian Trail near the proposed crossing when the trees were bare. The transmission line can be routed to cross the Trail in the vicinity of the relocated crossing of the interstate. Thus, the transmission line and the interstate highway would intrude on the same relatively short segment of the Trail.

APPAL contends, in its Comments at 4 and 8, that the Examiner gave undue weight to the views of the Conference and the Roanoke Club on upgrading the existing Kanawha River-Matt Funk 345 kV transmission line or constructing a parallel line. The record does not support this contention. The existing 345 kV line is visible along several segments of the Trail, and upgrading or paralleling it would have a major impact on the Trail. In addition, the existing line is near homes and other development in many areas. Upgrading the line or paralleling it would have significant impacts. Further, this 345 kV line crosses the New River at a point in West Virginia now protected as a federal scenic river. Expanding that crossing does not appear viable. Modifying the existing Kanawha River-Matt Funk line is not an acceptable solution from either a need or an environmental perspective.

- *New River Crossing*

Among the particularly sensitive segments of a Wyoming-Cloverdale line or a Wyoming-Jackson's Ferry line are the New River crossings. The Hearing Examiner discussed these crossings in the Report.[44] Members of the Commission also viewed the proposed crossings. While the line to the Jackson's Ferry Station would cross the New River and the New River Trail State Park, there are several opportunities to mask its intrusion that are not available at the preferred crossing for a line to the Cloverdale Station. As the Examiner found, a bend in the river and intervening slopes would block a view of the line to the Jackson's Ferry Station from many points. A series of rapids would also appear to mask noise from the line. The routing modification, described in the Report at 34, improves the crossing by avoiding impacts on the western side of the river and adding height to the crossing. None of the three crossings identified for the preferred or alternative routes to the Cloverdale Station offered similar opportunities for mitigation. As with other aspects of the Jackson's Ferry route, the New River crossing makes that route, on balance, the best choice for minimizing or avoiding adverse environmental impact.

- Karst Areas

The unique features of areas of karst and the plants and animals found in these areas are, collectively, a major environmental asset. The Company, KEMA, representatives of state environmental agencies, and protestants contributed information and opinions upon which the Commission has based its decision. Given the broad distribution of karst features in western Virginia, it would be nearly impossible to construct a transmission line extending more than a short distance without encountering these features. As noted in the Report, both the Cloverdale Project and the Jackson's Ferry Project would cross karst, and both proposed routes would cross areas that the Virginia Department of Conservation and Recreation recognizes as having particular significance.[45]

The Examiner found, and we agree, that a number of factors warrant approval of the Jackson's Ferry route, which crosses Skydusky Hollow in Bland County.[46] As discussed in the Report, the Jackson's Ferry route, on an overall basis, has less impact on karst because it runs perpendicular to the identified karst areas while the Cloverdale route parallels these features for some distance. In addition, patterns of development and current and projected uses of areas within the George Washington and Jefferson National Forests led to routing through Skydusky Hollow.

The Protestants, in their Comments at 6, contend that the unique features of Skydusky Hollow warrant abandonment of the Jackson's Ferry route and selection of the Cloverdale route. In support of this position, the Protestants cite the letter from Mr. David G. Brickley, Director of the Department of Conservation and Recreation, which has been previously discussed. The information and recommendations in the letter must be considered with the testimony presented at the hearing.

The Protestants, in their Comments at 8-9 and Appendix A to the Comments, also offer their expert's views on Skydusky Hollow and the need to avoid any disturbance. The hearing process produced an extensive record on the features of Skydusky Hollow. Members of the Commission have driven extensively through the area and walked in portions of Skydusky Hollow. And, one member viewed the hollow from the air. The combination of information and views presented by KEMA, the various Company experts, and the Protestants' witnesses William D. Orndorff and Dr. Ernst Kastning provide a broad body of information. While the Company may not have developed some information that the Protestants believe should have been considered, the hearing process corrects any shortcomings. The Commission has considered this record, and we find that it is proper to approve the route through Skydusky Hollow.

The record also established the sensitivity of the area and the need to observe stringent safeguards in constructing and operating the line. The experts also identified measures to avoid or mitigate adverse impacts. In Attachment A (appended to this Order and discussed below), we address mitigation measures in general, and particular mitigation measures for karst areas and Skydusky Hollow.

- Threatened and Endangered Species

In constructing and operating the proposed transmission line, AEP-Virginia may encounter plants, insects, birds, and other animals that have been identified and given protection under Virginia and federal law. As noted in the Report and the comments thereto, protected species are concentrated in the Skydusky Hollow caves. As a threshold matter, the Commission will here repeat the admonition it has given in prior decisions: we expect public service companies to adhere to all statutes and regulations aimed at protecting threatened and endangered species. We also expect the Company to cooperate with all agencies responsible for enforcement of these statutes. In the particular circumstances of this Project, we will expect the Company to undertake more than a minimum effort to comply with the law. When additional measures that exceed the minimum requirements set by other responsible state and federal agencies are recommended by such agencies, we expect AEP-Virginia to implement such measures to the extent practical. If the Company objects to

[44] Id. at 28, 31-32.

[45] Id. at 27, 30-31, 38-39.

[46] Id. at 26-27.

implementing any such measure, the matter shall be referred to the Director of the Division of Energy Regulation ("Director"), and identified in the Company's quarterly report that we are directing the Company to file, as discussed below. The Director will review such measures and direct the Company to implement them, unless the costs significantly exceed the anticipated benefits of implementation.

In Appendix A to their Comments, the Protestants raised several concerns about the protected bats and other species in Skydusky Hollow. Upon consideration of the comments, testimony, and reports from state agencies, we find that there is agreement on the need to provide protection in the hollow. Cooperative efforts are already under way to monitor the bat populations and develop protective measures. As we discuss with regard to mitigation, we expect these cooperative efforts to continue.

- *Health Effects*

As the Hearing Examiner discussed in the Report, many public witnesses expressed concern about the impact of a transmission line on human health. Based upon his review of the evidence, the Examiner concluded that electric and magnetic fields ("EMF") would not cause or contribute to the development of cancer in humans. While it acknowledged in its Comments at 5-6, that it had offered no evidence on the issue, APPAL excepted to the Examiner's findings on this matter.

In the Report, the Examiner discussed the studies concerning the health effects of EMF presented by two of the Company's witnesses who have conducted cancer research for a number of years, as well as other reports from various independent sources reviewing EMF research. The Examiner found that these studies support the conclusion that there is no association between EMF and cancer. He concluded, based on the record, that EMF from the proposed transmission line would not pose a threat to human health or safety.[47]

The record also shows that the design and route of the Jackson's Ferry Project would avoid or minimize human exposure to EMF. To seek to avoid or reduce any adverse impact, the line is routed to avoid homes and workplaces. Much of the route traverses areas with few or no inhabitants. The strength of EMF lessens as distance from the source increases. The width of the right-of-way and the height of the conductors assure adequate distance between the source of EMF and homes and businesses. The Company offered to purchase any home that is within 100 feet of the edge of the right-of-way.[48] As a condition of our approval, we will hold the Company to this commitment. The combination of routing, design, and mitigation measures will reduce human exposure to the EMF from this line.

- Mitigation Measures

As the Examiner found, Report at 38-40, and 42, AEP-Virginia has committed to observe a variety of mitigation measures in constructing and operating the line. The Company provided summaries of the measures it expects to implement in the application and as attachments to the testimony of several of its witnesses. We will direct implementation of these measures as proposed by the Company or as modified based on the record. After considering the record and the Company's Comments, we will address some specific issues concerning vegetation control.

Generally, with respect to mitigation measures, the Commission will assign particular responsibilities to the Staff for monitoring the construction of the transmission line. Upon completion of the Final Design described in Guideline 5 of the "Guidelines for Siting, Line Design and Construction of 765 kV Transmission Line Right-of-Way and Structures," AEP-Virginia will confer with the Commission Staff on the placement of supporting structures. Supporting structures will be placed so that they, to the extent possible, reduce or eliminate adverse environmental and visual impacts. The Commission Staff will approve the placement of supporting structures to seek to assure that views are preserved, to the extent practical.

The Company will cooperate with state environmental agencies and our Staff in placing supporting structures, particularly in karst areas. When additional measures, which exceed the minimum effort necessary to comply with the law and regulations, are identified by the agencies, we expect the Company to implement these measures to the extent practical. If AEP-Virginia objects to implementing a measure, the matter shall be referred to the Director of the Division of Energy Regulation, and identified in the quarterly report filed with the Commission. The Director will review such measures and direct the Company to implement them, unless the costs significantly exceed the anticipated benefits of implementation.

In its Comments at 5-6, the Company requested clarification regarding precautions it is required to take in applying herbicides when precipitation threatens. Herbicides are not to be applied when rain is falling or imminent, or within one day of rainfall that results in soil moisture capacity above field capacity. Further, wick/wand application of herbicides is not required. There may be leakage of herbicides from the equipment, and this method has not been shown to be economical for maintaining rights-of-way.

With regard to right-of-way clearing and maintenance in karst areas, special measures are required. The record includes extensive discussions of the impact of herbicide application in karst areas and the impact on groundwater. A Company witness acknowledged that the right-of-way could be cleared and maintained with chain saws and other tools.[49] Given the many concerns with herbicides and their application raised on the record, we direct the Company not to use herbicides, regardless of the method of application, in karst areas. We recognize that this mitigation measure may increase costs, but we find that the additional expenditure to protect the environment is warranted.

Motions to Reopen the Record

The Commentors[50] moved on February 26, 2001, to supplement the record in this proceeding. They requested that a letter advising of the Greater Newport Historic District's addition to the National Register of Historic Places be accepted as an exhibit. We will deny this motion. We find that the record before the Commission adequately establishes the historic significance of Newport.

[47] See id. at 34-37.

[48] Tr. at 3684-3686.

[49] See id. at 3715.

[50] As discussed supra, the Commentors are comprised of Giles County Board of Supervisors, Citizens Organized for the Preservation of the Environment of Giles County, and the Greater Newport Historic District Committee.

On March 6, 2001, the Protestants and APPAL (collectively, "Petitioners") jointly filed a Motion to Reopen the Record, or, in the Alternative, to Deny the Application ("Motion").[51] The Petitioners assert that there are serious shortcomings in the Company's computer modeling, because the modeling did not include the effect of projected non-Company generation that could eliminate the need to construct a 765 kV transmission line. The Petitioners request that the Commission reopen the record for the purpose of receiving additional evidence relative to the planned capacity, or, in the alternative, deny the Company's application.

Subsequently, the Commission entered an order providing an opportunity for the Company, Staff, and parties to respond to the Motion, and for the Petitioners to reply to any responses that may be filed.

AEP-Virginia filed a response contending that the testimony of certain witnesses shows that the evidence in the existing record amply demonstrates that most of the new generation projects cited by the Petitioners are in varying stages of planning or development. The Company also stated that even if applications for these projects were to be filed and approved, these projects would not offer a long-term solution for the needs of southwestern Virginia. Moreover, the Company argues, the Petitioners fail to take into account the practical difficulties associated with relying on non-Company generation as a substitute for a transmission line.

The Petitioners filed a reply, stating that their point was not that the new projects could, on a stand-alone basis, eliminate the need for the proposed line. Rather, the Petitioners were demonstrating that information was available to the Company when it prepared its application that would have provided a fairer analysis of the need for a 765 kV transmission line.

We deny the Petitioners' Motion. Even assuming the Petitioners are correct that all of the information they cite was available to the Company when it prepared its computer modeling, and the Company did not include that information, the concept of including non-Company generation as an alternative or part of an alternative was considered. As discussed earlier, the construction of new generating resources in southwest Virginia does not, in and of itself, eliminate the need for a 765 kV transmission line. The risks associated with the correct placement and sizing of units, and the risk that the Company may not be able to obtain the rights it would need, are simply too great.[52]

Accordingly, IT IS ORDERED THAT:

(1) As provided by §§ 56-265.2, 56-46.1, and related provisions of Title 56 of the Code of Virginia, AEP-Virginia's application for certificates of public convenience and necessity to construct a 765 kV transmission line is granted as set forth in this Order, and otherwise is denied.

(2) AEP-Virginia is authorized to construct and operate a 765 kV transmission line from its Wyoming Station, near Oceana, West Virginia to its Jackson's Ferry Station as provided in this Order. The corridor for the line shall be the route recommended by the Hearing Examiner.

(3) The Motion filed on February 26, 2001, by Giles County Board of Supervisors, Citizens Organized for the Preservation of the Environment of Giles County, and Greater Newport Historic District Committee, and the Motion filed on March 6, 2001, by Bland County Board of Supervisors, Alliance for the Preservation and Protections of Appalachian Land, Inc., and Citizens United to Protect Tazewell County, Inc., are denied for the reasons discussed herein.

(4) Forthwith upon receipt of this Order, AEP-Virginia shall file with the Commission's Division of Energy Regulation three (3) copies of the Virginia Department of Transportation's "General Highway Map" of each county in which the 765 kV transmission line approved in this Order will be constructed. The maps shall show the approved line and previously constructed facilities. The maps shall show the boundary between the service territories of AEP-Virginia and other electric utilities with service territories certificated by the Commission. Each map must show the approved line in another electric utility's certificated service territory, and must be signed by a representative of the other utility stating that the utility does not oppose the construction of the facility authorized by this Order.

(5) As provided by §§ 56-265.2, 56-46.1, and related provisions of Title 56 of the Code of Virginia, AEP-Virginia's application for a certificate of public convenience and necessity to construct a 500 kV bus extension at its Cloverdale Station is granted.

(6) Pursuant to the Utility Facilities Act, Chapter 10.1 (§§ 56-265.1 et seq.) of Title 56 of the Code of Virginia, AEP-Virginia is issued the following certificates of public convenience and necessity:

(a) Botetourt County:

Certificate No. ET-28k which authorizes AEP-Virginia under the Utility Facilities Act to operate presently constructed transmission lines and facilities in the County of Botetout, all as shown on the detailed maps attached, and to construct and operate facilities as authorized in Case No. PUE970766; Certificate No. ET-28k will cancel Certificate No. ET-28j issued to AEP-Virginia on January 14, 1974.

(b) Bland County:

Certificate No. ET-27c which authorizes AEP-Virginia under the Utility Facilities Act to operate presently constructed transmission lines and facilities in the County of Bland, all as shown on the detailed maps attached, and to construct and operate facilities as authorized in Case No. PUE970766; Certificate No. ET-27c will cancel Certificate No. ET-27b issued to AEP-Virginia on January 13, 1971.

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[51] As stated above, the Protestants are comprised of the Board of Supervisors of Bland County and Citizens United to Protect Tazewell County, and APPAL is the defined term for the Alliance for the Preservation and Protection of Appalachian Land, Inc.

[52] See Ex. CDW-6 at 10-11.

(c) Tazewell County:

Certificate No. ET-48d which authorizes AEP-Virginia under the Utility Facilities Act to operate presently constructed transmission lines and facilities in the County of Tazewell, all as shown on the detailed maps attached, and to construct and operate facilities as authorized in Case No. PUE970766; Certificate No. ET-48d will cancel Certificate No. ET-48c issued to AEP-Virginia on August 24, 1971.

(d) Wythe County:

Certificate No. ET-51e which authorizes AEP-Virginia under the Utility Facilities Act to operate presently constructed transmission lines and facilities in the County of Wythe, all as shown on the detailed maps attached, and to construct and operate facilities as authorized in Case No. PUE970766; Certificate No. ET-51e will cancel Certificate No. ET-51d issued to AEP-Virginia on December 21, 1979.

(e) Pulaski County:

The Commission is aware that the 1,000 ft. corridor is located on the border of Wythe and Pulaski Counties, and the Company is authorized to use only 200 feet of right-of-way for the transmission line that is approved in this Order. If, in its final design of the transmission line, no portion of the transmission line will be constructed within Pulaski County, the following certificate will be revoked.

Certificate No. ET-43e which authorizes AEP-Virginia under the Utility Facilities Act to operate presently constructed transmission lines and facilities in the County of Pulaski, all as shown on the detailed maps attached, and to construct and operate facilities as authorized in Case No. PUE970766; Certificate No. ET-43e will cancel Certificate No. ET-43d issued to AEP-Virginia on January 13, 1971.

(7) The Commission's Division of Energy Regulation will send a copy of each certificate issued in (6) with attached map to Ronald L. Poff, Supervisor-Transmission Line Engineering, AEP-Virginia, 40 Franklin Road, S.W., Roanoke, Virginia 24011.

(8) In designing, constructing, and operating the 765 kV transmission line approved in this proceeding, AEP-Virginia shall comply with the mitigation measures listed or referenced in Attachment A, which is hereby made part of this Order.

(9) The Commission Staff shall consult with AEP-Virginia and interested state and federal agencies with responsibilities concerning the construction of the transmission line approved in this Order.

(10) The Commission Staff will approve the placement of supporting structures to assure that views are preserved, to the extent practicable.

(11) AEP-Virginia shall use nonreflecting conductors and subdued colors for tower structures.

(12) AEP-Virginia shall use the six-bundle configuration of conductors to reduce noise.

(13) AEP-Virginia shall offer to purchase any home that is located within 100 feet of the edge of the right-of-way.

(14) Case No. PUE010245, In the Matter of AEP-Virginia: the Oversight of the Design, Siting, Construction, and Operation of the Wyoming-Jackson's Ferry 765 kV Transmission Line, will be established for receipt of reports ordered in Ordering Paragraph(15) below and other filings pertaining to the transmission line approved in this Order. The instant 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.

(15) Beginning October 1, 2001, continuing on the first day of each successive quarter until the line is in operation, AEP-Virginia shall file with the Clerk of the Commission a report on the progress of construction of the transmission line approved in this Order, and shall serve a copy on the Director of the Division of Energy Regulation.

NOTE: A copy of Attachment A entitled "Mitigation Measures Wyoming-Jackson's Ferry 765 kV Transmission Line" 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. PUE980628
MARCH 1, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
AUBON WATER COMPANY,
Defendant

ORDER ACCEPTING FINAL REPORT OF MICHAEL D. THOMAS, HEARING EXAMINER

On February 22, 2001, the Hearing Examiner filed his Final Report, which concludes his monitoring of Aubon Water Company ("Aubon") and its efforts to comply with the Commission's Order of Settlement, issued in this case on December 16, 1998. After reviewing Aubon's efforts to secure financing

to construct the required treatment facilities for the Long Island Estates subdivision and the obstacles to that financing posed by the annexation of Aubon's Franklin Heights customers by the Town of Rocky Mount, the Hearing Examiner finds that the best interests of Aubon's customers would be served by the initiation of a receivership, pursuant to § 56-265.13:6.1 of the Code of Virginia.

In addition to recommending the initiation of a receivership proceeding, the Hearing Examiner also recommended that the Commission extend the deadline for Aubon to obtain financing for the required water treatment facilities until such time as the Receiver files his report and recommendations to the Commission regarding the ultimate disposition of the Company.

On February 28, 2001, Staff filed in response to the Final Report, its Agreed Motion Requesting Appointment of Receiver in Case No. PUE010072. We have issued, contemporaneous with this Order, an Order Appointing Receiver, in Case No. PUE010072. The Commission has thus accepted the recommendation of a receivership for Aubon and has appointed David G. Petrus as an emergency receiver, pending a hearing to be convened on March 28, 2001, at 10:30 a.m. in the courtrooms of the Commission. We now accept the second recommendation of the Hearing Examiner and find that the deadline for obtaining financing, which was previously extended to March 1, 2001, should be further extended until the Receiver files his report and recommendations to the Commission regarding the ultimate disposition of the Company. The Commission will direct the timing of such Receiver's report in a future order in Case No. PUE010072, following its review of the receivership and the Plan of Receivership to be filed by the Staff in that case.

Pursuant to Aubon's last rate order, issued in Case No. PUE990002, the current rates may remain in effect until the deadline for financing the required water treatment facilities is reached. By our Order today, that deadline has been further extended and, thus, Aubon's current rates will remain in effect.

NOW THE COMMISSION, upon consideration of the Final Report, is of the opinion that the Hearing Examiner should be discharged from further monitoring responsibility in this case and that his recommendations should be accepted and approved.

Accordingly, IT IS ORDERED THAT:

(1) The Hearing Examiner, having ably fulfilled his duties to monitor Aubon's compliance with the Order of Settlement issued in this case, should no longer be required to monitor Aubon's compliance.

(2) The recommendations of the Hearing Examiner are hereby adopted. A receiver has been appointed for Aubon as recommended and Aubon's deadline for securing financing for the ordered construction of treatment facilities is now extended from March 1, 2001, until the Receiver files his report and recommendations to the Commission in Case No. PUE010072 regarding the ultimate disposition of Aubon, or until further order of the Commission.

(3) Aubon's current rates shall remain in effect until further order of the Commission, consistent with the findings above.

(4) This matter is continued generally.

CASE NO. PUE980813
JANUARY 9, 2001

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 PERMITTING IMPLEMENTATION OF INTERIM WIRES CHARGE

By Order entered in this docket dated April 28, 2000, the State Corporation Commission ("Commission") approved a pilot program for electric retail access for Virginia Electric and Power Company ("Virginia Power" or "Company"). Among the features of the pilot was a wires charge to be added to the bills of customers who leave Virginia Power service to take electricity supply from a competitor.

On November 17, 2000, the Company filed an application to revise its fuel factor, pursuant to § 56-249.6 of the Code of Virginia, from $0.01339/kWh to $0.01613/kWh, effective January 1, 2001.

In its application herein submitted December 1, 2000, the Company contends that "the requested increase in the Company's fuel factor, if approved, should result in a corresponding adjustment to the capped generation rate applicable to the Pilot Program, and hence the wires charges calculation, effective January 1, 2001." (Application at 3.) The Company submitted revised rate schedules to reflect its proposed fuel factor and asked that we approve these changes to its pilot program rates.

By Order entered on December 8, 2000, in Case No. PUE000585, we permitted the Company to implement, on an interim basis, its proposed fuel factor. The fuel factor mechanism currently in effect for Virginia Power contains a correction factor that permits any over- or under-collection of fuel costs to be adjusted in later filings. This feature of the fuel factor greatly reduces, if not eliminates, the risk to customers of granting interim implementation of the Company's proposed fuel factor.

By contrast, the wires charge mechanism under which Virginia Power is, by statute, permitted to recover stranded costs, may not be adjusted "more frequently than annually" and there is no feature of the wires charge analogous to the correction factor in the fuel factor recovery mechanism. In other words, if we were to permit the implementation of the proposed changes to the wires charge, but subsequently find that the proposed changes to the fuel factor required adjustment, the correction factor of the fuel factor provides protection for customers that the wires charge mechanism described in Code § 56-583 lacks.

Accordingly, we entered our Order of December 28, 2000, in this docket calling for comment or request for hearing on the Company's application. However, by letter of counsel dated January 4, 2001, Virginia Power represented that if permitted to implement its proposed adjustment to its pilot program wires charge effective January 1, 2001, it would not thereafter object to any further modifications to the pilot program wires charge that we might find necessary based on our final determination entered in Case No. PUE000585, the fuel factor application. Virginia Power acknowledged that the wires charge adjustment mechanism set out in Code § 56-583, which prohibits adjustment to the wires charge more than once per year, does not apply in the context of this pilot program, but will become operative on and after January 1, 2002.

NOW THE COMMISSION, having considered the application, and the subsequent representations of the Company, is of the opinion and finds that Virginia Power should be permitted to implement, on an interim basis and subject to further modification, its proposed changes to the wires charge applicable to its pilot retail access program implemented by earlier order herein. In permitting the interim implementation of the proposed wires charge, we make no finding as to the merits of the Company's application and continue to solicit comment from interested parties on this application. We conclude, along with the Company, that under the current law Code § 56-583 does not limit the frequency with which we may make adjustments to the wires charges during the pilot program. Upon the conclusion of this case, or Case No. PUE000585, we may order adjustments to the wires charge to correspond with our ultimate findings in either case, or both cases.

Accordingly, IT IS ORDERED THAT:

(1) Virginia Power may implement the changes to the wires charge proposed in its application of December 1, 2000, herein, on an interim basis subject to further modification we find necessary.

(2) The provisions of our Order of December 28, 2000, remain fully in effect.

(3) This matter is continued for further orders of the Commission.

CASE NOS. PUE980813 and PUE000585
JUNE 29, 2001

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

and

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To revise its fuel factor pursuant to § 56-249.6 of the Code of Virginia

FINAL ORDER

HISTORY OF CASE NO. PUE000585

On November 17, 2000, Virginia Electric and Power Company ("Virginia Power" or "the Company") filed with the State Corporation Commission ("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. On December 8, 2000, the Commission issued the Order Establishing 2001 Fuel Factor Proceeding that docketed the matter as Case No. PUE000585 and scheduled a hearing for April 3, 2001.[1] The Commission permitted the Company to implement, on an interim basis, its proposed fuel factor effective January 1, 2001.

In its Order Establishing 2001 Fuel Factor Proceeding in Case No. PUE000585, the Commission indicated that, in addition to the issues that normally arise in a fuel factor case, we would consider two issues outstanding from Virginia Power's most recent fuel factor case, Case No. PUE990717. First, in the Final Order in Case No. PUE990717, the Commission had directed Commission Staff to investigate methods of quantifying fuel costs properly attributable to the Chaparral (Virginia) Inc. ("Chaparral") special contract ("Special Contract"),[2] and to file a report on its findings and recommendations for consideration in the Company's next fuel factor case.[3] On July 12, 2000, the Commission Staff filed the Chaparral Special Contract Fuel Factor Impact

[1] The hearing in Case No. PUE000585 was originally scheduled for March 1, 2001. On February 12, 2001, the Commission issued an Order Granting Motion and Rescheduling Hearing setting the hearing for the purpose of receiving evidence related to the establishment of Virginia Power's fuel factor for April 3, 2001, and revising the associated procedural schedule. A hearing was held on March 1, 2001, for the sole purpose of receiving statements from public witnesses who wished to comment on Virginia Power's proposed fuel factor. No public witnesses appeared at the March 1, 2001, hearing.

[2] 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. Repts. 419 (January 26, 1999).

[3] Application of Virginia Electric and Power Company, To revise its fuel factor pursuant to Va. Code § 56-249.6, Case No. PUE990717, Doc. Cont. Ctr. No. 000340515, Final Order (March 28, 2000).

Monitoring Study ("Chaparral Study") recommending that the Company use a back-cast run of its production simulation model to determine fuel expenses associated with serving the Chaparral load for purposes of the fuel factor.[4]

Second, the Final Order in Case No. PUE990717 provided that Virginia Power may retain 100% of the margins that result from the sale of capacity and energy freed-up by departure of retail customers who choose an alternative generation supplier ("Displaced Pilot Sales") through the Company's pilot program for electric retail access ("Pilot Program"). The Commission required Commission Staff to propose a method for identifying those Displaced Pilot Sales and associated margins, and to file a report on its findings and recommendations for consideration in the Company's next fuel factor case. On August 29, 2000, the Commission Staff filed a report, Fuel Accounting for Sales Displaced in Retail Access Pilot ("Displaced Pilot Sales Report"), proposing a method to separate margins attributable to Displaced Pilot Sales to allow for accurate fuel factor determination consistent with the Company's Definitional Framework of Fuel Expenses ("Definitional Framework").[5]

The Virginia Committee for Fair Utility Rates ("VCFUR") filed a Notice of Protest and Protest in Case No. PUE000585 on November 27, 2000, and January 19, 2001, respectively. On December 27, 2000, the Division of Consumer Counsel, Office of the Attorney General ("OAG") filed a notice stating that it intended to participate in the matter. Chaparral filed a Notice of Protest on January 18, 2001. The VCFUR, OAG, and Chaparral did not file any prepared testimony and exhibits to be presented at the hearing. No other Notices of Protest or Protests were filed.[6]

On March 19, 2001, Commission Staff filed direct testimony addressing the reasonableness of Virginia Power's estimated costs and proposed fuel factor, the two issues outstanding from Case No. PUE990717, and the impacts of Virginia Power's off-system sales, options trading operations on the Company's ratepayers. On March 28, 2001, Virginia Power filed testimony rebutting the direct prefiled testimony of Staff which addressed issues unique to Case No. PUE000585, and adopted the Company's comments on the Chaparral Study and the Displaced Pilot Sales Report filed in Case No. PUE990717.

HISTORY OF CASE NO. PUE980813

On December 1, 2000, Virginia Power filed with the Commission in Case No. PUE980813, the case implementing the Pilot Program and the collection of wires charges, an application for an increase in wires charges corresponding to any increase in the fuel factor approved in Case No. PUE000585 effective January 1, 2001. On December 28, 2000, the Commission issued an order requiring the Company to publish notice of its request, and permitting interested persons to file comments or requests for a hearing on the application.

The Commission's December 28, 2000, Order did not provide for the implementation of wires charges on an interim basis.[7] Virginia Power represented by letter of counsel dated January 4, 2001, that if permitted to implement its proposed adjustment to its wires charges effective January 1, 2001, the Company would not thereafter object to any modification to the wires charges the Commission may find necessary based on determinations in Case No. PUE000585. The Company also agreed with the Commission that the wires charges adjustment mechanism set out in Code § 56-583 does not apply in the context of the Pilot Program, so that the wires charges may be adjusted in this instance. Believing this to provide adequate protection for customers, we therefore permitted on January 9, 2001, the implementation of the increase in wires charges on an interim basis and subject to further modification.

On January 30, 2001, the OAG and the Company filed comments on the issue. Also on January 30, 2001, the Commission received comments and a request for hearing in Case No. PUE980813 from Michel A. King. The Commission determined that the issues raised by Mr. King would be best handled during the fuel factor hearing in Case No. PUE000585. We therefore ordered on February 14, 2001, that a hearing on the implementation of the wires charges be consolidated with the fuel factor hearing in Case No. PUE000585 scheduled for April 3, 2001, and that the procedural schedule issued in that proceeding apply to Case No. PUE980813. Neither Mr. King nor Commission Staff prefiled any testimony in Case No. PUE980813 on the wires charges issue. On March 28, 2001, Virginia Power filed testimony in which the Company adopted its comments on proposed changes to wires charges filed January 10, 2001.

CONSOLIDATED HEARING

On April 3, 2001, a hearing on both Case Nos. PUE980813 and PUE000585 was convened.[8] Although there was no disagreement as to Virginia Power's estimated costs and proposed 2001 fuel factor, several parties expressed concern regarding the off-system sales numbers proposed by the Company in this proceeding potentially being used in the Company's functional separation case, Case No. PUE000584.[9] All parties agreed that, with respect to off-system sales, the current proceeding should not serve as precedent in the functional separation case.

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[4] On September 11, 2000, Virginia Power filed comments on the Chaparral Study. Also on September 11, 2000, Chaparral filed a Notice of Protest and Protest in the matter.

[5] On October 10, 2000, Virginia Power filed comments on Staff's analysis.

[6] On February 8, 2001, the Commission received a letter and a request to schedule a hearing in Prince William County from a member of the Prince William Board of County Supervisors. On March 5, 2001, the Commission received a copy of a Resolution and accompanying materials, including a copy of the aforementioned letter, from the Prince William Board of County Supervisors objecting to the fuel rate increase. On March 15, 2001, the Commission issued an order declining to schedule a hearing in Prince William County, stating that the fuel factor was an issue with broad impact on Virginia Power's service territory, and that a public evidentiary hearing to consider the increase was scheduled for April 3, 2001, in the Commission's courtroom in Richmond, a generally centralized location.

[7] Unlike the fuel factor, which contains a correction factor that permits any over- or under-collection to be adjusted in later filings, the wires charges have no correction mechanism and may be adjusted no "more frequently than annually" pursuant to § 56-583 of the Code.

[8] Karen L. Bell, Edward L. Flippen, and Kodwo Ghartey-Tagoe appeared on behalf of the Company; William H. Chambliss and Katharine A. Hart on behalf of Commission Staff; Michael E. Kaufman on behalf of Chaparral; Robert M. Gillespie on behalf of VCFUR; and John F. Dudley on behalf of the OAG. Michel A. King appeared pro se. The April 3, 2001, proceeding was adjourned and reconvened on April 18, 2001.

[9] Application of Virginia Power for approval of a functional separation plan under the Virginia Electric Restructuring Act, Case No. PUE000584.

Throughout the course of the hearing, concerns were expressed regarding two categories of the Company's wholesale sales, off-system sales, and out-of-system sales, as well as the matter of options trading activities engaged in by the Company's Wholesale Power Group. Commission Staff proposed to conduct a study of such activities, and indicated that after such study, recommendations may be made regarding Virginia Power's Definitional Framework. All parties and Commission Staff agreed to the study with the understanding that any recommendations regarding the Definitional Framework approved by the Commission would apply to the 2001 fuel period and future fuel factors. Should Staff or a party seek to apply any change made to the Definitional Framework to years prior to 2001, the issue of applicability to previous years will be addressed at that time.

At the conclusion of the hearing, the Commission identified three issues for briefing that remained unresolved among the parties and Commission Staff. First, the parties and Commission Staff were to address the appropriate method of quantifying the fuel costs for Virginia Power to serve Chaparral's load for purposes of the fuel factor. Second, the method for identifying margins associated with sales of capacity freed up by customer participation in the Pilot Program and the appropriate handling of such margins were also to be addressed. Third, the Commission requested briefing on whether the increase in the wires charges, implemented on an interim basis, should continue.

POSITIONS OF THE PARTIES AND COMMISSION STAFF

Quantification of Fuel Costs Associated with the Chaparral Load for Fuel Accounting Purposes

In Case No. PUE990717, the Commission directed Staff to investigate methods for quantifying the fuel costs associated with sales to Chaparral under the Special Contract for fuel factor purposes. As a result of this investigation, Staff filed the Chaparral Study that recommends the use of a back-cast simulation, rather than a forecast, for fuel factor accounting. Staff agrees with the Company that the Special Contract generally provides benefits to the Commonwealth, however, notes that pursuant to § 56-235.2 D of the Code, the Special Contract may not cause higher rates for Virginia Power's other customers. According to Staff, the day-ahead projected hourly system forecast lambda ("forecast lambda") underestimates Chaparral's fuel costs and results in a higher fuel factor for the Company's other customers.

Staff believes that implementing a back-cast for purposes of determining the fuel factor represents the closest possible approximation to Virginia Power's reconstructed "own load dispatch," and would allow the Company to match resources with expenses with the most accuracy. A back-cast, Staff argues, allows model inputs to reflect more actual variables and costs than are possible with the forecast lambda approach.

The Special Contract establishes a price for Chaparral to pay based on forecast lambda, plus a margin. Staff notes that the price charged to Chaparral and the Company's compliance with the Commission's Final Order in Case No. PUE980333 are not at issue. Staff argues that the back-cast is not being proposed as the methodology by which Virginia Power must determine price under the Special Contract. The Staff's argument is that the back-cast provides the best estimate of Chaparral fuel expenses for purposes of the fuel factor.

Virginia Power states that in Case No. PUE980333 the Company made clear that it intended to use forecast lambda for Chaparral fuel accounting purposes. The Company argues that the Commission's approval of the Special Contract is evidence that the Commission, considering this intention, determined that the Special Contract would not harm the Company's other customers. To now require the Company to change its methodology for calculating fuel costs for purposes of the fuel factor, the Company argues, would be unfair and should be rejected.

The Company also argues that the back-cast is inappropriate because it is nothing more than an estimate itself and is no better than using the forecast lambda. Virginia Power states that forecast lambda, on the other hand, is appropriate for determining fuel costs for fuel accounting purposes because it is based on the pricing mechanism specified in the Special Contract. Also, since the Special Contract precludes an after-the-fact verification or true-up, the Company asserts fuel costs must be determined on a day-ahead basis, not by a back-cast.

Virginia Power further argues that, contrary to Staff's assertions that the back-cast would not affect the terms of the Special Contract, use of the back-cast would reduce the margins received from Chaparral sales. The Company alleges that, by incorporating new costs not included in forecast lambda and so attributing greater costs to Chaparral than the Company recovers, the price component of the Special Contract would be undermined. Virginia Power represents that this is a significant modification of the bargain made between Virginia Power and Chaparral. By recovering a lower margin, the Company believes a critical component of the Special Contract, the price term, is undermined and that the Company would have to consider renegotiation.

Chaparral argues that Staff should be estopped from challenging the fuel accounting methodology in this matter because Staff had previously made its reservations over forecast lambda known, and is now raising the issue again. Chaparral further argues that Staff presents no conclusive evidence to indicate that Virginia Power is undercollecting and presents no conclusive evidence to support the back-cast method, and that an absolute determination of actual fuel expenses associated with serving Chaparral can not be made in any event. Discounting assertions by Staff that the Special Contract will not be affected by implementation of its recommendations, Chaparral alleges that the substantial direct and indirect economic benefits that Chaparral brings to Virginia would be put in jeopardy. However, Chaparral emphasizes that the Chaparral Study states that the special contract prices charged by Virginia Power to Chaparral are not at issue here, and notes that Staff's recommendation should have no effect on the electricity prices that Chaparral pays as set forth in the Special Contract.

Methods for Calculating Margins Associated with Displaced Pilot Sales

The Commission Staff and Virginia Power urge the Commission to adopt the method for identifying Displaced Pilot Sales proposed by the Displaced Pilot Sales Report, and to incorporate the suggestion of Virginia Power on the starting point for this methodology. Both argue that this margin determination and separation allows for accurate fuel factor determination consistent with the Definitional Framework.[10]

Michel A. King argues that the Company's retaining of 100% of the margins associated with displaced pilot sales would, when combined with the implementation of an increase in the wires charges discussed further below, result in double recovery of fuel costs attributable to Displaced Pilot Sales. Mr. King expresses concern that if the Company collects wires charges at the same time as it collects a positive margin from Displaced Pilot Sales, the Company

[10] The Company's Definitional Framework was amended in Case No. PUE990717 to state that no energy margin associated with the sale of the Displaced Pilot Sales should be credited against fuel factor expenses.

is recovering the same costs through two independent recovery mechanisms. Virginia Power argues that Mr. King's objection to the Company's retention of the margins is too late, as the Commission approved this retention in Case No. PUE990717.

Implementation of Wires Charges Increase

Virginia Power urges the Commission to allow the interim increase in the wires charges be made permanent. Pursuant to § 56-584 of the Code, wires charges are a method through which incumbent electric utilities may recover their just and reasonable stranded costs. Pursuant to § 56-583 of the Code, wires charges are equal to the difference between the capped generation rate and the projected market price for generation, when the capped generation rate exceeds the market price. Virginia Power states that revenue from the proposed increase in the wires charges corresponds directly to an increase in the Company's costs.

The Company notes that, because the fuel factor is included in capped generation rates, an increase in its fuel factor would increase its capped generation rates. Noting that the Commission set the projected market price for generation for the duration of the Pilot Program, Virginia Power argues that to be consistent with the formula provided in § 56-583 of the Code and the Commission's directive on the projected market price for generation, an increase in capped generation rates would result in an increase in the wires charges. If the wires charges are not increased, the Company argues it would underrecover its stranded costs. Virginia Power believes that the Commission should coordinate changes in wires charges with changes in capped rates as provided by § 56-583 of the Code.

Michel A. King argues in his brief that an increase in the wires charges is unreasonable and unjust because the Company no longer faces net stranded costs that exceed zero value in total as required by § 56-584 of the Code, and because, in conjunction with retaining margins from Displaced Pilot Sales, such wires charges would result in double recovery. Mr. King argues that if the Company is projecting a positive margin on its Displaced Pilot Sales, the revenues from such sales must exceed the costs and so the net stranded costs must be less than zero value in total. Mr. King believes that since the Company now expects to see profits from off-system sales, it should therefore be ordered to reduce the wires charges to zero and refund any wires charges already collected. Mr. King further states that it is not reasonable to seek an adjustment in wires charges based on changes in projected cost factors, such as the fuel factor, without giving consideration to changes in projected revenue factors, such as the projected market price for generation.

Staff submits that it believes that § 56-583 of the Code does not necessarily compel the increase in wires charges as the increase in the fuel factor is implemented, but that the adjustment may be permitted in this proceeding. Staff notes that the Commission set the market price for the duration of the Pilot Program, and that there is no evidence on which a change in projected market price may be based. Staff argues that wires charges may be adjusted so as to equal capped generation rates, which will increase, minus the Commission determined projected market price for generation, which will remain the same.

Beginning with customer choice, however, Staff asserts that adjustments may take place no more frequently than annually pursuant to § 56-583 of the Code, even though under § 56-582 of the Code, the Commission may adjust capped generation rates, under certain circumstances, more than once a year. Staff believes that it should therefore be noted that a change in capped generation rates does not necessarily require an automatic corresponding adjustment in wires charges. Like Virginia Power, to mitigate the over- or under-collection of charges by the utilities, Staff believes that the Commission should coordinate changes in capped generation rates with changes in the market price for generation as provided by § 56-583 of the Code.

NOW UPON CONSIDERATION of the foregoing and the applicable law, we are of the opinion that the requested increase in the Company's fuel factor from 1.339¢ per kWh to 1.613¢ per kWh effective with usage on and after January 1, 2001, should be approved, but that the off-system sales amount and methods associated with determining such amount for the Company's 2001 fuel factor shall not serve as precedent in Case No. PUE000584, the Company's functional separation case. In addition, we find that we should adopt the methods set out in both the Chaparral Study and the Displaced Pilot Sales Report. We direct Staff to work with the Company on the narrow issue contained in the former of appropriately quantifying and removing nonfuel variable costs from the back-cast method. We adopt the latter with the modification as proposed by Virginia Power. We also allow the increase in wires charges to continue.

The Chaparral Special Contract states that the price Chaparral pays for electricity will be based on forecast lambda, and contains a clause stating that firm pricing supplied to Chaparral will not be subject to an after-the-fact true-up of any kind. Virginia Power's primary argument for the use of forecast lambda in the fuel factor is that this method was approved by the Commission for calculating price in the Special Contract, and that the Company intended to also use forecast lambda for fuel accounting purposes, and that this therefore equates to approval of a method for determining fuel costs associated with Chaparral for the fuel factor.

Concerning the Chaparral Study, we are not unmindful of our previous approval of the Special Contract between Virginia Power and Chaparral. However, the Special Contract did not address the matter of how the fuel expenses of serving Chaparral would be separated from Virginia Power's other fuel expenses for purposes of the fuel factor; that issue was not before us in the case in which the Special Contract was approved. When we approved the Special Contract, we were not asked to approve a specific fuel factor accounting treatment that, as required by § 56-235.2 D of the Code, would ensure that other ratepayers would not be asked to pay fuel costs caused by the addition of Chaparral's load. Because this issue remained outstanding, we ordered Staff in the Company's last fuel factor case, Case No. PUE990717, to investigate methods for quantifying fuel costs associated with the Chaparral sales.

The Staff complied with this directive by filing the Chaparral Study and recommending the back-cast method. The back-cast method, like forecast lambda, utilizes a production cost simulation. To develop forecast lambda, the simulation uses inputs that are estimates of the following day's expected resource availability, dispatch costs, and load requirements. The back-cast uses the same production simulation method but, since it is being run ex post, includes more known variables such as the weather, market conditions, and the actual availability of each resource. The back-cast also accounts for start-up, shut-down, and no-load carrying costs, which are left out of forecast lambda. These costs are real; if they are not allocated to Chaparral then they will be paid by the remaining ratepayers via the fuel factor.

Virginia Power asserts that it is inappropriate to use the back-cast method because this method accounts for these new costs, specifically, the start-up and shut-down costs and no-load carrying costs that are not included using forecast lambda. We find the label "new costs" to be a misnomer. Fuel expenses associated with unit start-up and shut-down and those associated with keeping a unit online and operating at a reduced output so that it will be available to serve load in the future are expenses that regularly have been a part of the fuel factor. To the extent that these costs are not a consideration in forecast lambda, then that method is an even less accurate indicator of true fuel costs. Since the back-cast accounts for these expenses, it is more accurate in that regard. In fact, the Company itself uses the back-cast to quantify the cost of off-system sales for purposes of determining the fuel factor.

In this proceeding, our focus is upon the quantification of fuel costs attributable to Chaparral to assure that Virginia Power's other ratepayers are held harmless from any fuel expenses the Company incurs to serve Chaparral.[11] The costs attributable to Chaparral must be removed from the rest of the fuel factor, and so we must establish the most accurate method to determine the fuel cost of serving Chaparral. The quantification of Chaparral fuel costs is distinct from whatever price Chaparral may have contracted to pay to Virginia Power for electricity.[12] The Special Contract does not control fuel factor accounting treatment and does not prohibit the Company from using the back-cast to allocate fuel costs for fuel factor purposes. We find that, because it allows for the greatest possible input of known variables and includes more fuel factor cost elements, the back-cast is the most accurate method among all methods advocated, and therefore should be used for quantification of the fuel factor. As discussed in the Chaparral study, Staff shall seek to ensure that all non-fuel variable costs are removed from the quantification.

Regarding the increase in wires charges, we believe that Mr. King raises a legitimate point when he argues that the fuel price increases which support the increase in the fuel factor in this proceedings, may also result in an increase in the market price for generation, and that consideration must be given to both changes in capped generation rates and the market price for generation when adjusting the wires charges.

As noted, pursuant to § 56-583 of the Code, wires charges are equal to the difference between the capped generation rate and the projected market price for generation. In this proceeding, we have concluded that the capped generation rate will rise based on an increase in the fuel factor. However, no determinations have been made on any changes that may be required in the projected market price for generation. It is unknown whether the market price for generation has risen, fallen, or remained the same as fuel prices have increased. Changes in the market price for generation are driven by more than changes in the fuel costs of one utility, and other considerations must be made in addition to an increase in the fuel factor when addressing the appropriate projected market price for generation. The record in this proceeding does not contain any evidence upon which any new projected market price for generation could be implemented. Without a change in the projected market price for generation, given the formula provided by § 56-583 of the Code, the wires charges should increase. Therefore we will order that the wires charges increase correspondingly with the increase in the fuel factor.

In an effort to manage effectively future adjustments in wires charges, on June 13, 2001, we opened Case No. PUE010306 to assist us in identifying and resolving issues regarding the statutory obligations of § 56-583 of the Code.[13] Among other things, we are seeking input on the timing of a change in the fuel factor, and consequently capped generation rates, as it relates to the Commission's determination of the projected market price for generation. In future proceedings, it is advisable that parties seek to coordinate changes in the wires charge with adjustments to both capped generation rates and the projected market price for generation. Such coordination is imperative to ensure that the wires charges are calculated accurately, and to meet the requirement that wires charges adjustments occur not more frequently than annually.[14]

Accordingly, IT IS ORDERED THAT:

(1) The total fuel factor of 1.613¢ per kWh, effective for usage on and after January 1, 2001, established by Commission Order December 8, 2000, remains in effect.

(2) The Staff's recommendations for quantifying fuel costs associated with serving Chaparral (Virginia) Inc. using the back-cast methodology, as set forth in the Chaparral Special Contract Fuel Factor Impact Monitoring Study, hereby is adopted for immediate implementation. Further, Staff, with the assistance of the Company, is directed to review all prior periods during which Chaparral purchased electricity from Virginia Power under the Special Contract and to determine the fuel costs of the Chaparral load using the back-cast as closely as can reasonably be determined or estimated. Any resulting necessary adjustments shall be made appropriately via the correction component of the fuel factor, throughout the twelve (12) months of 2002 or such other period as the Commission may determine.

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[11] "[W]e believe that the General Assembly intended an absolute prohibition on the approval of any special rate, contract or incentive if, as a result of such approval, the utility's existing customers would be caused to bear increased rates." 1999 S.C.C. Ann. Rept. at 423.

[12] Virginia Power recognized this point in commenting on a proposal made in Case No. PUE990717, the case in which the allocation of fuel costs associated with serving the Chaparral load for fuel factor purposes first arose. In its post-hearing brief filed in that case, disagreeing with VCFUR's argument that the Company should assign incremental fuel costs rather than average fuel costs to GS-3 and GS-4 customers receiving service under the RTP schedule, Virginia Power stated:

> *Importantly, § 56-235.2 does not require a specific linkage between the Chaparral pricing mechanism and the fuel accounting treatment for service to Chaparral.* The Company and Chaparral could have developed a pricing mechanism that did not include system lambda as a component but still assigned incremental fuel costs to Chaparral to protect other ratepayers. For example, knowing that Chaparral needed some form of a rate incentive relative to traditional rates, the Company could have simply priced the Chaparral contract based on a discounted traditional GS-4 rate .... Even a discounted GS-4 pricing approach, however, would not justify average fuel factor treatment for Chaparral.... *Indeed, regardless of the pricing or rate design for Chaparral, § 56-235.2 requires the Company to credit fuel factor expenses based on the incremental fuel cost associated with Chaparral to ensure that other customers are not harmed.*

Post-Hearing Brief of Virginia Electric and Power Company, filed in Application of Virginia Electric and Power Company, To revise its fuel factor pursuant to Va. Code §56-2496 Case No. PUE990717, Doc. Cont. Cntr. No. 000320154 at 14 (March 9, 2000) (emphasis added).

[13] Commonwealth of Virginia ex rel. State Corporation Commission Ex Parte: In the matter of considering requirements relating to wires charges pursuant to the Virginia Electric Utility Restructuring Act, Case No. PUE010306.

[14] Although adjustments to the wires charges were made administratively on December 22, 2000, to reflect the elimination of gross receipts taxes and the implementation of state income taxes effective January 1, 2001, the Company agreed that prior to the implementation of customer choice on January 1, 2002, the wires charges could, in the context of the Pilot Program, be adjusted more than once in a year.

(3) The Staff's recommendations for determining the costs and margins associated with sales of capacity and energy made available to Virginia Power by customer participation in the Company's retail access pilot program, as set forth in the report on Fuel Accounting for Sales Displaced in Retail Access Pilot, hereby are adopted, with the modification as proposed by Virginia Power and agreed to by Staff at the hearing.

(4) The previously ordered increase in the wires charges to reflect changes in the capped generation rate caused by the interim increase in the fuel factor shall continue.

(5) Pursuant to the conditions agreed to by the parties during the course of the hearing as described herein, the Staff shall perform a study of the Company's wholesale sales, off-system sales, out-of-system sales, options trading, and other related activities, and shall file a report detailing its findings and recommendations. Any recommendations made by Staff regarding the Company's Definitional Framework shall apply to the 2001 fuel period and future fuel factors. Should, in a future proceeding, Staff or a party seek to apply any changes made to the Definitional Framework to the fuel periods prior to 2001, the issue of applicability will be determined at that time.

(6) This matter is continued generally.

CASE NO. PUE980898
JULY 12, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
THE DRIGGS CORPORATION,
Defendant

FINAL ORDER

On July 15, 1999, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against The Driggs Corporation ("Driggs," "the Company," or "the Defendant"). Therein, among other things, the Commission stated that the Division of Energy Regulation (the "Division" or "Staff") had conducted an investigation and alleged that on or about October 19, 1998, while excavating, Defendant damaged a sixteen-inch steel gas main line operated by Virginia Natural Gas, Inc. ("VNG") located at or near the Grove Interchange, also known as the Busch Gardens Interchange, in James City County, Virginia.[1] The Division alleged that Defendant failed to take all reasonable steps to protect the underground utility line, in violation of § 56-265.24 A of the Code of Virginia, and failed to immediately notify VNG, the operator, of the damage that occurred as a result of that failure, in violation of § 56-265.24 D of the Code of Virginia. The Division recommended that the Commission enter an order directing Driggs to comply with and cease violating the Underground Utility Damage Prevention Act (the "Damage Prevention Act" or "the Act") and impose civil penalties pursuant to § 56-265.32 A of the Code of Virginia.

On September 10, 1999, Driggs, by counsel, filed its Answer to the Rule. It denied the allegations relevant to the incident and further stated that even if the Commission found Driggs was the proximate cause of the alleged damage, such damage occurred despite Driggs' exercise of reasonable care. The Defendant contended that any damage that occurred resulted from an isolated incident of employee misconduct that occurred despite significant training by Driggs. The Defendant also asserted that it did not violate the Act for failure to notify the operator because it itself did not possess knowledge of the incident prior to the investigation by VNG. Defendant therefore moved the Commission to dismiss the case.

On September 17, 1999, the Staff filed a Response to Motion to Dismiss opposing Defendant's prayer to dismiss the case. Staff argued that Defendant's admission that the incident occurred was sufficient basis for the Commission to receive evidence on the allegations.

On November 1, 1999, the Commission entered Orders of Settlement addressing several of the incidents described in the July 15, 1999 Rule to Show Cause and assigned Case Nos. PUE980407 and PUE980543. Thereafter, on November 3, 1999, the Staff advised that it intended to proceed against Driggs as to the incident described in Paragraph (5) of the July 15, 1999 Rule, and asked the Examiner to dismiss the allegations pertaining to and relief sought for Paragraphs (1) and (3). By Hearing Examiner Ruling dated November 4, 1999, the incidents set out below remained in dispute:

(1) On or before October 19, 1998, the Company damaged a sixteen-inch steel gas main line operated by Virginia Natural Gas, Inc., located at or near Grove Interchange (Busch Gardens), James City County, Virginia, while excavating.

(2) With respect to the incident described in Paragraph (1) above, the Company failed to take all reasonable steps to protect the underground utility line, in violation of § 56-265.24 A of the Code of Virginia, and failed to immediately notify the operator of the damage, in violation of § 56-265.24 D of the Code of Virginia.

(3) Based upon its investigation, the Division of Energy Regulation recommends that, consistent with Rule 20 VAC 5-309-50 B of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, the Commission enter a remedial order directing The Driggs Corporation to comply with and cease violating the Underground Utility Damage Prevention Act, Chapter 10.3 (§ 56-265.14 et seq.), of Title 56 of the Code of Virginia, and imposing the civil penalties provided for by § 56-265.32 A of the Code of Virginia.

On January 6, 2000, counsel for the Defendant filed a Motion for Continuance, requesting the hearing originally scheduled for January 19, 2000, be rescheduled for April 18, 2000. The Hearing Examiner granted Defendant's motion.

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[1] The July 15, 1999 Rule contained alleged violations associated with other incidents docketed as Case Nos. PUE980407 and PUE980543. Those matters were the subject of Orders of Settlement issued on November 1, 1999, and therefore were dismissed from the Commission's active docket, and are not before the Commission in this case, Case No. PUE980898.

A hearing to receive evidence on the alleged violations began on April 18, 2000, and concluded on April 20, 2000. Counsel appearing were Allison L. Held, Esquire, and Sherry Bridewell, Esquire, counsel for the Staff, and Richard F. Ensor, Esquire, and Gerald I. Katz, Esquire, counsel for Driggs. The testimony of witnesses for the Staff and Driggs were received. At the conclusion of the hearing, the Commission provided the Defendant and Staff the opportunity to file post-hearing briefs. Briefs were filed by Driggs and the Staff on June 1, 2000.

On June 1, 2001, the Hearing Examiner filed her report ("Report"). The Examiner found that the facts relevant to the case were largely undisputed. She concluded that on October 7, 1998, Kenny Weaver, a Driggs foreman, directed Jason Sharpe, also an employee of Driggs, to operate a bulldozer in the vicinity of the pipeline to blend grades in the area. It was during that excavation that Mr. Sharpe damaged a pipeline while excavating with a bulldozer. The Examiner found that both Mr. Weaver and Mr. Sharpe had knowledge of the damage to the pipeline on October 7, 1998, but failed to report the incident to their employer until October 16, 1998. Hence, VNG was not notified by Driggs until October 19, 1998. The Examiner further concluded that the VNG's underground natural gas main was clearly marked with paint and flags, and with high visibility yellow permanent pipeline markers that stood at least five feet high, with one located directly over the pipeline about ten feet from where the incident occurred. Moreover, a Driggs supervisor incident report acknowledged that the area was clearly marked. According to the Examiner, Mr. Weaver and Mr. Sharpe were performing work within the scope of their employment, and were agents of Driggs. She concluded that Driggs could be held liable for the acts of its employees done in the course of employment. The Examiner also found that Driggs did not properly train and supervise Mr. Sharpe and Mr. Weaver to assure compliance with damage prevention procedures, thus failing to exercise reasonable care in this matter, violating § 56-265.24 A of the Code of Virginia. Additionally, Driggs failed to timely contact and notify VNG regarding the damaged pipeline in violation of § 56-265.24 D of the Code of Virginia. Driggs did not deny that the natural gas main was cut by one of its employees, that notice was not provided to VNG at the time the line was hit, or that the pipeline was covered up after the incident.

The Examiner also considered information that Driggs had filed a voluntary bankruptcy petition for liquidation, but stated that the bankruptcy proceeding would not affect the Commission's ability to impose a fine or penalty upon the Defendant.

Based on the foregoing, the Examiner found that:

(1) Driggs violated §§ 56-265.24 A and D of the Act;

(2) Driggs should be penalized for its failure to exercise reasonable care according to § 56-265.32 A of the Act; and

(3) Driggs should be enjoined from further violations of the Act.

On June 22, 2001, the Defendant filed a Response to the Report of the Hearing Examiner, taking issue with the Examiner's conclusions as to the effect of Defendant's bankruptcy proceedings upon the Commission's ability to asses a penalty for violations of the Virginia Code. First, Driggs asserted that it had in fact filed for bankruptcy relief under Chapter 11 (11 U.S.C. §§ 1101 *et seq.*) ("Reorganization"), and not under Chapter 7 (11 U.S.C. §§ 701, *et seq.*) ("Liquidation"), as the Examiner had stated. Second, Driggs asserts that the enforcement of a money judgment by the Commission against Driggs is stayed by application of 11 U.S.C. § 362(b)(4).

NOW THE COMMISSION, upon consideration of the record, the Hearing Examiner's Report, the Defendant's response to the Report, and applicable statutes, is of the opinion and finds that the Hearing Examiner's findings and recommendations are supported by the record in this proceeding and should be adopted.

For purposes of this proceeding, the federal bankruptcy laws do not affect the Commission's determination of this case. Section 362(b)(4) of the Bankruptcy Code (11 U.S.C.S. § 362(b)(4) (Law. Co-op. 1995 & Supp. 2001) provides that "the commencement or continuation of an action or proceeding by a governmental unit to enforce such governmental unit's police or regulatory power" is not subject to the Bankruptcy Code's automatic stay provision. Counsel for Driggs is correct that the enforcement of money judgments is stayed by Section 362(a) of the Bankruptcy Code (11 U.S.C.S. § 362(a) (1995)). However, the ultimate decision whether such debt should be discharged lies with the Bankruptcy Court hearing the Defendant's petition; therefore, this should not affect the Commission's decision regarding imposition of a civil penalty for Defendant's violations of the Act.

Finally, the Defendant asserted in its Response that the exceptions to discharge of debt stated in Section 523 of the Bankruptcy Code (11 U.S.C.S. § 523 (1997)) are only applicable to an "individual debtor," and not a "corporate debtor," and that Driggs' discharge is governed by Section 1141 of the Bankruptcy Code (11 U.S.C.S. § 1141 (2000)). This argument has no merit. The phrase "individual debtor" is nowhere defined in the Act to exclude a partnership or corporation. In fact, Section 101 (11 U.S.C.S. § 101 (1997)) defines "debtor" to include a "person," and a "person" includes an individual, partnership and corporation. Furthermore, Section 523 explicitly includes discharges of debt under, in pertinent part, those authorized by Section 1141, excluding from discharge generally those debts incurred as fines or penalties to and for the benefit of a governmental unit.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations in the Hearing Examiner's June 1, 2001 Report are hereby adopted.

(2) In accordance with our regulatory duties and powers and pursuant to § 56-265.32 A of the Code of Virginia, judgment is entered for the Commonwealth and against The Driggs Corporation, EIN # 54-1001757, and a penalty of $5,000 shall be imposed on The Driggs Corporation for the two (2) violations described herein of §§ 56-265.24 A and D of the Code of Virginia.

(3) The Driggs Corporation is hereby enjoined from any further violations of the Act.

(4) There being nothing further to be done herein, this matter shall be dismissed from the Commission's docket of active cases, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. PUE990528
JULY 12, 2001

COMMONWEALTH OF VIRGINIA ex rel.
STATE CORPORATION COMMISSION
v.
T.K. VANN SERVICES, INC.,
Defendant

FINAL ORDER

On August 11, 1999, the Division of Energy Regulation ("Staff") for the Virginia State Corporation Commission ("Commission"), by counsel, filed a Rule to Show Cause ("Rule")[1] against T.K. Vann Services, Inc. ("Defendant" or "TK Vann"), alleging numerous violations of the Underground Utility Damage Prevention Act ("Act") §§ 56-265.14 et seq. of the Code of Virginia.

The captioned matter was assigned to a Hearing Examiner and came on for hearing on October 20, 1999. At the appointed time, TK Vann did not appear and Staff requested and was granted a general continuance of the matter in order to perfect service of process on the Defendant.[2]

On June 27, 2001, Staff, by counsel, filed a Motion to Dismiss the Rule ("Motion") issued in the case. In support of its Motion, Staff averred that the Commission terminated the Defendant's corporate existence on November 3, 2000, and subsequently on June 7, 2001, the United States Bankruptcy Court, Eastern District, Virginia, Newport News Division issued and order discharging the Defendant under Chapter 7 bankruptcy liquidation. Staff further averred that, in the interest of judicial economy, it no longer wished to prosecute the Defendant for its alleged violations of the Act.[3]

On June 29, 2001, the Report of Michael D. Thomas, Hearing Examiner ("Hearing Examiner's Report"), found, inter alia, that Staff's Motion should be granted and recommended that the Commission enter an order dismissing this matter from the Commission's docket of active cases.[4]

Upon consideration of the filings and the Hearing Examiner's Report, the Commission is of the opinion and so finds that the findings and recommendation of the Hearing Examiner should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The Motion to Dismiss filed herein by the Staff be, and it is hereby, GRANTED.

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

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[1] Commonwealth of Virginia, ex rel. State Corporation Commission v. T.K. Vann Services, Inc., Case No. PUE990528, Document Control Center No. 990820009 (August 11, 1999).

[2] Id., Document Control Center No. 991030206 (Transcript of hearing, October 20, 1999, at pages 8-9); Id., Document Control Center No. 991030169 (Hearing Examiner's Ruling, October 22, 1999).

[3] Id., Document Control Center No. 010640013 (Motion to Dismiss, June 27, 2001).

[4] Id., Document Control Center No. 010710048 (Report of Michael D. Thomas, Hearing Examiner).

CASE NO. PUE990616
MARCH 20, 2001

APPLICATION OF
B & J ENTERPRISES, L. C.

For a certificate of public convenience and necessity to operate a sewerage utility

ORDER

On August 26, 1999, the Superintendent of B&J Enterprises, L.C. ("B&J" or "Company"), submitted an application and exhibits to the Commission's Division of Energy Regulation, requesting issuance of a certificate of public convenience and necessity to operate a sewerage utility, and the establishment of rates, terms and conditions for service. B&J provides service to customers in Blacksburg's Country Club Estates in Montgomery County, Virginia.

The Commission issued its Order Docketing Case and Suspending Rates on September 9, 1999. This Order permitted B&J to implement its proposed rates for service, other than its proposed connection fee, subject to refund pending the conclusion of the proceedings.

After receiving several protests from customers of the Company, the Commission issued its Procedural Order on February 15, 2000, setting the case for hearing and appointing a Hearing Examiner to conduct further proceedings. The Hearing Examiner, by ruling issued March 10, 2000, set the case for public hearing in Blacksburg, Virginia on June 6, 2000. By subsequent ruling, the hearing was continued to July 31, 2000.

On the appointed date the case was heard. The Company produced two witnesses, Daina Trimble Reynolds, the Superintendent of the utility, and Burnice C. Dooley, an accounting consultant from Richmond. Staff offered testimony from Marc A. Tufaro of the Division of Energy Regulation and

Ashley W. Armistead of the Division of Public Utility Accounting. Protestant Joan G. Moore testified in her own behalf. Additionally, testimony was received from a total of five public witnesses.

On December 20, 2000, Hearing Examiner Michael D. Thomas issued his Report herein. In the Report, Mr. Thomas found that:

(1) The Company should be issued a [certificate of public convenience and necessity ("CPCN")] to operate a sewage utility in the Blacksburg Country Club Estates, Montgomery County, Virginia;

(2) The Company's adjusted total revenue requirement of $71,760 is reasonable;

(3) The Company should be permitted to include $23,259 in capitalized interest in its rate base;

(4) The Company should include $110,000 in connection fees collected since it assumed operations of the sewage utility in rate base as a [contribution in aid of construction ("CIAC")], as set forth in Hearing Examiner's Statement 1 attached [to the Report];

(5) The Company should not be permitted to use $30,000 in sewer connection fees collected from its customers to pay off the outstanding construction loan for the Greenbriar Circle development;

(6) The Commission has the jurisdiction to review the sales contract entered into between the Company and Blacksburg Country Club, Inc., to determine the Company's proper rate base for ratemaking purposes;

(7) The Company should include $210,605 in rate base as a CIAC to recognize the value of the undeveloped lots it received as consideration in the sales contract to extend the sewer collection system to all lots that were individually owned, but not yet served by sanitary sewer, as set forth in Hearing Examiner's Statement I attached [to the Report];

(8) The Company's requested management fee of $24,000 and accounting fee of $4,000 are reasonable;

(9) The $1,080 in organizational expenses for [Country Club Waste Water Systems, L.L.C. ("CCWWS")] should be included in rate base and capitalized;

(10) The Commission should require the Company to file an application within 90 days after the final order in this case to transfer its CPCN to CCWWS;

(11) The Company should be permitted a period of 90 days from the date of the Commission's final order in this case to convert its accounting records to the Uniform System of Accounts for Class "C" wastewater utilities;

(12) The Company should be permitted to charge a $2,500 one-time capital contribution on each of the 73 lots that were individually owned at the time the sales contract was entered to recover the cost of installing sewer laterals to serve these lots, and account for this contribution as CIAC;

(13) The Company should be permitted to charge a $5,000 one-time capital contribution on each of the 36 developable lots it acquired in the real estate sales contract to recover the cost of installing sewer mains and laterals to serve these lots, and account for this contribution as CIAC;

(14) The Company should be required to make the appropriate refunds, or additional CIAC assessments, as the case may warrant for sewer connection fees collected after the date of the Commission's order docketing this case and suspending the Company's proposed $17,500 sewer connection fee;

(15) The Company should be required to deposit all capital contributions or CIAC collected after the date of the Commission's final order in this case into a separate interest bearing account to be used solely for future capital improvements to the sewage utility;

(16) The Company should be required to use all capital contributions or CIAC collected prior to the date of the Commission's final order in this case solely to retire the debt associated with the sewer utility;

(17) The Company's $34 per month residential rate and $20 per month availability rate are reasonable;

(18) The Commission should impute $136 per month in revenues to the Company in calculating its revenue requirement for agreeing to provide free sewage service to the Blacksburg Country Club;

(19) The Company's proposed $20 bad check charge and 1 1/2 percent per month late payment fee are reasonable;

(20) The Company's proposed $25 turn-on charge to restore sewage service after a discontinuation of service is reasonable;

(21) The Company failed to justify the need for its proposed disconnection and reconnection fees, therefore, the Commission should deny these fees;

(22) The Company's sewer main extension policy in its tariff should be approved;

(23) The Commission does not have the authority to require the Company to obtain prior approval of every capital expenditure in excess of $5,000;

(24) The Company should be permitted to acquire a wheeled generator to provide backup electrical power for its sewage pumping stations; and

(25) The Commission should address the issues related to the transfer of the assets of the sewage utility to CCWWS at the time the application for such transfer is filed with the Commission.

In accordance with his findings, the Hearing Examiner recommended that we enter an order adopting such findings and granting the Company a certificate of public convenience and necessity, and dismiss the case from the active docket. The Company and Staff filed separate comments on the Hearing Examiner's Report. The Staff's single comment takes exception to the Examiner's inclusion of capitalized interest in the rate base; the Company likewise excepts, but takes the opposite tack, arguing that the Examiner included too little such interest in the rate base. The Company devoted much of the remainder of its 28 pages of comments and exceptions to various aspects of the sales contract under which it acquired this utility system. The Company contends, in essence, that the sales contract has no bearing on any of the issues in this case.

We disagree. Like the Hearing Examiner, we conclude that the Company received the system and substantial amounts of developed and developable real property as consideration for, in part, its extension of the system to unserved portions of the Country Club Estates development.

In choosing to enter this transaction, the Company undertook a calculated business risk that it could profitably develop and operate the sewer treatment system in conjunction with its other development activities. However, unlike the business of real property development, operation of a sewer utility is a public service function and subject, under the Code of Virginia, to regulation by the Commission and other agencies of the Commonwealth. When the Company acquired the system it knew, or should have known, that our approval of the rates and terms of the service it could offer its customers in Country Club Estates was needed.

As compiled in the findings and recommendations set out above, the Examiner has recommended that we approve certain monthly charges both for customers actually connected to the system and for those who own lots, but who have not yet built dwellings on them. This latter charge is known as an availability fee. The Examiner has further recommended that we approve certain levels of capital contributions from current and future lot owners in the development. The combination of fees and contributions is intended to defray the Company's current costs of operation and to provide funding for future capital expenditures for repairs and improvements that might become necessary over time.

We commend the Examiner for his diligence and the thoughtful consideration he has given this most unusual matter, including convening the public hearing in the locality to facilitate participation by affected customers, as well as the Company. However, we find we cannot implement certain of his recommendations and so will establish rates and charges that differ considerably from his recommendations.

First, the Commission has concluded earlier[1] that imposition of availability fees is permissible only "through contract or restrictive covenant in order that purchasers of property have notice of such fees. Notice is required so that a prospective purchaser not be made a customer of the utility involuntarily." The record is devoid of evidence that indicates the existence of any contract clause in deeds of purchase or any restrictive covenant that would alert prospective purchasers of lots in Country Club Estates that the purchase of a lot comes with an obligation to support, through payment of an availability fee, the sewer utility. Accordingly, we cannot adopt or approve an availability fee for lots now individually owned but not yet built upon. If there is evidence not offered to the Examiner that could establish the requisite notification to prospective purchasers, we invite the Company to request rehearing for the purpose of adducing this proof.

Further, we can and will allow the Company to collect availability charges for those lots it now owns and will develop and sell to the public. The Company can provide the requisite notice, through the creation of a covenant that runs with the land, for example, in the conveyance instruments for these lots. If B&J chooses to implement an availability charge, while it retains ownership of the lots, we will impute to its revenues an amount equal to the fees it could collect upon sale of the lots to a properly notified customer.

Further, just as we cannot indenture or involuntarily obligate a person or business to become a customer of a utility, we find we cannot obligate a person or business to become an investor of a utility involuntarily. Accordingly, we will not approve or adopt any level of "contribution to capital," as recommended by the Hearing Examiner upon customers of the Company who are currently receiving service. We believe that only taxing authorities possess the authority to obligate the payment of capital assessments, or their equivalent, by recipients of utility service.

Despite our inability to allow the above-discussed fees and charges, we do find that the Company has met its burden to prove its reasonable operating expenses. Under the Small Water or Sewer Public Utility Act,[2] we must establish "reasonable and just" charges for B&J to enable it to recover the costs of:

1. The operation of the system, including maintenance costs, operating charges, and interest charges on bonds or other obligations;

2. The providing for the liquidation of bonds or other evidence of indebted-ness and the attraction of capital;

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[1] See, Commonwealth of Virginia, ex rel. Frank Ott, et al. v. Wintergreen Valley Utility Company, L.P., 1998 S.C.C. Ann. Rep. 352, 354 (Final Order, April 27, 1998).

[2] Section 56-265.13:1 et seq. of the Code of Virginia.

3. The providing of adequate funds to be used as working capital, as well as reasonable reserves and funds for making replacements, which may be escrowed and used only as working capital if the Commission so directs as a result of a proceeding conducted pursuant to § 56-265.13:6;

4. The providing for the payment of taxes that may be assessed against the small water or sewer utility or its property; and

5. Compensation of owners of the utility for their capital or property invested in the system, if any, and for their time and other resources expended in the operation of the system, not otherwise recovered under subdivisions 1 through 4 of this section.[3]

In this case, B&J has demonstrated operating and maintenance, depreciation, and tax expenses of approximately $59,000, as set out on Statement I attached to the Hearing Examiner's Report. In order to permit the Company the opportunity to recover its legitimate expenses, we find we must establish a monthly rate of $40, which exceeds the rate noticed to the public in this proceeding. However, as the public was also provided notice that the Company intended to charge availability fees, which we will not permit, and a fee for connection in excess of the level we permit below, we find no impediment in the notice to establishing appropriately compensatory rates for monthly sewer service.

The Company requested, and noticed to the public, a connection fee of $17,500 and a re-connection fee of $5,000. We preliminarily found these fees to be out of line with the cost-based fees for connection and re-connection charged by other similar utilities. By our order of September 9, 1999, we prohibited the Company from imposing its connection fee in the amount sought and suspended its imposition of the re-connection fee for a period of 150 days, the maximum suspension permitted by statute. In that order we cautioned the Company that if it chose to impose either the connection fee (in the permitted amount of $3,500) or the re-connection fee that both were subject to refund, "should investigation reveal either to be above the Company's just and reasonable cost of service."

At hearing it was revealed that the actual cost of connection was minimal, owing to the manner in which the Company had installed its mains and service laterals, which exceeded its obligations under the sales contract. Consequently, the Company has incurred costs for the installation of its system that it ought to and will be permitted an opportunity to recover. We will permit B&J to assess a $5,000 connection fee, effective on and after the date of this order,[4] upon all lots that were conveyed to it in the sales contract between it and Blacksburg Country Club and that are not now connected to the system. The Company will escrow these fees, in an account to be used as a fund for making replacements and system improvements only.

We accept the remaining recommendations of the Examiner with regard to the miscellaneous charges of the Company and its terms and conditions of service. We will grant it a certificate of public convenience and necessity to provide sewer service in the Country Club Estates, Montgomery County, Virginia.

Accordingly, IT IS ORDERED THAT:

(1) The Company shall be granted Certificate No. S-85, to provide sewer service in the Country Club Estates, Montgomery County, Virginia.

(2) The Company may assess a monthly charge of $40 for sewer service.

(3) The requested availability fee is denied, except for those lots now owned by the Company and for which it can develop appropriate legal instruments to notify potential purchasers of the existence of an availability fee, in which case the fee shall be $20 per month.

(4) The Company may assess a one-time connection fee of $5,000 for connection of service, on and after the date of this Order, to the lots conveyed to it in the sales contract referenced in the record. Otherwise, its proposed connection and re-connection fees are denied.

(5) The remaining charges, fees, and terms and conditions of service recommended by the Hearing Examiner are adopted.

(6) To the extent that B&J has, during the period in which its interim rates were in effect (September 9, 1999, through the date of this Order), collected any connection or re-connection charge that exceeds the charges permitted herein, it shall make refund of the excess to any affected customer on or before September 1, 2001.

(7) If B&J has, during the period in which its interim rates were in effect (September 9, 1999, through the date of this Order), collected any connection or re-connection charge for any lot other than the ones upon which such charges are permitted by this order, it shall make refund of such fee to any affected customer on or before September 1, 2001.

(8) B&J shall refund any availability fee collected by it subsequent to January 30, 2000, the end of the suspension period herein, to any affected customer on or before September 1, 2001.

(9) On or before May 1, 2001, B&J shall file tariffs with the Commission's Division of Energy Regulation that reflect the rates, charges, fees, and terms and conditions of service approved herein.

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[3] Section 56-265.13:4 of the Code of Virginia.

[4] The Company may not recover from any customer that has paid a lesser connection fee any difference between the fee so collected and the fee we now find appropriate on an on-going basis. Neither is the Company required to refund any connection fee it collected prior to our Order of September 9, 1999, in this matter.

(10) On or before October 30, 2001, B&J shall deliver to the Division of Energy Regulation a report detailing its compliance with the refund provisions of this Order. The Company shall bear the cost of making any necessary refund.

(11) This matter is dismissed.

CASE NO. PUE990616
APRIL 10, 2001

APPLICATION OF
B & J ENTERPRISES, L.C.

For a certificate of public convenience and necessity to operate a sewerage utility

ORDER ON RECONSIDERATION

On March 20, 2001, the State Corporation Commission ("Commission") entered an Order that, among other things, granted B & J Enterprises, L.C. ("B & J" or "the Company") a Certificate of Public Convenience and Necessity to provide sewer service in Country Club Estates, Montgomery County, Virginia, and approved rates, charges, fees, and terms and conditions of service for the Company's sewer service.

On April 10, 2001, the Company, by counsel, filed a Petition for Reconsideration ("Petition") requesting reconsideration of certain matters in our March 20, 2001, Order. Specifically, the Company requests the Commission clarify that: (i) for purposes of the $5,000 connection fee, the amounts collected may be used to retire debt of the Company that already has been incurred, (ii) that the Company may collect the $2,500 contribution recommended by the Hearing Examiner in his Recommendation No. 12 of his December 20, 2000, Report, and (iii) to the extent the requested clarifications are not consistent with the original intent of the Commission's March 20 Order, that the Commission reconsider its decision on these issues for the reasons stated in its Petition.

NOW, UPON consideration of the Petition, the Commission is of the opinion and finds that reconsideration should be granted for the purpose of retaining jurisdiction to consider the matters raised by the April 10, 2001, Petition; that the portions of the March 20, 2001, Order addressing the issues raised in the Petition should be suspended; and that this case should be continued pending further order of the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The Company's Petition is hereby granted for the limited purpose of retaining jurisdiction to consider the matters raised in the Petition.

(2) Those portions of the March 20, 2001, Order pertaining to the matters raised by the Petition for Reconsideration shall be suspended, but the other provisions of the March 20, 2001, Order shall remain in effect.

(3) This matter is continued, pending further order of the Commission.

CASE NO. PUE990616
MAY 14, 2001

APPLICATION OF
B & J ENTERPRISES, L. C.

For a certificate of public convenience and necessity to operate a sewerage utility

ORDER

The Commission entered its final Order in this matter on March 20, 2001, granting B & J Enterprises, L.C. ("B&J" or "Company"), a certificate of public convenience and necessity to provide sewer service in the Country Club Estates, Montgomery County, Virginia, and approving the rates, charges, fees, and terms and conditions of the Company's service.

On April 10, 2001, B&J filed a Petition for Reconsideration, asking that the Commission: (1) clarify that it may use portions of the connection fee approved in the March 20, 2001 Order for purposes of debt retirement; and (2) clarify or reconsider the Company's request to collect a connection fee from certain designated lot owners. We entered our Order on Reconsideration, also on April 10, 2001, to preserve our jurisdiction in the matter in order to permit full consideration of B&J's request. Finally, on April 20, 2001, Protestant Joan G. Moore filed her "Comments on Reconsideration," together with a request the we grant leave for the filing of the comments. We will grant this request and permit the filing of the comments, which we have read and considered, into the record herein.

As the parties are well aware, and as our March 20 Order reflects, this has been a uniquely complicated proceeding, owing in large measure to the contract under which the current owners of the sewer system acquired it. B&J obligated itself by this contract to undertake certain development activities, including extension of the existing sewer system, in return for receipt of enumerated parcels of developed and undeveloped real estate.

The record here reflects that the Company has largely completed the required construction, and that most every lot in the Country Club Estates now has sewer service available. B&J initially proposed an extraordinary connection fee of $17,500 for lot owners desiring to connect to its system. We rejected even interim application of this fee. During the course of the proceedings, the Company reduced its proposed fee to $3,500 and then to $2,500, to be applicable to every unconnected lot.

In our March 20 Order we rejected the recommendations of the Hearing Examiner with regard to the connection fee. Instead, we found that since the Company's contract obligated it to extend service to certain of the lots in exchange for the real property it acquired, no fee should be collected from these lot owners. We did approve a connection fee of $5,000 for those lots to which the Company had extended service, but which the contract did not impose this obligation. The proceeds so collected were to be held in escrow and used solely for system improvement and replacement.

The Company now asks us to allow it to use the proceeds of the approved fee for debt repayment, arguing that it "borrowed sizable amounts in order to complete the sewer infrastructure essentially at one time in the most cost-efficient manner that was also the least disruptive to the homeowners." This refers to the Company having installed not just sewer mains, but service laterals to each lot during the construction. It argues that the permitted connection fee "should be used to reduce the debt incurred to install the laterals, and, if all debt is eliminated, then the amounts collected would be escrowed for future improvements."

We will deny this request. The record is insufficient to permit us to conclude, as B&J asserts, that it "borrowed sizable amounts in order to complete the sewer infrastructure . . .." The record shows that the Company's principals did make certain borrowings, but does not permit a finding as to which, if any, of these borrowed funds were used for the sewer and which were used for road construction, bridge construction, or other development activities. We will direct the Company to maintain the escrow for the purposes stated in the March 20 Order, but allow it to supplement the record on this point at its next rate proceeding.

However, we caution the Company that we do not here conclude that we will grant its request even if an appropriate record can be made tracing the funds into the sewer construction. It will still bear the burden to demonstrate why it should receive what would appear to be a full return of its investment, and, essentially, a complete transfer of investment risk to its customers.

As to B&J's second request, we have reconsidered our previous holding and will allow it to collect a capital contribution, in the reduced amount of $2,500, from owners of the lots individually owned at the time the Company acquired the system under the contract. This one-time contribution will not be collected until a lot owner actually seeks to connect to the Company's system. While the law does not require approval of this payment, we are persuaded by the arguments advanced by both the Company and by Protestant Moore that it would be equitable to require each lot owner in the Country Club Estates to make some capital contribution to help ensure the future viability of the system. We will direct the Company to retain these contributions in its escrow account, again to be used solely for system extension and improvement.

NOW THE COMMISSION, in consideration of the Petition for Reconsideration, and the Comments filed by Protestant Moore, and in further consideration of the record herein, finds that the Company's request to make additional use of the escrowed funds should be DENIED, and its request to collect capital contributions, as set forth above, should be GRANTED.

Accordingly, IT IS ORDERED THAT:

(1) The Comments on Reconsideration submitted by Protestant Joan G. Moore are admitted to record.

(2) The Petition for Reconsideration is granted in part and denied in part as set forth herein.

(3) This matter is dismissed.

CASE NO. PUE990782
MAY 4, 2001

PETITION OF
ENRON FEDERAL ENERGY SOLUTIONS, INC.

For declaratory judgment

ORDER GRANTING MOTION FOR VOLUNTARY DISMISSAL

On November 15, 1999, Enron Federal Energy Solutions, Inc. ("Enron"), filed with the State Corporation Commission ("Commission") a petition for declaratory judgment requesting that the Commission declare that Enron would not be subject to the Commission's jurisdiction over public service companies should it acquire and operate certain assets and infrastructure used to distribute electricity and potable water and to collect waste water within three United States military installations in Virginia.

On December 6, 1999, the Commission docketed Enron's petition; invited interested persons, including the Staff, to file a response and request a hearing; and permitted Enron to file a reply to any responses. On January 19, 2000, responses to Enron's petition were filed by Staff, Virginia Electric and Power Company, and Old Dominion Electric Cooperative, the Virginia, Maryland & Delaware Association of Electric Cooperatives, and their member distribution electric cooperatives. Enron filed a reply to the responses on February 9, 2000.

On April 18, 2001, Enron filed a motion requesting voluntary dismissal of its petition without prejudice. In support of its motion, Enron states that it believes the issues raised in the petition were resolved by the United States Congress last year through amendments to 10 U.S.C. § 2668. Enron states, in addition, that certain parties in this case have asserted that the petition is not yet ripe and the United States Army has still not issued an award in the solicitation underlying Enron's petition. The petition states that Enron believes further litigation is unnecessary at this time based on these considerations.

On May 1, 2001, Enron filed a supplemental certificate of service for its petition.

NOW THE COMMISSION, upon consideration of Enron's motion, is of the opinion and finds that the motion should be granted without prejudice. In dismissing this proceeding we make no finding on the merits of Enron's petition.

Accordingly, IT IS ORDERED THAT:

(1) Enron's April 18, 2001, motion is granted.

(2) This matter is hereby dismissed without prejudice 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. PUE990786
APRIL 24, 2001

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 CONFORMING RULES TO STATUTORY CHANGE

On December 19, 2000, the State Corporation Commission ("Commission") entered an Order adopting "Rules for Enforcement of the Underground Utility Damage Prevention Act" ("Rules") that will become effective on July 1, 2001. Part III of the Rules (20 VAC 5-309-90 thru 20 VAC 5-309-120) prescribes the circumstances under which electric, telecommunications, cable TV and cable TV telecommunications operators, and water or sewer operators have to report to the Commission probable violations of the Underground Utility Damage Prevention Act, Chapter 10.3 (§ 56-265.15 et seq.) of Title 56 of the Code of Virginia ("the Act"). During the 2001 session of the General Assembly, § 56-265.30 of the Act was amended to add the following subsection:

> B. Nothing in this chapter [Chapter 10.3] shall be construed to authorize the Commission to promulgate any rules or regulations pursuant to its authority to enforce this chapter that require any person, other than jurisdictional gas or hazardous liquid operators, to report to the Commission any probable violation of this chapter or any incident involving damage, dislocation or disturbance of any utility line.

2001 Va. Acts ch. 399.

NOW, UPON CONSIDERATION of the revision to § 56-265.30 of the Code of Virginia, the Commission is of the opinion and finds that Part III (20 VAC 5-309-90 thru 20 VAC 5-309-120) should be removed from the Rules for Enforcement of the Underground Utility Damage Prevention Act to conform these Rules (Attachment A hereto) to the provisions of the Underground Utility Damage Prevention Act, as amended by 2001 Va. Acts ch. 399; that the remaining Rules shall be renumbered to reflect the removal of Part III; that a copy of this Order and renumbered Rules should be forwarded to the Virginia Register of Regulations for publication therein; and that this matter should be dismissed from the Commission's docket of active proceedings.

Accordingly, IT IS ORDERED THAT:

(1) Part III of the Rules shall be eliminated to conform the Rules to § 56-265.30 B of the Code of Virginia, effective July 1, 2001.

(2) A copy of this Order and the attached Rules reflecting the elimination of Part III shall be forwarded to the Virginia Register of Regulations for publication.

(3) This case shall be dismissed from the Commission's docket of active proceedings.

NOTE: A copy of Attachment A entitled "Chapter 309. Rules for the 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. PUE000001
FEBRUARY 22, 2001

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

To revise its cogeneration tariff pursuant to PURPA Section 210

ORDER ESTABLISHING COGENERATION TARIFF

On December 30, 1999, Delmarva Power & Light, d/b/a Conectiv Power Delivery ("Delmarva" or "the Company"), filed with the Commission an application, written testimony, and exhibits to support its proposal to modify its cogeneration and small power production rates under Service Classification "X". Delmarva further proposes that the rates, terms and conditions approved by the Commission in this case be effective with the billing month of May 2000. On March 14, 2000, the Commission issued an Order establishing this proceeding, appointing a Hearing Examiner, and setting a procedural schedule.

On September 7, 2000, a hearing was conducted by Hearing Examiner Howard P. Anderson, Jr. Counsel appearing at the hearing were: Guy T. Tripp, III, Esquire, for Delmarva Power & Light Company and M. Renae Carter, Esquire, for the Commission Staff.

Delmarva Power & Light Company offered the prefiled testimony of W. Michael Von Steuben and James R. Diefenderfer. The Commission Staff presented the prefiled testimony of Jarilaos Stavrou. Upon agreement of counsel, the prefiled testimony was entered into the record without cross-examination. There were no protests and no one appeared to speak as a public witness. Proof of public notice was marked as an exhibit and made part of the record.

On November 8, 2000, the Hearing Examiner issued his Report. His findings were as follows:

(1) The Company's proposed avoided energy and capacity costs are reasonable and should be adopted;

(2) Contract terms of up to five years, with energy and capacity prices updated every two years, are appropriate and should be adopted;

(3) The Company should continue to monitor the PJM energy and capacity markets and further evaluate and refine its market forward pricing curve forecasting methodology;

(4) The Company should continue to biennially update its Service Classification "X" rates, and report on the state of the market, including an evaluation of its methodology for forecasting market prices, at the time of the Company's next filing;

(5) The Company should report to Staff three months prior to its next filing, information pertaining to resolution of technical issues involved in the forward price curve; and

(6) The Company's proposed customer charge and meter charges are reasonable and should be adopted.

He recommended that the Commission enter an order adopting the above findings, approving Delmarva Power & Light Company's proposed Service Classification "X" rates; and dismissing this case from the Commission's docket of active cases.

On or about November 28, 2000, Delmarva Power & Light Company filed comments on the Hearing Examiner's Report. Delmarva's comments concurred with the Report and indicated that the Company will comply with the Hearing Examiner's instruction that the Company report to the Staff three months prior to its next Rate X filing as recommended in the Report.

NOW UPON CONSIDERATION we find that we should adopt the findings and recommendations of the Hearing Examiner.

Accordingly, IT IS ORDERED THAT:

(1) The Findings and Recommendations of the November 8, 2000, Hearing Examiner's Report are hereby adopted.

(2) Delmarva Power & Light Company should modify its cogeneration and small power production rates under Service Classification "X".

(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.

CASE NO. PUE000086
DECEMBER 21, 2001

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

For Approval of a Plan for Functional Separation (Phase II)

ORDER ON FUNCTIONAL SEPARATION

On December 21, 2000, Delmarva Power & Light Company ("Delmarva" or "the Company") filed an application with the State Corporation Commission ("Commission") in Case No. PUE000086 pursuant to § 56-590 of the Code of Virginia, for approval of the second phase[1] ("Phase II") of its

[1] In this docket, the Commission has previously considered certain aspects of Delmarva's plan for functional separation, including the divestiture of the Company's electric operating units. See Final Order entered June 29, 2000, in Case No. PUE000086, 2000 S.C.C. Ann. Rept. 499. As noted in the June 29, 2000 Order, Delmarva agreed in a Memorandum of Agreement ("MOA") between it and the Staff, among other things, that: (i) in conjunction with its divestiture of its generation assets, it would reduce its base rates for its Virginia customers cumulatively by $727,542, in intervals linked to the completion of each phase of its proposed three phases of generation divestiture; (ii) it would not seek an increase in its production (non-fuel), transmission or distribution rates prior to January 1, 2001; (iii) it would 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 Virginia Electric Utility Restructuring Act; (iv) 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 would reset at $0.021 per kWh, which factor would remain in effect at least until January 1, 2004, and that the action to reset such fuel rate would be accomplished by separate application to the Commission made pursuant to § 56-249.6; (v) effective January 1, 2004, and subject to the conditions for applicability set forth in the MOA therein, Delmarva's fuel factor should be modified pursuant to the Rate Case Protocol (appended as Attachment 1 to the MOA) established by Staff

plan for functional separation as required by Virginia Electric Utility Restructuring Act ("the Act" or "Restructuring Act") Chapter 23 (§ 56-576 et seq.) of Title 56 of the Code of Virginia. The Restructuring Act requires that the Commission complete its review of proposed plans of separation by January 1, 2002.

A function of our June 29, 2000, Order in the first phase of this proceeding was to approve the transfer by Delmarva of its generation assets to affiliated and non-affiliated companies. Most of the plants transferred are located outside the Commonwealth.[2]

The Commission promulgated rules[3] for functional separation required by the Act. As required by these rules, the Company filed a cost of service study for the twelve months ended December 31, 1999. Delmarva supplemented its application on April 16, 2001, and again on June 29, 2001.

In addition, as part of its application, Delmarva filed proposed retail access tariffs which, according to the Company, contained certain revisions and additions to its current retail electric service tariffs, workpapers describing the development of its unbundled rates, proposed tariff changes relating to the retail choice, and a proposed electricity supplier agreement that would govern the relationship between alternative energy suppliers ("CSPs") and Delmarva for the CSPs' provision of competitive generation service in the Company's territory. The Company represented that upon approval by the Commission, these rates and related tariff provisions would become effective January 1, 2002, and would replace the Company's current tariff "S.C.C. Va. No. 7 -- Electric."

In its Order dated July 6, 2001, the Commission directed the Company to provide notice to the public and established a procedural schedule for the filing of comments or requests for hearing on Delmarva's application. In that Order, the Commission directed its Staff to investigate Delmarva's application and file a Report on or before September 28, 2001, detailing its findings and recommendations. Ordering Paragraph (9) of the July 6, 2001 Order provided that the Company and any interested person could file Responses to the Staff's Report on or before October 12, 2001.

On October 18, 2001, the Company, by counsel, filed its proof of newspaper publication, together with proof of its service on local governmental officials.

On September 14, 2001, AES NewEnergy, Inc., ("AES" or "NewEnergy") filed its Notice of Participation in this matter, together with its Initial Comments ("Comments") on Delmarva's application. AES did not request a hearing, but reserved its rights to participate further in this proceeding.

The Division of Consumer Counsel, Office of the Attorney General ("AG") gave notice of its intent to participate in the proceeding and filed its comments herein on September 14, 2001. The AG also did not request a hearing on this matter.

On September 18, 2001, the Commission Staff, by counsel, filed a Motion requesting an extension of time in which to file its Report in this matter. In its Motion, the Staff noted that it had discussed with Delmarva the inclusion of certain accounting adjustments in the Company's cost of service study that could require the revision of Delmarva's cost of service and unbundled rates. Staff alleged that it required additional time in which to receive and analyze these revisions and to prepare its Report. Staff asked that it be granted an extension of time in which to file its Report to October 22, 2001, and also asked that the date by which responses to its Report could be filed be extended to November 7, 2001. Staff represented that Delmarva and AES did not oppose Staff's request for an extension and that the AG supported the extension request.

On September 25, 2001, the Commission granted the Staff's Motion. It extended the date by which the Staff could file its Report to October 22, 2001, and the date by which responses to the Staff Report could be filed to November 7, 2001.

On October 18, 2001, Delmarva filed its Response to AES' September 14, 2001 Comments. Among other things, the Company noted that it had been granted a waiver by the Commission to utilize the "Last-in" enrollment rule for situations where multiple enrollments are received for a customer. It also responded to NewEnergy's comments on the electricity supplier agreement. In its October 18 Response, the Company agreed to amend its definition of "credit resources" to include a security bond. Delmarva further asserted that the language AES requested to be placed in Article 2.7 -- Communications and Data Exchange was unnecessary since Delmarva is required to comply with Commission orders on communications and data exchange. With regard to Article 3.1(g) of its Electricity Supplier Agreement ("Supplier Agreement"), the Company proposed to revise its tariff to provide:

> (g) The Supplier will comply with any and all information and data transfer protocols that may be adopted by the Company that are set by, and from time to time modified by, the Commission. The Supplier will comply with any and all additional information and data transfer protocols that may be adopted by the Company from time to time, subject to such rights as the Supplier may have to challenge any such protocols in the appropriate forum.

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and Delmarva, based upon (a) Delmarva's 1999 generation mix, and the (b) Fuel Index Procedure (Attachment 2 to the MOA); (vi) 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 would be recovered over a 24 month period, subject to Commission approval under a separate application by Delmarva pursuant to § 56-249.6; (vii) Delmarva's capped rate established pursuant to § 56-582 and the provisions of the MOA shall be deemed the Company's 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.

The Commission accepted these provisions as in the public interest, but deferred ruling on the Company's participation in PJM as the Company's regional transmission entity ("RTE"). The Company's request to participate in PJM is currently the subject of pending Case No. PUE010353.

[2] For a discussion of the significance of plant location, see our Order on Functional Separation entered in Application of The Potomac Edison Company d/b/a Allegheny Power, For approval of functional separation plan (Phase II), Case No. PUE000280, slip op. (December 20, 2001.)

[3] Regulations Governing the Functional Separation of Incumbent Electric Utilities under the Virginia Electric Utility Restructuring Act ("Rules"), 20 VAC 5-202-10 et seq., adopted in Case No. PUA000029.

Delmarva characterized its provisions governing Commencement and Termination of Agreements of its Supplier Agreement as almost identical to those electric supplier agreements accepted by the Delaware, Maryland and New Jersey Commissions. It supported a 30-day termination period for CSP agreements.

The Company also addressed NewEnergy's concerns relating to Delmarva's procedures for performing wholesale load obligation allocation, settlement and balancing found in its electricity supplier agreement, as well as various other issues raised by AES.

On September 18, 2001, the Company filed a revised cost of service study and unbundled rates with the Commission.

On October 22, 2001, the Staff filed its Report in this matter. In its Report, among other things, the Staff proposed sixteen additional revisions to the Company's Virginia jurisdictional cost of service study that affected the Company's operating revenues, operation and maintenance ("O&M") expenses, taxes and rate base items. These adjustments were summarized on Attachment 1 of Part B to the Staff Report.

The Staff Report also provided an analysis of the Company's unbundled tariffs. Staff agreed with Delmarva's proposed class cost of service methodology, with some exceptions. Specifically, the Staff provided an exhibit (EBR-3 to Attachment C of the Staff Report) showing the effect of allocating 50 percent of metering and billing related costs to the production and transmission function just as Staff's consultants did in Case No. PUE000584, Virginia Electric and Power Company's ("Virginia Power's") functional separation case. Staff noted that it did not take exception to the Company's Energy for Tomorrow ("EFT") Rider[4] or Net Energy Metering ("NEM") Rider[5] since in Staff's view, these riders do not affect rate cap provisions.

The Staff opposed the Company's proposals to reduce the credits available under the Peak Management Rider ("PM") for new contracts executed after January 1, 2002, from $50 per kW per year to $21.90 per kW per year. Staff noted that the reduction in the level of existing credits was tantamount to a rate increase, and was prohibited by the Restructuring Act.

The Staff also commented on the Company's retail access rules and regulations, tariff charges, and fees related to retail choice as well as Delmarva's proposed electric supplier agreement. Staff noted that on July 20, 2001, Delmarva revised its filing in an effort to comply with the Commission's June 19, 2001 Order in Case No. PUE010013, adopting rules governing retail access. According to Staff, the July 20 filing supplemented the electric Supplier Agreement by adding a Virginia Customer List Agreement and a Virginia Usage Data Agreement.

Staff reported that as part of Delmarva's July 20 filing, the Company requested a waiver of the requirement of Rule 20 VAC 5-312-80 F, that specifies that if more than one request for a change in a customer's competitive service provider is received from a customer during one enrollment period, the first request received will be the request honored. Delmarva asked for approval to honor the last request received during any enrollment period, and sought authority to disregard any previous requests received during that period. The Commission granted Delmarva's waiver request on August 28, 2001, in Case No. PUE010366.

Staff further recommended that a majority of Delmarva's Supplier Agreement should be integrated into S.C.C. Va. No. 7 -- Electric or otherwise incorporated into a Supplier Coordination Tariff. Staff recommended that the Commission remove from the Supplier Agreement Article 3 (Representations and Warranties), Article 20 (dealing with the Limitation of Liability), and Article 21 addressing indemnification, as these provisions address generic contract rather than tariff issues.

With regard to the minimum stay requirements of Delmarva's proposed rules and regulations of service, Staff recommended that Delmarva revise its tariffs to permit Large General Service-Secondary ("LGS-S") and General Service-Primary ("GS-P") customers to return to the Company's standard offer service (capped rate service) if these customers wish to discontinue receiving electric supply from a CSP and return to capped rate service. Staff agreed that Delmarva's Market Price Supply Service should be an option and not mandatory for LGS-S and GS-P customers returning to the Company for electric supply service.

Staff recommended that the following language appearing in Standard Offer Service sections found in Tariff Leaf Nos. 4, 35, 36a, 39, 39b, 39e, 42, 46, and 46a should be revised to conform with Rule 20 VAC 5-312-80 Q adopted in Case No. PUE010296 as the Commission's Rules Governing Customer Minimum Stay Periods:

> Once a Customer has purchased its electric supply services from an Electricity Supplier, other than the Company, and then returns to the Company for its electric supply services, the Customer must remain with the Company's Standard Offer Service for at least twelve (12) billing months before the Customer may be served by another Electricity Supplier beginning on the Customers' scheduled meter reading date.

Staff noted that Delmarva's S.C.C. Va. Tariff No. 7, Leaf No. 4a, Part E provides that non-interval and interval metered customers would be charged for additional requests for usage data after the initial data is provided to the customer as part of the retail competition enrollment package. Staff reported that the Company wished to remove the charge to avoid an issue with the rate cap limitations established by the Act.

Staff recommended that the Company's proposals to increase charges for alternative metering equipment should be revised to reflect actual costs for alternative metering equipment and that Delmarva's proposed charges for unscheduled meter readings for interval and non-interval metered customers, and for meter testing more than once each 24 months on non-interval meters, appeared to be barred by the capped rate provision. Staff reported that it understood that the Company intended to withdraw these proposed charges.

Staff noted that the Company's proposals for off-cycle meter reading for CSPs appeared to be supported by cost data. It also commented that the Company's provision regarding supplier change notification and drop notifications did not permit the transfer of supply service on any date other than the

[4] Delmarva proposes to activate the EFT program for economic purposes for up to 15 days out of the existing 30-day limit.

[5] In the case of the NEM Rider, Delmarva presently offers its NEM customers both supply and delivery credits through unbundled rates. The Company proposes to expand the credits for distribution service to customers who produce excess energy and who have contracted for supply services from a third party supplier.

standard meter reading date. Staff stated that the Company's current billing system was unable to support off-cycle meter reading supply service requests. It reported that the Company had offered to keep track of the number of off-system supplier change requests for future consideration by the Commission.

On the issue of load profiling, balancing, load reconciliation, and transmission scheduling, Staff commented that one portion of the Delmarva tariff governing load profiling, load balancing, load reconciling, and transmission scheduling was not subject to PJM oversight. That portion relates to Delmarva's balancing of hourly load among its native load and with each CSP through the use of load profiles. Staff explained that since Delmarva is the party responsible for comparing each CSP's forecasted load profile with actual consumption, CSPs may be "at the mercy" of Delmarva to measure and assess any financial settlement. Staff included language as Attachment D (JRB-3 to Part C of the Report) to resolve this issue. Staff further recommended that the Commission consider permitting Delmarva to refer to the PJM documents and website citations for these documents within their tariffs as opposed to replicating them in the Supplier Agreement.

Staff proposed that Article 1 of the Supplier Agreement be revised as to the "Credit Amount" necessary to protect the Company should the CSP default. Staff reasoned that since the Company is not at risk for the customer's payments to the CSP, the definition of "Credit Amount" should be changed to delete the reference to customer payments to the CSP.

With regard to termination of supplier agreements between the Company and the CSP after the cessation of the CSP service to Delmarva customers, the Staff recommended that the period before termination of the agreement be lengthened to 60 days.

With regard to Delmarva's proposed supplier fees, Staff noted that the Company had proposed to reduce its general administration fee to $50 per MW per month and to permit this fee to remain fixed for two years. Staff did not oppose the Company's revised fees.

On November 7, 2001, the Company filed its Response to the Staff Report, together with its further revised unbundled tariffs, rates, fees, charges, supplier agreement, and terms and conditions of service. The Company noted in its Response that it was withdrawing its proposal to reopen the PM Rider Schedule for new customers with reduced credits. The Company represented that consistent with Staff's recommendation, it has changed the contract term for the PM rider to one year and retained the existing requirement that current customers receiving default service must purchase power from Delmarva to receive the credit. The bulk of Delmarva's comments focused on the Company's rules and regulations of service applicable to Delmarva's relationship with CSPs and customers who choose to take electric supply service from CSPs.

Delmarva asserted that it could not permit customer switches to CSPs on the basis of special meter readings using its existing billing system. It explained that off-cycle meter reading was used only to generate final bills to customers whose service was being terminated. It stated that its billing cycle would have to be modified to accommodate switching a customer to a different service provider without generating a final bill. The Company observed that based on its experience in other jurisdictions, it did not expect to receive many, if any, requests to switch Virginia customers to a different CSP based on a special meter reading. The Company represented that if requests to switch during an off-cycle meter reading occur after January 1, 2002, in Delmarva's Virginia service area, the Company would re-examine the cost and complexity of modifying its billing system to accommodate such requests. It contended that it should not be required to disrupt its existing billing system and incur unnecessary costs to provide for requests that may never occur. Delmarva agreed to track the number of such requests to switch CSPs following an off-cycle meter reading and to report them to the Staff.

On the issue of the Form Supplier Agreement, Delmarva noted that its form agreements were identical to the forms approved by the utility regulatory authorities in New Jersey and Delaware. The Company noted that without an approved contract, the Company and each CSP would have no choice but to negotiate each individual contract, leading to delay in the introduction of competition. The Company proposed that its Electricity Supplier Agreement be a part of the new Delmarva tariff volume "S.C.C. Va. No. 8 -- Electric".

With regard to Staff's proposal to remove Article 3 (Representations and Warranties), Article 20 (Limitation of Liability) and Article 21 (Indemnification) from the Company's Electricity Supplier Agreement, the Company maintained that these provisions were fair to CSPs and the Company and were generally reciprocal. The Company claimed that the absence of these provisions will create the potential for dispute. Delmarva urged the Commission to approve its proposed Electricity Supplier Agreement, including Articles 3, 20, and 21, in its new S.C.C. Va. No. 8 -- Electric.

With regard to the offer of Market Priced Supply Service ("MPSS") to customers who, after receiving service from a competitive supplier, return to Delmarva, the Company noted that it had revised its tariffs to make clear that customers may return to standard offer capped rate service and that these customers also have the option of receiving MPSS upon returning to electric supply service from the Company.

Delmarva represented in its comments that it had conformed its tariff to the provisions of Rule 20 VAC 5-312-80 Q of the Rules Governing Customer Minimum Stay Periods. As revised on November 7, 2001, according to the Company, its tariffs would permit customers whose annual peak demand is greater than 500 kW to have the option of receiving MPSS service with a minimum stay requirement of only one month instead of 12 months.

Delmarva noted that Staff recommended "actual cost based rates" for alternative metering equipment. Delmarva noted that it added the word "actual" to its Leaf No. 15, and removed the proposed changes in charges for testing interval meters from its November 7, 2001, revised tariff.

With regard to energy balancing, Delmarva disagreed that a gap existed with respect to some instances of energy balancing when Delmarva balances hourly load among its native load and with each competitive supplier through the use of load profiles. However, Delmarva represented that it included the first section of Staff Attachment D (JRB-3) of Part C to the Staff Report in its further revised tariffs to make clear that Delmarva is required to comply with Rule 20 VAC 5-312-100. It contends that its "Procedures for Determination of Peak Load Contributions and Hourly Load Obligations for Retail Customers," has been approved by the Federal Energy Regulatory Commission and sufficiently addresses Staff's concerns. Delmarva argued that its Supplier Operating Manual provided a detailed description of the procedures for determination of peak load contribution and hourly load obligations for retail customers and was available on Conectiv's web site at www.conectiv.com. Delmarva also commented that PJM documents and agreements are available on the PJM web site and that it keeps its electronic links current with PJM changes to these agreements.

On the issue of credit amounts, Delmarva explained that it is proposing that the credit amount due from CSPs be based on two months' of a customer usage multiplied by the Price-to-Compare to protect itself from default risks when a CSP ceases to provide service to the customer and does not give adequate notice to Delmarva, so that Delmarva, as the default service provider, must take over the responsibility of acquiring power to meet the customer's needs. The Company contended that it was likely that a competitive service provider would cease serving a customer to avoid unusually high wholesale energy prices, so Delmarva would be exposed to the risk of being compelled to secure very high priced wholesale power to meet the customer's

needs while serving that customer through capped rates that may be lower than current wholesale power prices. The Company cited the default by two competitive suppliers on the PJM system who had inadequate credit support as proof that the credit support provisions it proposed should be accepted.

Delmarva agreed that its tariff provision addressing the termination of its agreement with a CSP should be further revised to provide for termination 60 days after the CSP has ceased providing service, as Staff proposed.

On November 7, 2001, AES filed its Reply Comments on the Retail Tariff Issues ("Comments"). In its Comments, NewEnergy supported Staff's proposals regarding the return to capped rate supply service. AES noted that given the lengthy transition in Virginia to competitive retail markets, the withholding of capped service to shopping customers could well represent a barrier to retail choice.

AES also supported Staff's recommendations regarding modification of Delmarva's retail and suppliers tariff to be consistent with any minimum stay provisions approved in Rule 20 VAC 5-312-80 Q. AES proposed tariff language, that it urged, be inserted in each applicable rate schedule to promote full competition by all suppliers.

AES supported Staff's recommendation that the "credit amount" found in Delmarva's supplier agreements should exclude references to amounts paid by the customers to the CSPs. AES noted that PJM serves as a risk sharing pool, that includes CSPs, and that as the market shares for competitive suppliers increases over time, their share of these costs will continue to increase. AES observed that this obligation is a wholesale obligation, and a wholesale solution has been crafted by PJM to avoid liability in the future.

AES continued to challenge the Company's proposed charges for historical usage data and general administrative fees. AES further recommended that any customers on the PM contracts should have the option to remain on the PM contract through the end of the PJM planning period or to the end of the PJM primary contract term.

AES supported Staff's recommendation to create a Supplier Coordination Tariff to permit CSPs to address supplier issues directly with the Commission. It asked that Delmarva's waiver of the "First In" enrollment requirement not be permanent.

As to the Load Profiling, Balancing and Reconciliation matters at issue, NewEnergy noted that its comments were focused on those elements not controlled by PJM. It stated that the determination of line losses, peak load contribution, allocation of energy obligations for load serving entities in Delmarva's service area and the determination of the PJM locational market price zone used in the reconciliation process are all processes controlled by Delmarva. AES asserted that if the Commission is unwilling to have these provisions governed by the Supplier Tariff, then the Company should report any changes to such provisions to Staff and all licensed suppliers in Virginia and provide adequate time to comment on and respond to such changes.

On November 14, 2001, Delmarva filed a motion to approve its unbundled rates, effective January 1, 2002, and requested that the Commission defer to a subsequent order the resolution of non-rate issues in the proceeding. This Motion was subsequently withdrawn by the Company.

On November 29, 2001, the Commission Staff filed a Motion Requesting Leave File Reply, together with its "Staff Reply to the Response of Delmarva Power & Light Company and the Reply Comments of AES NewEnergy, Inc., on Staff's October 22, 2001 Report" ("Staff Reply").

On November 30, 2001, the Commission entered an Order that granted the Staff's November 29, 2001, Motion and received Staff's Reply; authorized AES, the AG, and other interested parties to file any further response to the Staff's Reply on or before December 7, 2001; and directed Delmarva to file any further response to the Staff's Reply on or before December 14, 2001.

On December 6, 2001, AES filed its "Reply to the Responses of Staff dated November 29, 2001" ("Reply") with the Clerk of the Commission. In its Reply, among other things, AES commented that the PM Rider contract term as specified in Delmarva's November 7, 2001 tariff, actually referred to a term of one year or more and should be revised. AES supported Staff's recommendation that all PM contracts be limited to only one-year renewals. NewEnergy observed that any multiple year PM contracts could act as a barrier to competition. AES recommended that any new or existing utility PM contracts should be honored by the Company for an annual period, consistent with the PJM planning year (June 1 through May 31), regardless of who the supplier is, and consistent with the PJM curtailment program.

NewEnergy suggested that the following language should be incorporated into the PM Rider, since, according to it, the utility is currently entitled to continue to receive the capacity benefits on the Rider through the end of the annual PJM Planning Period:

> This Rider is also available to any Customer taking its electricity supply from an Electricity Supplier and any credits/payments, load reduction amounts, and mechanisms for implementing or ending load reduction events would be per the terms of this PM rider, and the benefits of such load reduction (such as load reduction credits that may be available pursuant to the rules of the PJM Interchange, LLC) would be for the account of the Company. If PJM or its successor reduces or eliminates the benefits of ALM to Delmarva due to the customer's enrollment with the Electricity Supplier, then the PM Rider contract will be subject to termination at Delmarva's sole discretion on 30 days notice.

NewEnergy agreed with Staff's position set out in Staff's Reply on the fairness of Articles 3, 20, and 21 in the Supplier Agreement. AES characterized Article 20.3, in particular, as one-sided.

NewEnergy continued to assert that the Company must further modify its retail tariff and supplier tariff to be consistent with the minimum stay provisions approved in Rule 20 VAC 5-312-80 Q. It commented that Delmarva has still not removed provisions throughout its tariff that restrict which suppliers a customer may contract with, and further restrict how long a customer can contract with a supplier. NewEnergy sought clarification that Section 6.1.1 of the Supplier Coordination Agreement (Additional Event of Default) and the associated section 6.2.1 have been removed. According to NewEnergy, these provisions go beyond the 12-month minimum stay provision embodied in the Commission's directives.

AES commented that Delmarva has retained numerous references in the Company's retail tariff that restrict a customer from returning to the same supplier, after being returned to the utility for any required minimum stay period. It cited the last sentence in Second Revised Leaf No. 4, the last sentences

in numbered paragraphs 1 and 2 on the Original Leaf No. 4a, and in paragraph 2 of the Market Priced Supply Service ("MPSS") in Section XVIII. AES agreed with the Staff's Reply that such restrictions were inconsistent with an earlier Commission Order.

NewEnergy supported the Staff's recommendation that "Credit Amount" should be defined to exclude any references to amounts paid by customers to the CSP or to any amounts equal to the usage multiplied by the Price to Compare. AES maintained that a credit amount equal to two months of customer payments to the competitive service provider, and a credit amount equal to two months of customer usage multiplied by the Price-to-Compare essentially represent the wholesale costs of serving the customer and are roughly the same.

AES dismissed Delmarva's claims that the Company is at risk for CSP defaults, and notes that if the customer returns to the utility, the Company will receive compensation from the customer through its tariff rates for its wholesale electricity costs incurred when serving the customer. AES noted that the default situations cited by Delmarva represented wholesale default obligations shared by Load Service Entities ("LSEs") in PJM, including wholesale marketers, CSPs and utilities. It asserted that PJM has taken action to ensure that all LSEs provide adequate credit assurances in the future.

NewEnergy continued to oppose Delmarva's General Administrative fees, asserting that these fees were not representative of a new service for suppliers. It also opposed Delmarva's historical usage data fee.

On the issue of Load Profiling, Balancing and Reconciliation, AES continued to object to Delmarva's ability to change its prevailing Operating Manual without adequate notice to and comment by stakeholders. It argued that merely posting changes on the Web site would not grant any party an opportunity to oppose or delay a proposed change that could significantly impact the retail energy price, or capacity allocations set by Delmarva. AES urged the Commission to retain jurisdiction over the procedure in order to protect the interests of suppliers and to incorporate the operating manual into the Tariff.

With regard to billing disputes, AES maintained that Delmarva had not removed language stating that any bill rendered to a supplier shall be deemed conclusive and binding on the supplier within 20 calendar days. AES asserted that Section 12.5 of the Supplier Agreement should be amended to remove this requirement.

In its December 14, 2001 Further Response, Delmarva agreed to amend its Peak Management contracts to provide for only a one-year renewal. It opposed the Staff's recommendation in Staff's November 29 Reply that Delmarva should be required to change its billing system in the future to provide for off-cycle supplier switches. It reiterated that it has received few requests in other jurisdictions for off-cycle supplier switches, and renewed its offer to report such requests to the Commission. The Company noted that modification of its billing system to accommodate off-cycle switches would be costly.

With regard to the Form of the Supplier Agreement, Delmarva maintained that the language used in Article 3, Article 20, and Article 21 are identical to the language in analogous contracts in other Delmarva jurisdictions. The Company asserts that if a supplier believes it is being treated unfairly under the agreement it may complain to the Commission.

On the issue of Load Profiling, Balancing, and Reconciliation, the Company maintained that reference to a specific portion of the Operating Manual is not appropriate because the document in its entirety relates to the calculation of load obligations under PJM's Customer Choice Program. Delmarva represented that it would post line loss factors used in its balancing process to the Company's Web site.

With regard to the Credit Amount, Delmarva explained in its Further Response that its provisions relate to power purchase costs that it would incur as a default supplier when a competitive supplier fails to provide power to the customers. It asserted that PJM's credit requirements would not protect the Company in such a situation. It urged the Commission to approve its credit provisions.

Delmarva responded to the Staff and AES' concerns about minimum stay provisions by noting its concern that CSPs will game the system by providing service to retail customers only during certain periods of the year that provide a cost advantage to CSPs. It maintained that its tariff language discourages this undesirable practice by providing that a customer cannot return to its previous CSP after a minimum stay period but can only take service from another CSP. The Company defended Article 6.1.1 and 6.2.1 of its tariffs by noting that they limit the type of deliberate "gaming" by suppliers that seeks to shift high costs of supplying retail customers during peak periods to the utility, while serving the same retail customers during times when costs of purchasing electric for resale are much lower.

The Company defended its historical usage data fee by noting that all suppliers will have free access to the historical usage included in the "opt out" customer list. According to the Company, historical usage data fees will be applicable only to CSPs who have not been electronic data interchange certified or require supplemental data and where Delmarva must manually process a customer release form and mail the requested data. Delmarva asserted that it proposed its general administrative fees to cover the incremental costs of providing new services to CSPs. It urged the Commission to approve its fees.

NOW THE COMMISSION, having considered Delmarva's application, the supplemental filings thereto, the comments on the application, the Staff Report, and the Responses and Replies thereto, together with the applicable statutes and rules, finds that Delmarva's revised cost of service study filed on September 18, 2001, incorporating Staff's adjustments to the Company's cost of service, together with the Company's unbundled retail service tariffs, supplier agreements and terms and conditions of service filed on November 7, 2001, as further modified below should be accepted as supported by the record.

We further find that the Staff should continue to monitor Delmarva's compliance with our Regulations Governing the Functional Separation of Incumbent Electric Utilities under the Virginia Electric Utility Restructuring Act, 20 VAC 5-202-10 et seq., adopted in Case No. PUA000029. To this end, we will instruct our Staff, as necessary, to conduct audits and reviews of the Company's books, records, and work papers and conduct meetings to ensure compliance with § 56-590 of the Code of Virginia and the regulations adopted in Case No. PUA000029.

A discussion of various additional modifications to the Company's tariffs, Electricity Supplier Agreement, and terms and conditions of service as well as various issues raised by the proceedings participants follows.

Electricity Supplier Agreement

We will permit Delmarva to file its proposed Electricity Supplier Agreement, with certain revisions discussed herein as part of new Delmarva tariff volume "S.C.C. Va. No. 8 -- Electric". We decline to modify the provisions of the Agreement, addressing limitations on liability, representations and warranties, as well as the indemnification provisions. CSPs having a dispute with the Company over the administration of the terms of the Agreement may file a complaint and seek resolution of any unjust, unreasonable, or discriminatory application of the Agreement by Delmarva.

Switching of Customers to CSP at the Time of Special Meter Readings

Delmarva has opposed permitting customers to switch competitive energy suppliers at the time of special meter readings. It notes that its billing systems would have to be modified to accommodate switching of customers to a different service provider without generating a bill. It has offered to keep track of the number of off-cycle meter reading requests.

The Staff, in its Reply, has supported permitting customers to change suppliers at the time of special meter readings.

We recognize the complexities that may be involved in accommodating off-cycle switches to a CSP. However, we also recognize the value of permitting customers to switch suppliers more frequently. We will therefore require the Company to track the number of off-cycle requests to switch CSPs as well as customer complaints regarding such requests and report this information to the Division of Energy Regulation by May 1 and November 27 of each year. If the issue of off-cycle readings appears prospectively to be a source of customer complaints or an impediment to CSPs offering service, we will re-examine the issue at that time.

Minimum Stay Provisions in Delmarva's Tariffs

Delmarva asserts in its November 7, 2001 Response to the Staff Report that it has conformed its tariffs to the provisions of Rule 20 VAC 5-312-80 Q of the Rules Governing Customer Minimum Stay Periods. Both Staff and AES contend that this may not be the case. Staff and AES point to exclusionary language in Service Classifications R, R-TOU-ND, SGS-S, LGS-S, GS-P, RTP-F, PL, SL, ORL, X, and SPSS that provides that

> the Customer must remain with the Company's Standard Offer service for at least one (1) billing month after which, and beginning on the Customer's scheduled meter reading date, the Customer will be eligible to be served by an Electricity Supplier other than the Electricity Supplier who immediately served the Customer before the Customer returned to the Company's Standard Offer Service.

Under this provision, a customer exercising retail choice must stay for one billing month with the Company before switching to a supplier other than the supplier who had immediately served the customer before the customer returned to Delmarva's capped rate service. Restrictions of choice in this manner are not consistent with our ruling in our Minimum Stay Order entered in Case No. PUE010296. However, we support Delmarva's proposal that switches to a supplier may occur only at the scheduled meter reading date.

The Virginia Electronic Data Transfer rules and protocol define in detail how switching may occur, specifying notice periods and windows for customer switches. We will therefore require Delmarva to modify the last sentence of Standard Offer Service under the foregoing Service Classifications as follows:

> Once a Customer has purchased its electric supply service from an Electricity Supplier and then returns to the Company for its electric supply service, the Customer must remain with the Company's Standard Offer Service for up to one (1) billing month after which, and beginning on the Customer's scheduled meter reading date, the Customer will be eligible to be served by another Electricity Supplier.

Further, with respect to Sections 6.1.1 and 6.2.1 of the Electricity Supplier Agreement, we concur with AES that these portions of the agreement could cause a supplier to be considered in default if the customer seeks a contract with a supplier for less than a year. These provisions are unduly restrictive. We understand the Company's concern that CSPs may attempt to game the wholesale market based on the seasonal price of wholesale electricity. However, if the Company finds that such gaming is occurring, it may collect sufficient data and present its case to the Commission for relief in accordance with Rule 20 VAC 5-312-80 R of the Minimum Stay Rules. Sections 6.1.1 and 6.2.1 should therefore be revised to eliminate the possibility that contract terms of less than one year in duration may be considered a default event for a CSP.

Credit Amounts

AES and Staff take issue with Delmarva's definition of "Credit Amount" found in the Company's Electricity Supplier Agreement. They contend that the calculation of the credit amount based upon the greater of the estimated usage for a two month period of Supplier's customers in the aggregate multiplied by the applicable "Price to Compare" or "Shopping Credit" for generation is redundant with credit arrangements CSPs now undertake with PJM for wholesale suppliers. We agree with Staff and AES, and will direct Delmarva to revise this definition so that a CSP must supply credit sufficient to secure the delivery service it receives from Delmarva and not the upstream wholesale supplies.

Load Profiling, Balancing, and Reconciliation

Delmarva has revised its load profiling, balancing, and reconciliation portions of its Electricity Supplier Agreement, i.e., Article 9. Staff contends in its Reply Comments that further revision of this portion of the Agreement is necessary.

We agree. As Staff has noted in its Reply, Delmarva's Agreement does not identify the line loss percentages employed in the load balancing calculation for each appropriate voltage level in its tariffs. We find it appropriate for Delmarva to revise Article 9 to identify the line loss percentages used in the load balancing calculation for each appropriate voltage level in the Agreement rather than relying on Delmarva's Web site postings. This is critical information and should be readily available as part of the Electric Supplier Agreement being approved herein.

Peak Management Program

Staff and AES have recommended that all contracts under the PM contracts be limited to only one-year renewals. Delmarva has agreed to this revision. Delmarva's tariffs (Leaf No. 54) should be revised to reflect this change.

We, however, decline to adopt AES' proposed tariff language for the closed PM Rider found on page 2 of AES' December 6 Reply. The issue of wholesale generation credits available to Delmarva when a customer changes from one CSP to another is more properly addressed through PJM and its procedures than as part of the PM Rider tariff before us.

Billing Disputes

AES complains in its December 6, 2001 Reply that Delmarva has not removed language in § 12.5 of the Electricity Supplier Agreement providing that any invoice shall be deemed conclusive and binding on the CSP within 20 calendar days. We note that § 12.5 permits CSPs to challenge invoices and clarifies when payment is due. Further, page 8 of AES' September 14, 2001, Comments requests the Company to amend § 12.5 to state that suppliers should pay within 20 calendar days from the rendering of the invoice. It appears that Delmarva has agreed to NewEnergy's request. We will accept Delmarva's revision to § 12.5.

Supplier Fees

AES has opposed Delmarva's general administration and historical usage fees for interval metered customers. Staff has not opposed these fees if permitted by the Commission, but observed in its filings that the fees appear to be supported by cost data provided by the Company.

Section 56-582 of the Act which establishes the parameters for capped rates states that capped rates shall "include rates for new services where, subsequent to January 1, 2001, rate applications for such services are filed by incumbent electric utilities with the Commission" and are thereafter approved by the Commission. The instant application, to the extent that it requests the approval of fees for new services, falls within the meaning of this provision. Accordingly, we will permit the fees set out in the November 7, 2001 Electricity Supplier Agreement, tariffs and terms and conditions of service, with the exception of the fees for general administration and registration of CSPs proposed by Delmarva, which we do not find to be "new services" provided by the Company within the meaning of the Act and provided further that the Company makes various technical corrections to Appendix B to the Electricity Supplier Agreement.

There will certainly be additional costs of doing business in the new retail choice environment but like other cost increases,[6] they are not recoverable because of the capped rate limitation of the Act. When the Company is eligible to file its next distribution rate case, and we are free to examine both increasing and decreasing company expenses, we will then be able to consider the recovery of these costs.

With regard to the technical correction of Appendix B, a summary Schedule of Processing Fees and Charges, we find that Delmarva's charges for non-interval meter testing, interval meter testing and the historical usage data fees for non-interval metered customers should be corrected to conform with the bulk of the Company's tariffs.

Accordingly, IT IS ORDERED THAT:

(1) The Commission Staff, as necessary, shall conduct audits and reviews of the Company books, records, and work papers and conduct meetings to ensure compliance with § 56-590 of the Code of Virginia and the regulations put forth by the Commission in Case No. PUA000029.

(2) Except as modified herein and consistent with the discussion set out above, the revised unbundled rates, fees, charges, terms and conditions of service, and electricity supplier agreement found in Delmarva's November 7, 2001 filing with the Commission shall be adopted, effective for service rendered on and after January 1, 2002. The Company shall forthwith file the revised unbundled rates, fees, charges, electricity suppliers agreement, and terms and conditions approved herein with the Division of Energy Regulation.

(3) The Company's proposed fees for new services are reasonable and are adopted with the exception of the Company's proposed registration and general administration fees for competitive suppliers.

(4) The Company shall track the number of requests to switch CSPs made following special meter readings as well as customers complaints regarding this issue and report this information to the Division of Energy Regulation by May 7 and November 27 of each year following AP's implementation of customer choice.

(5) This matter is dismissed.

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[6] Other than the adjustments permitted for the tax changes, fuel expense, and financial distress under § 56-582 B of the Code of Virginia.

CASE NO. PUE000168
JANUARY 10, 2001

APPLICATION OF
VIRGINIA GAS DISTRIBUTION COMPANY

For an Annual Informational Filing

ORDER ADOPTING RECOMMENDATIONS AND DISMISSING PROCEEDING

On May 30, 2000, Virginia Gas Distribution Company ("VGDC" or "the Company") filed its Annual Informational Filing ("AIF") for the twelve months ending December 31, 1999.

On November 30, 2000, the Staff filed its report in the captioned matter which included a financial and accounting analysis. Staff noted that it had used an 11.5% cost of equity in VGDC's capital structure for illustrative purposes in its financial analysis since the Company does not have an authorized point or range for its return on equity. Staff explained that the lack of actual operating data made it necessary for the Company to base its application for a certificate of public convenience and necessity, docketed as Case No. PUE930013, on the rates derived from estimates of revenues and costs. Such estimates included a cost of capital that incorporated a return on equity rate of 11.5%.

VGDC filed an application for its first rate increase in August 1999, in Case No. PUE990531. VGDC elected not to seek an authorized return on equity which would have supported a higher rate increase than it had requested in its application. The February 22, 2000 Order entered in Case No. PUE990531 permitted VGDC's proposed rate increase to take effect on January 23, 2000, under the terms of the Joint Stipulation reached between the Company and Staff. The Joint Stipulation specifically provided that no authorized return on equity range would be identified as part of that case.

In its report, the Staff recommended that the Company file Schedules 1, 2, and 3 in its future AIFs as required by the Rules Governing Utility Rate Increase Applications and Annual Informational Filings ("Rules"), 20 VAC 5-200-30, adopted in Case No. PUA990054, to include information for the test year and the four prior fiscal years, i.e., 1996-2000. Staff reported that it used Virginia Gas Company's ("VGC's") consolidated capital structure in its financial analysis because of VGDC's reliance on VGC for financing. Staff observed that VGC, VGDC's parent company, has an application pending before the Commission for approval of VGC's acquisition by NUI Corporation ("NUI"). That case has been docketed as Case No. PUA000079. Staff noted that if the acquisition is approved, the Staff will re-evaluate the capital structure appropriate for ratemaking purposes for VGDC, giving consideration to the entity issuing debt on VGDC's behalf in the capital markets.

In its accounting analysis, the Staff reported that it had corrected several of the Company's accounting adjustments. The Staff stated that pursuant to a Joint Stipulation in the Company's most recent rate case, Case No. PUE990531, VGDC was required to allocate general plant among VGDC's affiliates, and that the Company has not yet filed an appropriate application under Chapter 4 of Title 56 of the Code of Virginia to address the allocation of general plant. Staff observed that the Company had also agreed in Case No. PUE990531 to file an affiliates agreement, establishing policies on intercompany payables and receivables and on interest on overdue intercompany accounts. Staff reported that it did not object to VGDC filing its AIF for the twelve months ending December 31, 2000, by no later than May 31, 2001, to enable the Company to provide Staff with audited financial information with which to evaluate VGDC's financial and operating results.

On December 18, 2000, VGDC, by counsel, filed its response to the Staff report. VGDC represented that it, in conjunction with Virginia Gas Pipeline Company ("VGPC") and Virginia Gas Storage Company ("VGSC"), intends to file a comprehensive application, addressing allocation methods for passing corporate level parent costs on to affiliate and subsidiary companies, allocating intercompany payables and receivables, and addressing the interest to be applied on overdue intercompany accounts. It observed that after discussions with the Commission Staff regarding these filings, a decision had been made with the concurrence of Staff to postpone VGDC's application under Chapter 4 of Title 56 until after a final order in Case No. PUA000079 had been entered. VGDC represented that this approach would avoid a series of duplicative filings and an accumulation of unnecessary expenses. The Company maintained that if the merger with NUI is approved by the Commission, a substantial amount of VGC's corporate level costs will be eliminated, and its current methodology for allocating costs to corporate level costs may no longer be valid. VGDC asserted that approval of the merger may result in another affiliate filing for allocating NUI costs to VGC, and in turn, VGC's subsidiaries and affiliates. In its response, VGDC also requested that it be permitted to file its AIF for the twelve months ending December 31, 2000, by May 31, 2001.

NOW, UPON consideration of the Company's application, the Staff's report, the Company's response, and the applicable statutes, the Commission is of the opinion and finds that the Staff's recommendations found in its November 30, 2000 report should be adopted. Further, we will grant VGDC's request to file its comprehensive application under Chapter 4 of Title 56 of the Code of Virginia after an order is entered in Case No. PUA000079. We will require the Company to file its application under Chapter 4 of Title 56 of the Code of Virginia no later than seventy-five (75) days after an order is entered determining the issues raised in Case No. PUA000079. We further find it appropriate to grant the Company's request to file its AIF for the twelve months ending December 31, 2000, by no later than May 31, 2001.

Accordingly, IT IS ORDERED THAT:

(1) Consistent with the findings made herein, the recommendations set out in the Staff's November 30, 2000, report are hereby adopted.

(2) VGDC shall, in accordance with its representations, file with the Commission under Chapter 4 of Title 56 of the Code of Virginia, a comprehensive affiliates application no later than seventy-five (75) days after a final order is entered in Case No. PUA000079.

(3) If VGDC does not seek rate relief, the Company shall file its next AIF, utilizing financial and operating results for the year ending December 31, 2000, by no later than May 31, 2001.

(4) 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 placed in the Commission's file for ended causes.

CASE NO. PUE000171
MAY 22, 2001

APPLICATION OF
UNITED CITIES GAS COMPANY

For a general increase in rates

FINAL ORDER

On March 24, 2000, United Cities Gas Company ("UCGC" or "Company") filed an application requesting the State Corporation Commission ("Commission") grant it authority to increase its rates for natural gas service and to revise its tariff. The filing of the application was completed on July 11, 2000, and sought to increase the Company's annual revenues by $2,050,592. The Commission entered a procedural order on August 9, 2000, setting the case for hearing on February 20, 2001.

On that date, the Company, the Commission Staff ("Staff") and the Office of the Attorney General ("OAG") appeared before our Hearing Examiner to advise that they were close to reaching a settlement and to request leave to file a proposed Stipulation incorporating the anticipated settlement terms at a later date. On February 28, 2001, the Stipulation, which purported to settle all outstanding issues among the Staff and parties, was presented to the Examiner for his consideration.

On April 17, the Examiner issued his Report, which found that the Stipulation represented "a fair and just resolution of this case and should be accepted." He recommended that we enter an order to adopt his findings, to direct prompt refund of all amounts collected under interim rates that exceeded the rates he found just and reasonable as set out in the Stipulation, and to dismiss the case thereafter.

The Stipulation, in nine numbered paragraphs, established that, notwithstanding the application, the Company's rates should be *decreased* by $534,000, and that all collections under interim rates implemented as of January 1, 2001, should be refunded with interest, to the extent that these rates exceeded the settlement rates. Further, the Staff and parties agreed that the Company's return on equity should be set at 11.0%, within a range of 10.50% to 11.50%, for future Annual Informational Filings ("AIF") or Earnings Test Filings; that a rate design appended to the Stipulation should be adopted; that certain accounting and ratemaking provisions appended to the Stipulation should also be adopted; that the Company's 1998 AIF, still pending, should be closed without further action, and that the Company should file an Earnings Test, in lieu of a calendar year 2000 AIF, solely to measure the appropriateness of its regulatory asset level.

The Company and the Staff both filed letters waiving comment on the Report and urged that we adopt its findings and recommendations. We will.

NOW THE COMMISSION, having considered the record herein, including the Stipulation and the Hearing Examiner's Report, is of the opinion and finds that the findings and recommendations contained in the Report should be, and are, adopted in full.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner, as modified herein, are accepted.

(2) The distribution of the $534,000 revenue reduction ordered herein shall be as set forth in the attachment to the Stipulation discussed herein.

(3) Rates reflecting the new revenue requirement will be billed to the Company's customers beginning with the July 2001 billing cycle.

(4) On or before September 1, 2001, UCGC shall recalculate, using the rates and charges prescribed in Paragraph No. 2 above, 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 January 1, 2001. Where application of the new rates results in a reduced bill, UCGC shall refund the difference with interest as set out below.

(5) Interest upon the ordered refunds shall be computed from the date payments of monthly bills were due to the date each refund is 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.

(6) The refunds ordered in Paragraph No. 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. UCGC may offset the credit or refund to the extent of any undisputed outstanding balance for the current or former customer. No offset shall be permitted against any disputed portion of an outstanding balance. UCGC may retain refunds owed to former customers when such refund is less than $1. UCGC shall maintain a record of former customers for which the refund is less than $1, and such refunds shall be promptly made upon request. All unclaimed refunds shall be subject to § 55-210.6:2 of the Code of Virginia.

(7) On or before October 1, 2001, UCGC shall deliver to the Divisions of Public Utility Accounting and Energy Regulation a report showing that all refunds have been made pursuant to this Order and detailing the costs of the refund and the accounts charged.

(8) UCGC shall bear all costs incurred in effecting the refund ordered herein.

(9) On or before October 1, 2001, UCGC shall file its Earnings Test for fiscal year 2000.

(10) This matter is dismissed.

CASE NO. PUE000172
AUGUST 29, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
PEGGY BUSKILL, et al.
v.
PELHAM MANOR WATER SUPPLY COMPANY, INC.,
Defendant

FINAL ORDER

By letter dated February 15, 2000, Pelham Manor Water Supply Company, Inc. ("Pelham Manor" or 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 ("Code")), of its intent to increase its charges for water service effective April 1, 2000. Pelham Manor proposed to increase monthly rates for occupied residences rates from $21.00 to $26.00, and for vacant residences from $15.00 to $20.00.

Approximately 65% of the Company's 73 customers signed a petition filed with the Commission's Division of Energy Regulation objecting to the proposed rate increase. Pursuant to § 56-265.13:6 of the Code, the Commission issued a Preliminary Order on April 6, 2000 suspending Pelham Manor's proposed rates for 60 days and declaring the proposed rates interim and subject to refund, with interest, following the period of suspension. The Preliminary Order further directed the Company to file certain supporting financial data on or before May 1, 2000, based on the Company's proposed 1999 test year.[1]

On June 23, 2000, the Commission issued an Order for Notice and Hearing that set the matter for hearing on October 3, 2000, assigned a Hearing Examiner, and established a procedural schedule. The Commission directed Staff to investigate the reasonableness of the Company's proposed tariff and present its finding and recommendations in prepared testimony and exhibits.[2]

The hearing was convened on October 3, 2000, and was conducted by Howard P. Anderson, Jr., with C. Meade Browder, Jr., Esquire, appearing as counsel on behalf of Staff, and David K. Travers, President of Pelham Manor, appearing pro se. There were no protestants and no one appeared to speak as a public witness. Pelham Manor had not filed proof of notice and service on the Company's customers and local officials as required by the Commission's June 23, 2000, Order. Mr. Travers testified at the hearing that he personally delivered notices to each customer and to the county administrator.

Pelham Manor did not prefile testimony. The Staff presented the prefiled testimony of Ashley W. Armistead, Jr., for the Commission's Division of Public Utility Accounting, and Marc A. Tufaro for the Division of Energy Regulation. As a result of its investigation, Staff concluded that the Company's proposed rates are just and reasonable. Mr. Armistead made the following accounting adjustments and recommendations:

- Annualized the Company's revenues based on the number of connected customers at the end of the test year, increasing revenues by $696.00.
- Annualized certain expenses that Pelham Manor did not reflect on its books and prorated a portion of these expenses to the Company, increasing expenses by $339.00.
- Eliminated electric expense attributable to another water company, decreasing cost of service by $55.00.
- Assigned a pro rata portion of annual automobile insurance premium to Pelham Manor, reducing insurance expense by $36.00.
- Reduced the management fee expense by $590.00.
- Eliminated all meals expenses of $102.00.
- Amortized rate case expenses of $5,380.00 over three years, increasing cost of service by $1,793.00.
- Increased depreciation expense by $251.00, and recommended that the Company depreciate plant at a three percent composite rate and restate plant in service and accumulated depreciation to the proper level as of December 31, 1999.
- Annualized gross receipts and special taxes to $389.00, increasing expenses by $3.00.
- Disallowed certain costs associated with items determined to be improvements in Mr. Traver's private residence.
- Recommended the Commission order the Company to maintain sufficient documentation to support all capital improvements and labor costs.
- Recommended the Commission order the Company file outstanding annual financial and operating reports.
- Recommended the Commission order the Company to apply any funds remaining after operating expenses to improve the water system to comply with Virginia Department of Health standards.

[1] On May 12, 2000, the Commission granted a Company request, filed May 2, 2000, for an extension to May 17, 2000, to file its financial information.

[2] This Order also permitted Pelham Manor to implement its proposed rate increase for service effective April 1, 2000, on an interim basis and subject to refund. The Company had rendered bills for service at the proposed higher rates prior to the Commission's April 6, 2000 Preliminary Order.

The Staff's testimony reveals that Pelham Manor's proposed rates would produce annual operating revenues of $23,016, providing net income for of $6,591. Mr. Tufaro testified that the proposed flat rates of $26.00 for an occupied residence customer and $20.00 for a vacant residence customer is reasonable, and recommended their approval. Mr. Tufaro also noted that the customer petition filed in response to the rate increase notice stated that no capital improvements have been made to the water system other than a replacement pump for one of the wells. Mr. Tufaro explained that this statement is correct, but that the Company has also invested in excess of $12,000 in engineering and survey fees in an effort to upgrade the level of service provided to customers. Mr. Tufaro suggested that the Company make a better effort to inform its customers of major capital improvements so that customers are aware of the impact on rates.

On January 10, 2001, the Hearing Examiner issued his Report. The Hearing Examiner recommended that the Commission enter an order adopting his findings as outlined below, granting the Company an increase in gross annual revenues of $4,440.00, and dismissing this matter from the Commission's docket of active cases. The Hearing Examiner noted that Pelham Manor's customers' petition stated that with the exception of a replacement pump for one of the wells, no other capital improvements have been made. He further noted that in excess of $12,000.00 in engineering and survey fees have been expended in an effort to upgrade the level of service provided. The Hearing Examiner recommended that, since customers are largely unaware of this investment, this indicates that the Company should make a better effort to communicate with its customers.

The Hearing Examiner's findings are as follows:

(1) The test year ending December 31, 1999 is proper in this proceeding;

(2) Staff's accounting adjustments and recommendations are just and reasonable and should be adopted;

(3) The Company's proposed rates should be approved;

(4) The Company's test year operating revenues, after all adjustments, were $18,576.00;

(5) After the proposed increase of $4,440.00, the Company should have operating revenues of $23,016.00;

(6) The Company's test year operating revenue deductions, after all adjustments, were $16,333.00;

(7) The Company's test year operating income, after all adjustments, was $2,243.00;

(8) The proposed increase should afford the Company an annual operating income of $6,589.00;

(9) The Company's rate base, after all adjustments, is $23,928.00;

(10) The Company requires additional gross annual revenues of $4,440.00 to earn a return on rate base of 27.54%; and

(11) The Company's books should conform to the Uniform System of Accounts for Class C Water Companies.

On February 9, 2001, Pelham Manor filed a response to the Hearing Examiner's Report. The Company indicates that the water system is deteriorating and will require additional investment. The Company argues that evidence presented at the hearing indicates that its requested rate increase is not enough, and further argues that it is difficult to proceed with improvements without funds. Pelham Manor expresses frustration with its understanding of the criteria the Commission uses to determine rates. The Company states that it cannot make investments in the system unless Staff works with the Company to show it how it can recover the investment.

NOW THE COMMISSION, having considered the record, the Hearing Examiner's Report and the comments filed thereto, is of the opinion that the Hearing Examiner's findings and recommendations should be adopted.

In regard to Pelham Manor's concern that the Company does not have adequate capital with which to make improvements to the water system, we note that Staff and the Hearing Examiner have recommended approval of the full rate increase that Pelham Manor requested. Our June 23, 2000, Order provided for notice to the Company's customers of a hearing on the proposed change in water rates. This notice alerted customers that rates ultimately approved for each class of service could be higher or lower than those proposed by the Company, but that the total revenue that may be approved by the Commission is limited to the amount produced by the Company's proposed rates. In the current proceeding, therefore, a rate increase can only be implemented in an amount generating additional revenues not exceeding the amount requested by Pelham Manor in its application and noticed to its customers. This limitation on the amount of any rate increase is implicit in the notice requirements of the Code and consistent with fundamental principles of due process. Pelham Manor implemented this latest increase to its rates, subject to refund with interest, on April 1, 2000. Pursuant to §§ 56-265.13:5 an -265.13:6 of the Code, the Company could at anytime on and after April 1, 2001, and upon proper notice to its customers and the Commission, seek additional rate relief.

Mr. Tufaro testified at the hearing that the Pelham Manor is an older water system and needs considerable attention. We recognize that the Company is making an effort to provide the attention and additional funds needed for system improvements. We will direct Staff to work with Pelham Manor to assist the Company in better understanding rate proceedings before the Commission, including the constraints of applicable statutes and regulations, so as to aide the Company and its customers to ensure that the system receives the proper attention it requires. The Commission does, however, expect Pelham Manor to abide by our directives, both in this case as well as in our November 19, 1998, Final Order in the Company's last case, Case No. PUE960129, to implement the accounting and recordkeeping recommendations proposed by the Staff. This includes, but is not limited to: filing Annual Financial and Operating Reports with the Division of Public Utility Accounting; maintaining the Company's books in conformity with the Uniform System of Accounts for Class C Water Companies; depreciating all plant in service using a 3 percent composite rate, and restating plant in service and accumulated depreciation to the proper levels as of December 31, 1999; and maintaining sufficient property records and documentation, including labor costs, to support all capital improvements.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner's January 10, 2001, Report are hereby adopted.

(2) Pursuant to the Small Water or Sewer Public Utility Act (§ 56-265.13:1 et seq. of the Code), Pelham Manor may implement on a permanent basis its proposed monthly rates of $26.00 (occupied residences) and $20.00 (vacant residences) for water service, which have been in effect on an interim basis since April 1, 2000.

(3) The Company shall implement the Staff's accounting and recordkeeping recommendations.

(4) The Commission's Staff shall work with Pelham Manor to assist the Company in better understanding rate proceedings before the Commission, including applicable statutes and regulations, in order to ensure that the water system receives the proper attention it requires.

(5) 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.

CASE NO. PUE000231
MARCH 19, 2001

PETITION 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, OLD DOMINION ELECTRIC COOPERATIVE,
and
THE VIRGINIA, MARYLAND AND DELAWARE ASSOCIATION OF ELECTRIC COOPERATIVES

For a Declaratory Judgment

ORDER GRANTING MOTION TO WITHDRAW

On April 22, 2000, 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, Old Dominion Electric Cooperative, and the Virginia, Maryland and Delaware Association of Electric Cooperatives (hereafter collectively referred to as "the Cooperatives")[1] filed a Petition for Declaratory Judgment ("Petition") with the State Corporation Commission ("Commission"). This Petition requested that the Commission declare that entities acquiring and operating electric systems located on military bases in Virginia that are being "privatized" under federal Defense Reform Initiatives would not be subject to the Commission's jurisdiction under the Utility Facilities Act, Chapter 10.1 (§ 56-265.1 et seq.) of Title 56 of the Code of Virginia. In the alternative, the Cooperatives requested that the Commission adopt alternative regulations or otherwise interpret the Utility Facilities Act in a way that would allow all public service companies to participate in any competitive solicitation process conducted by the military.

On May 23, 2000, the Commission docketed the Petition, invited interested persons to file, by July 17, 2000, a response to or request for hearing on the Petition, directed its Staff to file a response to the Petition and any other responses thereto, and permitted the Cooperatives or any interested party to file replies to the responses and requests for hearing filed herein.

On July 17, 2000, Virginia Electric and Power Company ("Virginia Power") filed a response, Motion to Dismiss, and an alternative request for hearing in this matter. The Potomac Edison Company d/b/a Allegheny Power and Columbia Gas of Virginia, Inc. ("Columbia") also filed responses to the Petition on July 17, 2000. On July 28, 2000, the Staff filed its response to the Petition.

On August 18, 2000, Columbia and the Cooperatives each filed reply comments in the matter.

On March 6, 2001, the Cooperatives, by counsel, filed a Motion requesting leave to withdraw their Petition. In support of their Motion, the Cooperative alleged that since their Petition was filed, the United States Congress passed and the President signed H. R. 4205, the National Defense Authorization Act for Fiscal Year 2001, Pub. L. No. 106-398, 114 Stat. 1654 (10 U.S.C.S. § 2688(b)) ("the Authorization Act"). According to the Cooperatives, this legislation amended 10 U.S.C.S. § 2688 to clarify that all interested entities, including regulated and unregulated utility companies and other entities, would receive an opportunity to acquire and operate utility systems on military facilities through the competitive bidding process.[2] The

[1] The Commission granted the Cooperatives' request to permit Southside to withdraw from this proceeding. See Petition of A & N Electric Cooperative, et als., For a Declaratory Judgment, Case No. PUE000231, Doc. Con. Ctr. No. 000810157 (Aug. 4, 2000 Order Permitting Withdrawal of Party).

[2] Section 2813(a)(3) of the Authorization Act provides in pertinent part:

> . . . the Secretary concerned shall ensure that the process is conducted in a manner consistent with the laws and regulations of the State in which the utility system is located to the extent necessary to ensure that all interested regulated and unregulated utility companies and other interested entities receive an opportunity to acquire and operate the utility system to be conveyed.

Cooperatives state that they believe the amended legislation supports the position that they or others may operate utility facilities on federal bases if they make the most competitive offer in the competitive bidding process. The Cooperatives, therefore, assert that the Authorization Act alleviates the need for a declaratory order by the Commission.

NOW, UPON CONSIDERATION of the Cooperatives' Motion, the Commission is of the opinion and finds that the Cooperatives should be permitted to withdraw their Petition without prejudice, and that this case should be dismissed from the Commission's docket of active proceedings. In dismissing this proceeding, we make no finding regarding the merits of the Cooperatives' Petition or the effect of the Authorization Act on the Commission's jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The Cooperatives' March 6, 2001 Motion to withdraw its Petition is granted.

(2) This matter is hereby dismissed without prejudice from the Commission's docket of active proceedings, and the papers filed herein shall be made a part of the Commission's files for ended causes.

CASE NO. PUE000232
AUGUST 14, 2001

APPLICATION OF
BARC ELECTRIC COOPERATIVE

For a revision in retail base rates, service charges, and terms and conditions for electric service

FINAL ORDER

On May 1, 2000, BARC Electric Cooperative ("BARC" or "the Cooperative") filed an application with the State Corporation Commission ("Commission") to revise its retail base rates, service charges, and terms and conditions of service. The Cooperative's proposed tariff revisions would increase the Cooperative's annual jurisdictional revenues by $815,679, or 7.00%. The application represented that BARC's requested increase in annual revenues would produce a Times Interest Earned Ratio ("TIER") of 2.07, using pro forma interest, and a rate of return on rate base of 8.16%. According to BARC, its rates have been designed to produce an increase in jurisdictional base revenues of $766,039, after the elimination of Rider Surcharges OD-11, OD-12, and OD-13. The Cooperative represents that its other revenues have been increased by $49,640. Pursuant to § 56-582 of the Code of Virginia, the Cooperative's proposed rate and tariff revisions became effective on an interim basis, subject to refund with interest, on January 1, 2001.

On May 26, 2000, the Commission entered its Order for Notice and Hearing. This Order docketed the application, appointed a Hearing Examiner to the matter, set the matter for hearing on November 13, 2000, directed BARC to give notice to the public of its application, and established a procedural schedule for the Cooperative, protestants, Staff, and public witnesses.

On the appointed day, the matter was heard by Michael D. Thomas, Hearing Examiner. Counsel appearing were William B. McClung, Esquire, counsel for the Cooperative; Rebecca W. Hartz, Esquire, counsel for the Division of Consumer Counsel, Office of the Attorney General ("AG" or "Attorney General"); and Katharine A. Hart, Esquire, and Sherry H. Bridewell, Esquire, counsel for the Commission Staff ("Staff"). No public witnesses testified at the hearing. At the conclusion of the hearing, the Hearing Examiner directed the case participants to file simultaneous post-hearing briefs 60 days after the transcript of the hearing was filed in the case.

A transcript of the November 13, 2000, hearing was filed on January 12, 2001, and the Cooperative, Staff, and Consumer Counsel filed their respective post-hearing briefs on March 12, 2001.

On June 29, 2001, the Hearing Examiner filed his Report in this matter. In his Report, he summarized the evidence and determined the gravamen of the controversy between the Staff and BARC to be the methodology to be used for setting capped rates as required by § 56-582 A 3 of the Code of Virginia.

Section 56-582 A 3 of the Code of Virginia provides in pertinent part that

> [s]uch 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 Hearing Examiner analyzed the statute and determined that the language "due consideration" provides the Commission the discretion to review and weigh the various factors, e.g., the utility's revenues, expenses, and rate base, that affect the justness and reasonableness of an electric utility's rates.

The Hearing Examiner determined that the phrase "on a forward-looking basis" required the Commission to look into the future. He noted that the Commission, in the exercise of its discretion, would weigh the reliability of the data and assumptions used in the forecasts in determining whether the utility's rates met the just and reasonable standard.

After analyzing the statute, the Hearing Examiner found the cost of service methodology employed by the Staff to be reasonable and to meet the requirements of § 56-582 A 3 of the Code of Virginia.[1] He accepted the purchased power forecast supplied by ODEC to its member cooperatives in August

[1] The Staff performed an analysis of BARC's current and projected revenues, expenses, and changes in rate base for the 12 months ending June 30, 1999, through July 1, 2007. It incorporated the most current cost of service data available from BARC and Old Dominion Electric Cooperative ("ODEC"), BARC's primary wholesale power supplier, in reaching its conclusions. Staff also used a seven-year rate period to determine the Cooperative's revenue requirement and applied a present value factor to the out-year revenues and expenses to bring these cost of service elements to a 2001 rate year.

2000, and found that these data represented reasonable estimates of BARC's future purchased power costs. He also found that the Cooperative's revenue requirement should be adjusted to remove the effects of gross receipts taxes that the Cooperative is no longer responsible for paying. According to the Hearing Examiner, removal of gross receipts taxes from BARC's cost of service has the effect of reducing the Cooperative's requested revenue requirement from $815,679 to $610,994.

The Hearing Examiner accepted BARC's use of a 3.07% depreciation rate for its distribution plant equipment as well as its use of a 10% depreciation rate for its load management equipment. Employing the Staff's methodology and the Cooperative's depreciation rates, he determined that BARC required $615,222, in additional gross annual revenues, or $90,435, more than the Staff's recommended additional gross annual revenue requirement of $524,787. The Hearing Examiner recommended that BARC's revenue requirement be established using a 2.25 actual TIER, the mid-point of the TIER range of 2.0 to 2.5, supported by Staff.

The Hearing Examiner also accepted the Staff's methodology for determining BARC's cost of capital, as well as the Staff's 6.13% interest rate for the Cooperative's new Federal Financing Bank notes and its 9.10% interest rate for National Rural Cooperative Finance Corporation ("CFC") notes borrowed by the Cooperative and renewed by CFC, its lender.

The Hearing Examiner determined that issues related to the proper methodology for unbundling BARC's rates should be addressed in BARC's pending functional separation case docketed as Case No. PUE010002. However, he found ODEC's projected wholesale power rates to be reliable and recommended that these rates should be used to determine the Cooperative's future purchased power costs. He also determined that BARC's purchased power cost for the capped rate period was $5,591,085, and recommended that the Commission use this amount as the basis for determining BARC's generation cap in the Cooperative's functional separation case (Case No. PUE010002). The Examiner concluded that, if a different figure were employed, a subsidy could be created between the Cooperative's bundled and unbundled rate customers.

Based on the record developed in this matter, the Hearing Examiner also made the following findings:

(1) The methodology employed by the Staff in this case is reasonable and meets the requirements imposed on the Commission by § 56-582 A 3 of the Code of Virginia;

(2) The Staff's rate period and billing determinants are reasonable and should be used for setting the Cooperative's rates;

(3) Gross receipts taxes should be removed from the Cooperative's revenue requirement;

(4) The Cooperative's depreciation rates of 3.07% for its distribution equipment and 10% for its load management equipment are reasonable;

(5) The Cooperative's rate case expense, as adjusted by the Staff, is reasonable;

(6) The Cooperative's right-of-way expense, as adjusted by the Staff, is reasonable;

(7) The Cooperative's payroll expense, as adjusted by the Staff, is reasonable;

(8) The Staff's interest expense calculation is reasonable;

(9) The Cooperative's [actual] TIER should be set at 2.25;

(10) The Staff's cost of capital calculations are reasonable;

(11) The Cooperative's adjusted revenue requirement of $615,222.00 is reasonable;

(12) The Cooperative's Wholesale Power Cost Adjustment Clause should be amended to remove any reference to gross receipts taxes;

(13) The Cooperative's miscellaneous services charges, including its bad check charge, are reasonable;

(14) The Cooperative's change in its meter reading policy is reasonable;

(15) The Cooperative's change in its generation credit rider is reasonable;

(16) The issues related to the proper methodology for unbundling the Cooperative's rates and the resulting unbundled rates should be addressed in the Cooperative's functional separation case, Case No. PUE010002;

(17) The Cooperative's total purchased power cost for the capped rate period is $5,591,085; and

(18) The Cooperative's total purchased power cost as set in this case should be used as the basis for determining the generation cap in the Cooperative's functional separation case.

The Hearing Examiner recommended that the Commission enter an order that adopts the findings contained in his Report; approves an increase in gross annual revenues for the Cooperative of $615,222; directs BARC to apportion the approved rate increase to its retail classes using the same percentage increases proposed by BARC; approves BARC's tariff revisions as set forth in the Hearing Examiner's Report; requires the Cooperative to file an affidavit certifying that all over-collections during the period interim rates were in effect have been refunded; and dismisses the case from the Commission's docket of

active proceedings. The Hearing Examiner invited the parties to the proceeding to file responses to his Report within twenty-one (21) days from the date of its entry.

On July 20, 2001, the Attorney General and BARC each filed a response to the Hearing Examiner's Report. In its Response, BARC accepted the Examiner's recommended revenue requirement of $615,222, but characterized the methodology used by the Hearing Examiner in establishing BARC's revenue requirement as incorporating ratemaking adjustments "based on nearly seven years of highly speculative and uncertain forecast data." The Cooperative supported the Hearing Examiner's recommendations relative to BARC's depreciation adjustments, and agreed with the Hearing Examiner's recommendation that the methodology for rate unbundling should be addressed in Case No. PUE010002, BARC's application for approval of its functional separation plan.

The Attorney General supported the Hearing Examiner's findings relative to § 56-582 A 3 of the Virginia Electric Utility Restructuring Act, and commented that in order to give due consideration to the future justness of rates, the Hearing Examiner appropriately considered reasonable projections of future revenues and expenses. The Attorney General maintained that the Commission must act now to account for the projected decreases in demand costs the Cooperative will pay for its purchased power. The AG asserted that the Examiner properly utilized ODEC's projected wholesale power rates in giving due consideration, on a forward-looking basis, to the justness and reasonableness of rates for a period ending as late as 2007.

NOW, UPON consideration of the record herein, the Hearing Examiner's Report, and the responses thereto, the Commission is of the opinion and finds that the analysis, findings, and recommendations of the June 29, 2001, Hearing Examiner's Report are reasonable, supported by the record, and should be adopted, except as stated below. Contrary to BARC's assertions, we find that the record supports the use of the data forecasts accepted by the Hearing Examiner in his Report.

Moreover, we agree with the Hearing Examiner that the methodology for unbundling BARC's rates should be addressed in the Cooperative's pending functional separation case, Case No. PUE010002. We conclude, however, that the bundled rates BARC must file in accordance with the directives of this Order should be considered in Case No. PUE010002. Accordingly, we will supplement and modify the Hearing Examiner's Report to require BARC to employ the bundled rates filed in compliance with this Order as a basis for developing its unbundled rates, fees and charges in Case No. PUE010002.[2] Moreover, BARC should supplement its filing in Case No. PUE010002 to include the total purchased power cost determined herein so that this cost may also be considered in Case No. PUE010002.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations set out in the June 29, 2001, Hearing Examiner's Report, as modified and supplemented herein, are hereby adopted.

(2) The Cooperative shall be granted an increase in gross annual revenues of $615,222, effective for service rendered on and after January 1, 2001.

(3) BARC shall forthwith file with the Division of Energy Regulation revised permanent schedules of rates, fees and charges, together with its revised terms and conditions of service, designed to produce the additional revenues found reasonable herein, effective for service rendered on and after January 1, 2001.

(4) On or before October 31, 2001, BARC is directed to recalculate, using the rates being established by this Order, each bill it rendered that used, in whole or in part, the interim rates being replaced by the rates established by this Order. In each instance where application of the rates being established by this Order yields a reduced bill to the customer, BARC is directed to refund with interest as directed below, the difference.

(5) Interest upon the ordered refunds shall be computed from the date payment of each monthly bill was due during the interim period until the date refunds are made, at an average prime rate for each calendar quarter. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin, or in the Federal Reserve's Selected Interest Rates ("Selected Interest Rates") (Statistical Release G.13), for the three months of the preceding calendar quarter.

(6) The interest required to be paid herein shall be compounded quarterly.

(7) The refunds ordered in Paragraph (4) above may be accomplished by credit to the appropriate customer's account for current customers (each refund category shown separately on each customer's bill). Refunds to former customers shall be made by check to the last known address of such customers when the refund amount is $1 or more. BARC may offset the credit or refund to the extent no dispute exists regarding the outstanding balances for 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 of these balances. The Cooperative may retain refunds owed to former customers when the refund amount is less than $1. However, BARC shall prepare and maintain a list detailing each of the former accounts for which refunds are less than $1, and in the event such former customers contact the Cooperative and request refunds, such refunds shall be made promptly. All unclaimed refunds shall be handled in accordance with § 55-210.6:2 of the Code of Virginia.

(8) On or before November 30, 2001, BARC shall file with the Division of Energy Regulation a document showing that all refunds have been lawfully made pursuant to this Order, and itemizing the costs of the refund and accounts charged. Such itemization of costs shall include, inter alia, computer costs, the personnel hours, associated salaries, and costs for verifying and correcting the refunds directed in this Order.

(9) On or before August 31, 2001, BARC shall supplement its pending functional separation application docketed as Case No. PUE010002, so that the Cooperative's total purchased power cost as determined in this case and the bundled rates filed in conformance with this Order may be considered in Case No. PUE010002.

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[2] If BARC or any other party in Case No. PUE010002 believes that BARC's unbundled rates should be established on another basis in Case No. PUE010002, BARC and others remain at liberty to advance those arguments in that case.

(10) The Cooperative shall forthwith revise its Wholesale Power Cost Adjustment Clause to remove any reference to gross receipts taxes.

(11) 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. PUE000232
SEPTEMBER 4, 2001

APPLICATION OF
BARC ELECTRIC COOPERATIVE

For a revision of retail base rates, service charges, and terms and conditions for electric service

ORDER GRANTING RECONSIDERATION FOR PURPOSE OF CONSIDERING ISSUES RAISED BY MOTION

By Motion dated August 31, 2001 ("Motion"), BARC Electric Cooperative ("BARC" or "the Cooperative"), by counsel, requested the State Corporation Commission ("Commission") to reconsider its August 14, 2001, Final Order in the captioned matter. In support of its request, BARC alleged that the Commission accepted an increase in the Cooperative's revenue requirement of $615,222, that, according to BARC, is higher than the increased revenue level initially requested by BARC. The Cooperative asserts that:

> [b]ased on the increase in the adjusted revenue requirement approved by the Commission, and the fact that no party took issue with the proposed bundled rate design, the Cooperative was hopeful that setting the final rates would avoid the need for refunds, thereby saving the Cooperative the associated expense and administrative burden. However, in the course of analyzing and structuring the rates to be put into effect as a result of the Commission's order, using Staff's recommended rate determinants, and the adjusted revenue requirement and apportioning the approved rate increase to customer classes in the same relative percentages as originally proposed, BARC found what it believes are unexpected and unintended results.

August 31, 2001, Motion at 2-3.

The Cooperative contends that the interim rates based upon Staff's forward-looking methodology and Staff's billing determinants would produce an increase of $601,694, or $13,328 less than the authorized increase. According to the Cooperative, using the Staff's forward-looking methodology and the resulting present-valued billing determinants had the effect of changing the relationship between customer rate classes and the relative rates recovered from each class. According to BARC, changing the relative revenues by class but then attempting to apportion the rate increase according to BARC's proposed revenue apportionment accepted by Staff increased rates for certain classes slightly above interim rates and reduced rates for other classes slightly below interim rate levels. BARC claims these differences are retroactive. BARC asks the Commission to permit its interim rates to be made permanent or to allow BARC to adjust its residential rates to permit recovery of adjustment of $.00035 per kWh in the second energy block of its residential rate, and to suspend the filing dates in the final Order to allow the Cooperative to resolve these issues and make appropriate filings with the Commission.

NOW, UPON consideration of the Cooperative's August 31, 2001, Supplemental Motion for Reconsideration of the Final Order of BARC Electric Cooperative, the Commission is of the opinion and finds that reconsideration of the Final Order should be granted for the purposes of considering the issues raised by the August 31, 2001, Motion; that BARC should, no later than September 7, 2001, file with the Clerk of the Commission its analysis showing the impact on customer classes, as well as the movements to parity achieved for each such rate class, the times interest earned ratio ("TIER"), and return on rate base provided for each customer class for rates filed in conformity with the Commission's August 14, 2001, Final Order; that BARC should file no later than September 7, 2001, with the Clerk of the Commission the rates and associated schedules indicating the impact on BARC's customer classes of rates using an adjustment of $0.00035 per kWh discussed in the Cooperative's rate filing, as well as the movements to parity achieved for each such rate class, the TIER, and return on rate base provided for each customer class for these rates; and that the filing deadlines set out in the August 14, 2001, Final Order are suspended during the pendency of the reconsideration of these issues.

Accordingly, IT IS ORDERED THAT:

(1) BARC's Supplemental Motion for Reconsideration of the Final Order of BARC Electric Cooperative is hereby granted for purposes of considering the issues raised therein.

(2) On or before September 7, 2001, BARC shall file with the Clerk of the Commission its analysis showing the rates and impact on customer classes of rates filed in conformity with the Commission's August 14, 2001, Final Order, as well as the movements to parity achieved for each such rate class, the TIER, and return on rate base provided for each customer class for these rates.

(3) BARC shall file with the Clerk of the Commission on or before September 7, 2001, the rates and schedules indicating the impact on BARC's customer classes of rates using the adjustment of $0.00035 per kWh discussed in the Cooperative's August 31, 2001, Motion, as well as the movements to parity achieved for each rate class, TIER, and return on rate base provided for each customer class for these rates.

(4) The filing deadlines set out in the August 14, 2001, Final Order are suspended during the pendency of the reconsideration of these issues.

CASE NO. PUE000232
OCTOBER 16, 2001

APPLICATION OF
BARC ELECTRIC COOPERATIVE

For a revision in retail base rates, service charges, and terms and conditions for electric service

ORDER ON RATES

On August 31, 2001, BARC Electric Cooperative ("BARC" or "the Cooperative") filed a Supplemental Motion for Reconsideration of the Final Order of BARC Electric Cooperative ("Motion") with the State Corporation Commission ("Commission") to reconsider the August 14, 2001, Final Order entered in the captioned matter. The Cooperative maintained, among other things, that when using the Staff's recommended cost of service methodologies and billing determinants and the $615,222 increase in adjusted gross annual revenue requirement accepted by the Commission, and apportioning the approved rate increase to its customer classes in the same relative percentages as originally proposed by BARC, the relationship between customer rates classes and the relative revenues recovered from each such class changes. Rates for certain classes are set slightly above the interim rates levels, while rates for other classes are reduced to slightly below such levels. BARC asserted that, because the Commission accepted an increase in the adjusted revenue requirement of $615,222 which is higher than the increased revenue level initially requested by the Cooperative,[1] BARC did not believe that it was necessary to reallocate the increase among various classes and create the need for refunds.

BARC contended, in the alternative, that if it were allowed to make interim rates permanent in an effort to avoid the need to make refunds, based on Staff's billing determinants, the Cooperative would experience a revenue shortfall of approximately $13,328. The Cooperative proposed to recover this shortfall by adding an additional $0.00035 per kWh to the second energy block of its residential rate. BARC requested that the Commission reconsider and amend the August 14, 2001, Final Order to permit the Cooperative's interim rates to be made permanent and to allow the Cooperative to adjust its residential rates as proposed. Further, the Cooperative asked the Commission to suspend the deadlines imposed in this proceeding.

On September 4, 2001, the Commission entered an Order Granting Reconsideration for Purpose of Considering Issues Raised by Motion ("Order Granting Reconsideration") suspending the filing deadlines set forth in the August 14, 2001, Final Order. The Commission directed the Cooperative to file the rates and impact on customer classes of rates filed in conformity with the Commission's August 14, 2001, Final Order, as well as schedules showing the movement to parity achieved for each rate class, the Times Interest Earned Ratio ("TIER"), and return on rate base. The Commission also directed BARC to file rates and schedules indicating the impact on customer classes of rates using the Cooperative's proposed adjustment of $0.00035 per kWh, as well as the movements to parity achieved for each rate class, TIER, and return on rate base. These filings were to be made on or before September 7, 2001.

On September 7, 2001, BARC filed its Response of BARC to Order Granting Reconsideration ("Response"). BARC noted that it was unable to comply with the Order Granting Reconsideration and meet the filing deadline. The Cooperative further asserted that in order to provide the analysis called for in the Commission's September 4, 2001, Order Granting Reconsideration, it would have to update its Cost of Service Study completely. It contended that the class revenues in issue did not justify the expense of a complete reconstruction of the Cost of Service Study. The Cooperative requested the Commission to consider substitute schedules, appended to its Response, comparing the impact and effect of the rates produced according to the Final Order and the Cooperative's adjusted rates.

On September 14, 2001, the Staff filed a Reply to the Response of BARC Electric Cooperative ("Reply") which included an exhibit ("Statement No. 2") setting out the rates that Staff asserts would permit the Cooperative to recover the $615,222 increase in gross annual revenue requirement authorized by the Commission. The Staff urged the Commission to adopt Staff's proposed rates because, according to Staff, they conform to the August 14, 2001, Final Order. In the alternative, Staff requested that if the Commission determined to relieve the Cooperative of a refund obligation, BARC be required to make its interim rates permanent without any further adjustment or adders.

On September 18, 2001, the Commission issued an Order Inviting Responses to Reply. That Order invited the Division of Consumer Counsel, Office of Attorney General ("Consumer Counsel") and BARC to file pleadings responsive to the Staff's Reply.

On September 25, 2001, Consumer Counsel filed a response to the Staff's Reply. Consumer Counsel requested that the Commission direct the implementation of Staff's proposed rates and make refunds, with interest, of any interim rates. Consumer Counsel contended that it would be inappropriate to apply BARC's interim rates, which were developed using a pro forma level of billing determinants, to the Staff's present value determinants for the period 2001 through 2007. In addition, Consumer Counsel noted that BARC did not provide justification for adding $0.00035 per kWh to the second energy block of its residential rate, and that such a proposal would be inconsistent with the August 14, 2001, Final Order as the rates for certain classes would be higher than determined to be just and reasonable. Further, Consumer Counsel argued that the Cooperative bore the risk that its interim rates may be found excessive and subject to refund.

BARC also filed a response to the Staff's Reply on September 25, 2001. Among other things, the Cooperative reiterated that applying the interim rates to the methodology and billing determinants approved in the August 14, 2001, Final Order produces a revenue increase less than the amount authorized and would increase the rates for certain classes above the rates that became effective on an interim basis on January 1, 2001. BARC renewed its request that the Commission permit the interim rates to be made permanent and allow the adjustment the Cooperative proposed to the second energy block of its residential rate to permit the Cooperative to recover the full adjusted revenue requirement.

NOW THE COMMISSION, after consideration of the record herein, the Cooperative's Motion, and the responsive pleadings filed herein, is of the opinion of and finds that BARC's request that we amend our August 14, 2001, Final Order to allow the Cooperative's interim rates to be made permanent and allow the Cooperative to add $.00035 per kWh to the second energy block of its residential rates should be denied. BARC will be directed to implement rates conforming to our August 14, 2001, Final Order as proposed by Staff in its Reply filed September 14, 2001. BARC should file its revised permanent

[1] In BARC's May 1, 2000, application, rates were designed to recover an increase in gross annual revenues of $815,679. Based on a change in Virginia's tax statutes, BARC implemented interim rates on January 1, 2001, that produced an increase in gross annual revenues of $610,994, based on the Cooperative's billing determinants.

schedules of rates, fees, and charges and revised terms and conditions of service with the Division of Energy Regulation on or before November 1, 2001. Such rates will allow the Cooperative to recover the approved increase in gross annual revenues of $615,222, effective for service rendered on and after January 1, 2001, and will not cause the Cooperative to experience a revenue shortfall.

Further, we find that BARC should be required to make a refund, with interest, of all revenues collected during the period rates were in effect on an interim basis, to the extent such revenues exceed revenues which would have been produced from the rates approved herein. Section 56-582 A 3 of the Code of Virginia authorized the Cooperative to implement its rates effective on an interim basis subject to refund with interest on January 1, 2001. When the Cooperative placed its rate in effect on an interim basis on January 1, 2001, it faced the possibility of having to recalculate its rates and make refunds once all the evidence was considered and a final order was issued.

With regard to the calculation of its refunds, BARC may determine the refunds by recalculating each bill it rendered that used, in whole or in part, the interim rates being replaced by the rates approved herein. In each instance where application of the rates being established yields a reduced bill to the customer, BARC should make a refund with interest, which may be accomplished by credit to a current customer's account or, in the case of a former customer, by check to that customer's last known address if the refund amount is $1 or more.

As an alternative to the refund methodology described in the preceding paragraph, BARC may also work with Staff to propose another method of calculating refunds with interest to customers that is less onerous than the method described above. To be acceptable, this alternative method must produce a fair allocation of the revenue differential by customer class.

Finally, we find that the bundled rates that BARC must file in accordance with the directives of this Order as well as the total purchased power cost determined in our August 14, 2001 Final Order may be considered in Case No. PUE010002, as a basis for developing unbundled rates, fees and charges.

Accordingly, IT IS ORDERED THAT:

(1) BARC's request that the Commission amend its August 14, 2001, Final Order to allow the Cooperative's interim rates to be made permanent and allow the Cooperative to add $.00035 per kWh to the second energy block of its residential rates is hereby denied.

(2) BARC shall forthwith implement rates conforming to our August 14, 2001, Final Order as proposed by Staff in its Reply filed September 14, 2001.

(3) On or before November 1, 2001, BARC shall file with the Division of Energy Regulation revised permanent schedules of rates, fees, and charges, together with revised terms and conditions of service, designed to produce the additional increase in gross revenues of $615,222 previously approved in this matter.

(4) On or before April 15, 2002, BARC shall complete the refunds, with interest as directed in Ordering Paragraphs (5) and (6) below, on all revenues collected from the application of the rates placed in effect on an interim basis for service rendered on and after January 1, 2001, to the extent such revenues exceed the revenues which would have been produced from the rates approved herein. BARC shall compute its refund of the revenues required in the manner described on page 7, supra. If the refund is to be made in a manner other than by recalculating each bill that used, in whole or in part, the interim rates being replaced, the Staff shall provide a report to the Commission that details the method employed and states whether the method is a fair and equitable one. Such report shall be provided before any refunds are made.

(5) The refunds, directed in Ordering Paragraph (4) above, may be accomplished by credit to the appropriate customer's account for current customers (each refund category shown separately on each customer's bill). Refunds to former customers shall be made by check to the last known address of such customers when the refund amount is $1 or more. BARC may offset the credit or refund to the extent no dispute exists regarding the outstanding balances for 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 of these balances. The Cooperative may retain refunds owed to former customers when the refund amount is less than $1. However, BARC shall prepare and maintain a list detailing each of the former accounts for which refunds are less than $1, and in the event such former customers contact the Cooperative and request refunds, such refunds shall be made promptly. All unclaimed refunds shall be handled in accordance with § 55-210.6:2 of the Code of Virginia.

(6) Interest upon the ordered refunds shall be computed from the date payment of each monthly bill was due during the interim period until the date refunds are made at the average prime rate for each calendar quarter and this interest shall be compounded quarterly. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin, or in the Federal Reserve's Selected Interest Rates ("Selected Interest Rates") (Statistical Release G.13), for the three months of the preceding calendar quarter.[2]

(7) On or before April 15, 2002, BARC shall file with the Division of Energy Regulation a document showing that all refunds have been lawfully made pursuant to this Order, and itemizing the costs of the refund and accounts charged. Such itemization of costs shall include, inter alia, computer costs, the personnel hours, associated salaries, and costs for verifying and correcting the refunds directed in this Order.

(8) The bundled rates that BARC files in accordance with the directives of this Order, together with the total purchased power cost determined in our August 14, 2001, Final Order, may be considered in Case No. PUE010002 as a basis for developing unbundled rates, fees and charges in that proceeding.

(9) 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.

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[2] With the issue dated January 8, 2002, Statistical Release G.13 will cease to be published. Selected Interest Rates will continue to be available in a weekly release H.15 available in print and at www.federalreserve.gov/releases/H15, or daily at www.federalreserve.gov.releases/H15/update.

CASE NO. PUE000278
MAY 7, 2001

APPLICATION OF
SHENANDOAH GAS, A DIVISION OF WASHINGTON GAS LIGHT COMPANY

For an Annual Informational Filing

ORDER ADOPTING RECOMMENDATIONS AND DISMISSING PROCEEDING

On October 30, 2000, Shenandoah Gas ("Shenandoah" or "the Company"), a Division of Washington Gas Light Company ("WGL"), filed its Annual Informational Filing ("AIF") with the State Corporation Commission ("Commission"). The Company's AIF included financial and operating data for the twelve months ended June 30, 2000.

On March 30, 2001, the Staff filed its report on Shenandoah's application. Among other things, the Staff noted that in Shenandoah's last rate case, Case No. PUE970616, the Commission authorized a return on equity range of 10.2%-11.2% for the Company. Staff reserved the right to address the cost of capital ramifications of WGL's interest rate hedge agreements in the next rate proceeding involving Shenandoah and its operations.

In its accounting analysis, among other things, Staff noted that the effect of its adjustments was to increase the Company's return on rate base to 9.6% and its return on common equity to 12.32%, a return on equity above the return on equity range authorized for the Company. Staff did not recommend any action on the Company's rates at this time, pending receipt of the Company's AIF based for the twelve months ending December 31, 2000, to be filed on May 31, 2001. However, Staff proposed that Shenandoah and WGL make adjustments in their AIFs for the twelve months ended 2000, similar to those that would be made in a general rate application. Staff further recommended that the Company be required to file Schedules 8 and 22 in addition to the schedules usually required to be filed with an AIF. It noted that WGL's capital structure would be used to calculate the cost of capital for WGL and Shenandoah, based on these Companies' respective cost of equity ranges.

On April 20, 2001, Shenandoah, by counsel, filed comments in response to the Staff Report. In its comments, Shenandoah noted that Staff excluded approximately $1.8 million of "Materials and Supplies" from Shenandoah's working capital allowance. In addition, the Company proposed a modification to the Staff's income tax adjustment. According to the Company, these two adjustments further reduced Shenandoah's return on equity for the twelve months ended June 30, 2000, to 11.34%--14 basis above the return on equity range authorized for Shenandoah and within the return on equity range authorized for WGL.

Shenandoah represented that it has been advised that Staff would withdraw its proposals that the Company be required to file Schedules 8 and 22 with its next AIF and that WGL be required to file general rate case adjustments with its next AIF. Shenandoah agreed to include with its next AIF supplemental schedules showing the Company's adjusted return on equity after adjustments permitted in a general rate case if, after adjustments permitted in the AIF, Shenandoah's adjusted return exceeded its authorized return on equity range of 10.2%-11.2%. The Company reserved the right to propose additional adjustments if, after review, Staff determined that Shenandoah's return on a fully adjusted basis during the test year ended December 31, 2000, exceeded its authorized return on equity range. Shenandoah requested that the Commission dismiss the case in accordance with its comments.

On April 26, 2001, the Staff filed its Reply to the Company's comments. In its Reply, the Staff accepted Shenandoah's proposed modifications to Staff's cash working capital and income tax adjustments. It noted that if these modifications were made to the Company's cost of service, Shenandoah's adjusted return on equity would be 11.34%, approximately 14 basis points above the return on equity range established for Shenandoah, but within the return on equity range of 11.0%-12.0% authorized for WGL.

Staff concurred with Shenandoah's proposal that the Company should file general rate case adjustments and supplemental schedules showing the Company's adjusted return on equity after adjustments permitted in a general rate case with the Company's next AIF if, after the adjustments usually permitted in an AIF, Shenandoah's adjusted return on equity exceeds its authorized return on equity range of 10.2%-11.2%. Staff commented that it expected Shenandoah to file all material general rate case adjustments if the Company's adjusted return on equity exceeds its 10.2%-11.2% authorized return on equity range. Staff withdrew its recommendations that (i) Shenandoah file Schedules 8 and 22 with its next AIF; and (ii) that WGL be required to file general rate case adjustments with its next AIF. Subsequent to the filing of its Reply, Staff has advised that Shenandoah has authorized it to represent that the Company does not desire to file any further responses in this matter.

NOW, UPON CONSIDERATION of the Company's application, the Staff Report, Shenandoah's comments thereto, and the Staff's Reply to Shenandoah's comments, the Commission is of the opinion and finds that the agreement reached by Staff and Shenandoah concerning Shenandoah's AIF is appropriate and should be accepted; that Shenandoah should be required to file all material general rate case adjustments and include supplemental schedules showing the Company's adjusted return on equity after the adjustments permitted in a general rate case with its next AIF if, after the adjustments usually permitted in an AIF, Shenandoah's adjusted return on equity exceeds its authorized return on equity range of 10.2%-11.2%; and that this matter should be dismissed from the Commission's docket of active proceedings.

Accordingly, IT IS ORDERED THAT:

(1) In accordance with its representation, Shenandoah shall include with its next AIF for which Docket No. PUE010075 has been reserved supplemental schedules showing the Company's adjusted return on equity after employing the adjustments permitted in a general case, if the adjustments permitted in the AIF demonstrate that the Company's adjusted return on equity exceeds its authorized return on equity range of 10.2%-11.2%.

(2) This matter shall be dismissed from the Commission's docket of active proceedings, and the papers filed herein made a part of the Commission's files for ended causes.

CASE NO. PUE000280
DECEMBER 21, 2001

APPLICATION OF
THE POTOMAC EDISON COMPANY d/b/a ALLEGHENY POWER

For approval of functional Separation plan (Phase II)

ORDER ON FUNCTIONAL SEPARATION

On December 19, 2000, the Potomac Edison Company d/b/a Allegheny Power Company ("AP" or "the Company") filed an application in Case No. PUE000280 pursuant to § 56-590 of the Code of Virginia, for approval of the second phase ("Phase II") of its plan for functional separation as required by the Virginia Electric Utility Restructuring Act ("the Act").[1] The Act requires that the Commission complete its review of proposed plans of separation by January 1, 2002.

In its July 11, 2000 Order Approving Phase I Transfer in this matter ("Phase I Order"), the Commission approved a Memorandum of Understanding ("MOU") the Company reached with the Staff and the Office of the Attorney General, Division of Consumer Counsel ("Attorney General"). The Phase I Order noted that AP had sought approval of the transfer of AP generating units to Allegheny Energy Supply ("GENCO"), an affiliate of AP, pursuant to the Act and the Utility Affiliates Act[2], and also pursuant to the Utility Transfers Act[3], "to the extent this provision is applicable."

As noted, pursuant to the Phase I Order, AP transferred generating assets to GENCO, except for four small hydroelectric generating facilities located in Virginia.[4] The Phase I Order pertained primarily to assets located outside the Commonwealth of Virginia, to which our jurisdiction under the Utility Facilities Act does not extend.[5] Hence, the Company's request for approval under the Transfers Act was limited "to the extent this provision is applicable."

These assets were the ones with which AP has over the years provided the bulk of service to customers in Virginia, but they are not situated within the Commonwealth. In this regard, AP's functional separation plan critically differs from applications filed by utilities having substantial in-state generation assets, such as American Electric Power-Virginia and, most prominently, Virginia Electric and Power Company.

Our approval regarding the transfer of these out-of-state assets was required solely because AP proposed to transfer them to an affiliated company. Divestiture of the assets to an unaffiliated third party could have been accomplished without this Commission's approval under the Utility Transfers Act, and without any of the agreements reached by the Company, Staff and the Attorney General.[6]

In the MOU, the Company agreed to: (i) reduce the base rates of its Virginia customers by $1 million annually, effective July 1, 2000; (ii) not file an application for a base rate increase prior to January 1, 2001; (iii) operate and maintain its distribution system in Virginia at or above historic levels of service quality and reliability, and to maintain that quality of service through timely improvements; (iv) provide default service under the Act by contracting for generation services for default service customers at the same cost that it would have incurred to serve customers from the units it was divesting to GENCO; and (v) terminate its fuel cost recovery mechanism and recover fuel costs in base rates.

In its July 26, 2000 Order entered in this docket, the Commission approved the elimination of the fuel factor recovery mechanism in AP's rates, ordered the Company's fuel expenses, estimated in the MOU to be 1.181 cents/kWh to be rolled into AP's base rates, approved the proposed $1 million rate reduction, and established capped rates. The Commission also approved the Company's agreement not to impose any wires charges during the capped rate period.

The Commission promulgated rules[7] for the functional separation required by the Act. As required by these rules, the Company filed a cost of service study that separates Virginia jurisdictional operations by class and function for the twelve months ended December 31, 1999. According to the Company, the study was based on the cost of service study in the Company's most recent AIF, but includes adjustments to revenue to annualize rates effective August 7, 2000, as approved by the Commission in this proceeding.[8]

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[1] Code § 56-576 et seq.

[2] Code § 56-76 et seq.

[3] Code § 56-88 et seq.

[4] We approved the subsequent transfer of the small hydroelectric facilities located in Virginia on December 14, 2000, in our Final Order in Case No. PUA000064, to a subsidiary of AP, Green Valley, Hydro, L.L.C., which according to AP, was to become a subsidiary of Allegheny Energy Supply.

[5] Section 56-89 of the Code makes it "unlawful for any public utility, directly or indirectly, to acquire or dispose of any utility assets situated within the Commonwealth . . . unless such acquisition or disposition shall have been authorized by the Commission."

[6] Under certain circumstances, transfers of out-of-state assets may require our approval under the federal Public Utilities Holding Company Act.

[7] Commission's Regulations Governing the Functional Separation of Incumbent Electric Utilities under the Virginia Electric Utility Restructuring Act ("Rules"), 20 VAC 5-202-10 et seq., adopted in Case No. PUA000029.

[8] See Application of The Potomac Edison Company d/b/a Allegheny Power, For approval of a functional separation plan, Case No. PUE000280, Order Approving Elimination of Fuel Factor and Establishing Capped Rates (July 26, 2000).

Under the Company's Plan, AP would be the "incumbent electric utility" under the Act, with attendant responsibilities associated with that designation. AP would be responsible for providing retail customers with capped rate service until July 1, 2007,[9] and default service under the Act, if it is designated as a default service provider pursuant to § 56-585 of the Code of Virginia.[10]

The Company's Phase II application included proposed retail access tariffs. These tariffs separated bundled monthly rates for service into unbundled components to reflect distribution, transmission and generation charges. Transmission charges were also unbundled into base and ancillary services.

Further, the Company's retail access tariffs proposed a "minimum stay" provision for non-residential customers who voluntarily choose to return to default service. The application also contained a "Competitive Service Provider Coordination Tariff", which AP represented, defined the operational relationship between the Company and competitive service providers ("CSPs") for the provision of competitive generation service in the Company's service territory. This proposed tariff addressed, among other things, such issues as creditworthiness requirements, noncompliance and default, load forecasting and scheduling procedures, and competitive service provider billing.

In its Order dated June 22, 2001, the Commission directed the Company to provide notice to the public and established a procedural schedule for the filing of comments or requests for hearing on AP's application. In that Order, the Commission directed its Staff to investigate the application and file a Report detailing its findings and recommendations on or before September 4, 2001. Ordering Paragraph (9) of the June 22, 2001 Order provided that the Company and any interested person could file responses to the Staff's Report on or before September 20, 2001.

On July 18, 2001, the Company, by counsel, filed its proof of publication together with proof of its service on local governmental officials. On August 30, 2001, the Company supplemented its proof of service, providing additional certificates of newspaper publication.

On July 27, 2001, AES NewEnergy, Inc., ("AES" or "NewEnergy") filed its Notice of Participation in this matter, together with its Comments on AP's application. AES did not request a hearing, but reserved its rights to participate further in this proceeding.

On August 17, 2001, the Staff filed a "Motion to Extend Procedural Dates". Staff requested that it be granted an extension of time in which to file its Report to October 12, 2001, and also asked that the date by which responses to the Report could be filed be extended to October 31, 2001. In support of its request, Staff alleged that it required additional time in which to prepare its Report in order to consider various revisions the Company intended to include in its cost of service study and unbundled rates. Staff represented that both AP and AES did not oppose the request for an extension.

On August 27, 2001, the Commission granted the Staff's request. It extended the date by which the Staff could file its Report to October 12, 2001, and the date by which responses to the Staff Report could be filed to October 31, 2001.

On October 12, 2001, Staff filed its Report, wherein, among other things, it recommended that the Commission approve AP's unbundled rates, and terms and conditions of service with certain modifications recommended by Staff. The Staff noted that AP had transferred its generation-related assets and liabilities (except for the small hydro facilities) to Genco, which would own and operate the generation facilities effective August 1, 2000.

Staff observed in its Report, among other things, that AP had adopted numerous safeguards to ensure compliance with the Commission's regulations prohibiting cost-shifting or cross-subsidies between functionally separate units and with the requirements of § 56-590 D of the Code of Virginia. In this regard, Staff recommended that the Commission monitor and review the Company's business practices and internal controls and require AP to conduct annual internal compliance audits to ensure that the internal controls it has implemented following functional separation are adequate and continue to be in compliance with the Commission's regulations. The Staff further proposed that the Company file the results of its internal compliance audits with the Commission's Division of Public Utility Accounting ("the Division") by May 1 of each year until such time as the Division determined that such information was no longer necessary. Additionally, the Staff recommended that AP be required to report any future changes to its business practices or internal controls to the Division.

With regard to the Company's unbundled tariffs, the Staff noted that AP represented that it had revised its application regarding competitive service provider coordination tariffs as required by the Commission's June 19, 2001 Order in Case No. PUE010013.[11] The Staff also provided an exhibit showing the effect of allocating 50 percent of metering and billing related costs to the production and transmission functions just as Staff's consultants did in Virginia Power's functional separation case.

With regard to AP's unbundled tariff rates, Staff commented that the terms of service of the individual retail rate schedules should be clarified to specify that the minimum term of service requirements applied to the provision of delivery service only. Staff further recommended that AP's tariff be revised to reflect the minimum stay requirements adopted in Case No PUE010296. Staff also opposed the Company's proposal to implement a $10.00 switching fee for each customer switching electric service providers. Moreover, Staff proposed that the Company permit customers to switch suppliers effective with a special meter reading request. It observed that Allegheny's residential customers' meters were read only once every two months and commented that a customer deciding to switch energy suppliers should not be required to wait two months or more to become eligible for that service.

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[9] Capped rate service can be terminated on and after July 1, 2004, in an incumbent electric utility's service territory if the Commission, upon application of an incumbent, electric utility, pursuant to §56-582 C of the Act, finds that there is an effectively competitive market for generation services within the utility's service territory.

[10] This provision of the Act, which establishes the manner by which we establish prices for default services, was extensively amended by the 2001 Session of the General Assembly, subsequent to the entry of our Phase I Order.

[11] In Case No. PUE010365, Allegheny requested a waiver of Rule 20 VAC 5-312-80 of the rules adopted in Case No. PUE010013. See Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter of establishing rules for retail access, Case No. PUE010013, Doc. Con. Ctr. No. 01063011, (June 19, 2001 Final Order) ("Retail Access Rules"). This Rule requires that if more than one request for a change in a customer's competitive service provider is received from a customer during one enrollment period, the first request will be the request honored. AP requested and received approval to honor the last request received during any enrollment period, and to disregard any previous requests received during that period.

Staff also addressed the load scheduling and settlement portions of AP's proposed coordination tariff. Staff noted that the 30-day settlement described in tariff S.C.C. Va. No. 16, § 9.3 of the Coordination tariff is priced at the AP Control Area Operator's Hourly Marginal Rate but that the basis for the hourly marginal rate was not described. Staff noted that no description of pricing for the 90-day true up settlement in S.C.C. Va. No. 16, Section 9.4 was included. Staff proposed that the pricing basis should be identified in AP's tariff for each of the settlements. Staff also requested the Company to correct a typographical error in S.C.C. Va. No. 16, Section 9.4.4 of the Company's tariff.

On the issue of credit amounts required for CSPs, Staff suggested that the definition of "credit amount", found in S.C.C. Va. No. 16, Section 1, should not include the retail customer's payments to the CSP in the determination of the security deposits required from a CSP. According to the Staff, the Company is not at risk for the customer's payments to the CSP. Staff recommended that the tariff be revised to delete that reference. It also proposed that the Company's tariff should be revised to include at least a 60 day notice from a CSP discontinuing service in the Company's service area.

Staff supported a 60-day period before any coordination agreement between the Company and CSP is terminated. It noted that if a CSP continues to market in its service area, but does not have current customers, AP should be willing to suspend termination actions for a specified period that should be identified in the proposed tariffs.

The Staff noted that the Company proposed various additional coordination tariff fees that AP proposed to apply to a CSP. Staff did not oppose the fees and noted that they appeared to be supported by cost data supplied in response to Staff's interrogatories.

On October 31, 2001, AP, by counsel, filed its Response to the Staff Report ("Response"). In its Response, the Company noted that it filed a cost of service and unbundled retail tariffs on October 12, 2001, incorporating the changes to AP's cost of service noted in the Staff Report, as well as revisions relating to the minimum stay service requirements, elimination of the Company's proposed $10 switching fee, clarification of the definition of "AP Control Area Operator's Marginal Hourly Price", the "credit amount" for CSP, and use of a 60-day notice requirement in the CSP coordination tariff prior to a CSP discontinuing service in the Company's service territory.

AP opposed Staff's recommendations regarding monthly meter reads for residential customers and Staff's proposal to permit residential customers to switch to a CSP on an off-cycle reading date. The Company asserted that it could incur significant costs approaching $1 million to implement monthly billing and metering and contended that there were no perceivable benefits to customers if such changes were made. AP maintained that there was no evidence to suggest that bi-monthly metering kept customers from selecting a CSP or hampered a competitive market. The Company noted it would monitor the situation in the event changes were warranted. With regard to termination of its CSP coordination agreement, AP commented that it has not been its practice to terminate coordination agreements in cases where the CSP continued to market in AP's service territory but had no customers.

Further, in its Response, AP opposed an allocation of metering and billing costs to the production function. It asserted that metering and billing costs will continue to be incurred by the Company following restructuring, and that no metering and billing costs will be avoided as a result of a customer's switch to an alternative energy supplier. The Company contended that it would be unable to recover any portion of the cost of metering as billing costs if these costs were allocated to the generation function. It observed that it had waived its right to charge a wires charge in an earlier part of the case. AP maintained that the wires charge was designed to enable a distribution company to capture any lost revenue resulting from allocating costs to generation in the event that a customer selects an alternative energy supplier. The Company supported a 100% allocation of metering and billing costs to the distribution function. It proposed that to the extent that a customer selects an alternative supplier to provide metering or billing, a credit based on avoided incremental costs could be applied to the rates of distribution customers.

On November 1, 2001, AES filed a Motion to receive its response out of time, together with its Reply Comments. In its Comments on the Staff Report, AES, by counsel, agreed with most of the recommendations made in the Staff Report, but, among other things, commented on the issue of the allocation of metering and billing costs to supply service, AP's proposed general administration fees charged to a CSP, and the fee for historical usage data for interval accounts. AES noted that it was not opposed to other cost based fees for supply services.

On November 14, 2001, the Commission Staff filed a Motion Requesting Leave to File Reply, together with its "Reply to the Comments in Response to Staff's October 12, 2001 Report of the Potomac Edison Company, d/b/a Allegheny Power and the Reply Comments of AES NewEnergy, Inc."

On November 15, 2001, the Commission entered an Order that granted AES' Motion to File Response Out of Time and permitted AES' Reply to be filed with the Commission; granted the Staff's November 14, 2001 Motion and received Staff's Reply; authorized AES and other interested parties to file further responses to the Staff's Reply by November 29, 2001; and directed Allegheny to file any further response to the Staff's Reply on or before December 7, 2001.

On November 29, 2001, AES filed its "Reply Comments to the Staff's Comments Dated November 14, 2001" ("reply comments").

In its reply comments, AES observed that an examination of Appendix 3, Table A of Allegheny's application indicated that $15 million of customer related costs have been fully allocated to distribution and that this allocation should not be considered de minimis relative to the $4 million in metering and billing and collection costs. AES continued to oppose any general administrative, enrollment fees and other charges for non-optional elements of retail choice. It asserted that § 56-582 of the Code of Virginia did not support imposition of these fees as the functions giving rise to the fees is part of the delivery of energy to customers. AES opposed fees for historical usage data requests.

On December 7, 2001, AP, filed its Reply to Staff's November 14, 2001 comments ("Reply"). In its Reply, the Company opposed the Staff recommendation that the Company allow customer switches for alternative service providers at the time of special meter readings. The Company explained, among other things, that its billing system and the computer systems supporting customer billing have been designed to work off the regularly scheduled meter reading date. According to Allegheny, allowing switching on other than the regularly scheduled meter reading date would require manual intervention into its billing system with corresponding reprogramming costs. It estimated that it would cost approximately $1 million to accommodate residential customer switches at the time of special meter reads.

The Company further asserted that no waiver of Rule 20 VAC 5-312-80 H of the Retail Access Rules was necessary because, according to it, that Rule does not require customer switches on special meter reading where AP's distribution tariff did not provide for customer switches at such times. The Company reasoned that, since it reads its residential customers' meters once every two months, a residential customer may switch suppliers only once every two months. AP further noted that there was no evidence that an inability to switch CSPs on a monthly basis has slowed competition or even been an issue

with customers or suppliers in the other states in which the Company has instituted customer choice. The Company asserted that it would not appear prudent at this point to require the expenditure of an estimated $1 million in costs to accommodate "instant switching" when AP is experiencing a low level of participation in its customer choice programs in other jurisdictions, e.g., four customers out of a total of 216,118 eligible customers since customer choice became available on July 1, 2000, in Maryland. AP remarked that it had received no interest from customers to switch CSPs at the time of special meter readings. AP requested a hearing by the Commission if the Commission directed it to permit customers to switch CSPs at the time of special meter readings.

AP offered to monitor the need to switch Virginia residential customers more frequently than once every two months and to make appropriate adjustments to its billing systems, with appropriate cost recovery mechanisms in place, if and when the lack of ability for a customer to switch suppliers monthly becomes a source of customer complaints or appears to be an impediment to the development of a competitive market.

AP also opposed the allocation of metering and billing costs to the production function. The Company contended that the metering and billing costs associated with its purchase of electric supply for its Virginia customers for wholesale purchases have been directly assigned to production costs. It explained that what is left in the distribution function are metering and billing costs associated with providing distribution services. AP noted that a customer switching to a CSP does not avoid metering and billing costs. The meter still has to be read, data entered into the billing system, the same paper size bill generated along with its associated envelope, and postage must be applied. In the Company's view, the allocation of a portion of these distribution costs to the production function creates improper cost shifting and a subsidy.

The Company noted that if it were to be ordered to transfer 50% of the metering and billing costs from the distribution to the production function and a customer switches to an alternative electric supplier, AP would not recover 50% of its metering and billing costs for that customer. AP commented that as part of its Phase I functional separation plan, it agreed to forego stranded cost recovery through a wires charge, and thus had no other means to recover these costs.

The Company proposed that once a competitive billing provider or meter services provider assumes responsibility for metering and billing a customer's account, that the distribution utility should give the customer a credit reflecting the cost savings to the utility for no longer having to perform these metering and billing functions. AP explained that it is waiting to include such support as part of the proceedings in the two cases established by the Commission to consider competitive billing and competitive metering (Case Nos. PUE010297 and PEU010298). It asked the Commission to reserve judgment on the merits of the crediting proposal until the Company has had the opportunity to explain and support these proposals as part of these ongoing proceedings.

The Company agreed to clarify Section 4.4 of its Supplier Coordination Agreement to reflect that it will not terminate such agreements when a CSP is continuing to market in AP's service territory but currently has no customers. Revised page No. 13 to the tariff was attached with AP's Reply to reflect this clarification.

AP challenged AES' assertions that further costs should be allocated to the production function. It noted that the $15 million referenced by AES does not represent customer service costs but includes distribution operation and maintenance costs classified as being customer related for cost allocation purposes. It explained that its cost of service analysis shows that investment in distribution poles and lines is split into customer and demand related components for allocation to customer classes. The Company maintained that these facilities are dedicated to distribution service, and there is no basis for assigning any portion of the costs related to the facilities to the production function.

AP noted in its Reply that in addition to capital costs related to the distribution facilities, there are expenses related to those facilities, including portions of FERC account 584 Underground Line Expense, FERC account 585 Distribution Street Lighting Expense, and FERC account 593 Distribution Maintenance Overhead Lines Expense. It contended that these costs contained in the referenced $15 million are more appropriately related to the distribution function.

The Company Reply identified $798,000 as "Other Customer Service" costs, i.e., costs representing customer service and informational expenses, including costs incurred for such items as informational and instructional advertising, and assistance provided in response to customer requests for information, other than billing inquiries. It maintained that these costs will continue to be incurred by the distribution function of its business when functions are unbundled and should be appropriately classified as totally in the distribution function.

The Company continued to support its fees for service enrollment and general administration of CSP's participation and challenged AES' observation that most commissions have approved the waiver of fees for historical usage data. It advised that fees for historical usage data were approved in both Ohio and Maryland. AP asked that the Commission permit its rates and tariffs filed on October 12, 2001, to become effective for service on and after January 1, 2002.

NOW, THE COMMISSION, having considered the application, the supplemental filings thereto, the comments, Staff Report, and the Responses and Replies thereto, together with the applicable statutes and rules, finds that the cost of service study, retail service tariff, and competitive service provider coordination tariff filed with the Commission on October 12, 2001, should be accepted as modified below, and as supplemented by the discussion of the issues set out herein. The issues discussed below include monitoring the Company's business practices, the allocation of metering and billing, allocation of further customer service costs to the production function, switching customers at the time of special meter readings, and special fees.

Monitoring Business Practices

We agree that it is important that the design and effectiveness of the Company's business practice and internal controls should continue to be monitored and reviewed. AP should, therefore, conduct annual internal compliance audits to ensure that its internal controls implemented following functional separation are adequate and in compliance with our regulations. We will require AP to file its audit results with the Commission's Division of Public Utility Accounting ("the Division") by May 1 of each year until such time as the Division determines that the information is no longer necessary. AP should report any future changes to its business practices or internal control to the Division.

Allocation of Metering and Billing

With regard to the issue of allocating some portion of metering and billing costs to the generation function, we find that there are practical difficulties at this time in allocating metering and billing costs embedded in bundled rates to the generation function beyond what the Company has proposed

in this case for separating out costs to wholesale purchases. AP notes in its December 7, 2001 Reply that it will still have to read the meter, input data, and generate a bill once its rates are unbundled and retail access begins. Hence the rates approved herein reflect the assignment of these costs to the distribution function alone.[12]

Allocation of Further Customer Service Costs to Production Function

AES asserts that a portion of customer service costs, collection costs, regulatory costs, and operating costs related to the provision of default service should be allocated to the production function. AES asserts that utilities should not be able to subsidize default supply service by shifting default supply costs to the distribution component of their unbundled rates.

In its November 14, 2001 Reply, Staff notes that AP's October 12, 2001 adjusted cost of service includes $860,000 of uncollectible expense and $9.5 million of Administrative and General expense, of which 41% has been allocated to the production function. AP observes in its December 7, 2001 Reply that the $15 million of customer related costs at issue have been allocated to distribution because these costs are related to investment in distribution poles and lines, underground line expense, distribution street lighting expense, and distribution maintenance overhead lines expense. We agree that these costs are related to the distribution function.

The $798,000 classified as "Other Customer Service" costs appear to be related to distribution functions such as customer service and information expenses related to requests for information other than billing related inquiries. We will not disturb these allocations.

Switching of Residential Customers to CSP at the Time of Special Readings

AP has opposed permitting customers to switch competitive energy suppliers at the time of special meter readings. It notes that its billing system and supporting computer systems have been designed to work off the regularly scheduled metering reading date. It estimates a cost of approximately $1 million to accommodate residential customer switches at the time of special meter reads, and has offered to track off-cycle switching requests by its customers.

The Staff, in its Reply Comments, has supported permitting customers to change suppliers at the time of the special meter reading to allow more frequent switching for residential customers whose meters are read every two months.

We recognize the complexities that may be involved in accommodating off-cycle switches to a CSP. However, we also recognize the value of permitting residential customers to switch more frequently. We will therefore require the Company to track the number of off-cycle requests to switch CSPs and report such requests to the Division of Energy Regulation by May 1 and November 27 of each year. If the issue of off-cycle readings appears prospectively to be a source of customer complaints or an impediment to CSPs offering service, we will re-examine this issue at that time.

Supplier Fees

AES has opposed general administration, enrollment fees, scheduling fees, and other non-optional elements of retail choice. Staff has not opposed these fees, but observed in its filings that they appear to be supported by cost data provided by the Company.

Section 56-582 of the Act, which establishes the parameters for capped rates, states that capped rates shall "include rates for new services where, subsequent to January 1, 2001, rate applications for such services are filed by incumbent electric utilities with the Commission" and are thereafter approved by the Commission. The instant application, to the extent that it requests the approval of fees for new services, falls within the meaning of this provision. Accordingly, we will permit the fees set out in the revised supplier coordination tariff filed on October 12, 2001, except for the proposed fees for general administration and registration of CSPs opposed by AES, which we do not find to be "new services" provided by the Company within the meaning of the Act. There will certainly be additional costs of doing business in the new retail choice environment but like other cost increases,[13] they are not recoverable because of the capped rate limitation of the Act. When the Company is eligible to file its next distribution rate case, and we are free to examine both increasing and decreasing company expenses, we will then be able to consider the recovery of these costs.

With regard to the correction of Section 4.4 of AP's Supplier Coordination Agreement, we will accept the revised tariff page included as Attachment No. 1 to the Company's December 7, 2001 Reply as clarifying the Company's practice relative to a CSP that is marketing in AP's service territory but has no customers.

Accordingly, IT IS ORDERED THAT:

(1) AP shall file its annual internal compliance audit results with the Division of Public Utility Accounting by May 1 of each year until such time as the Division determines that the information is no longer necessary.

(2) AP shall report any future changes to its business practices or internal controls to the Division of Public Utility Accounting.

(3) The Commission Staff shall, as necessary, conduct audits and reviews of the Company books, records, and work papers and conduct meetings to ensure compliance with § 56-590 of the Code of Virginia and the regulations put forth by the Commission in Case No. PUA000029.

(4) Except as modified herein and consistent with the discussions set out above, the revised unbundled rates, fees, charges, and terms and conditions found in AP's October 12, 2001 filing with the Commission shall be adopted, effective for service rendered on and after January 1, 2002. The Company shall forthwith file the revised unbundled rates, fees, charges, and terms and conditions approved herein with the Division of Energy Regulation.

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[12] AP remains at liberty to develop its crediting proposals in Case Nos. PUE010297 and PUE010298 relative to CSPs or meter services providers that assume responsibility for metering and billing a customer's account as Company proposed at page 7 of its Reply. We decline to decide this issue as part of this case.

[13] Other than the adjustments permitted for the tax changes, fuel expense, and financial distress under § 56-582 B of the Code of Virginia.

(5) The Company's proposed fees for new services are reasonable and are adopted, with the exception of AP's proposed registration and general administration fees for competitive suppliers.

(6) The Company shall track the number of requests to switch CSPs made following special meter readings as well as customer complaints regarding this issue and report this information to the Division of Energy Regulation by May 7 and November 27 of each year, following AP's implementation of customer choice.

(7) This matter is dismissed.

CASE NO. PUE000282
JANUARY 5, 2001

APPLICATION OF
VIRGINIA GAS STORAGE COMPANY

For an Annual Informational Filing

ORDER ADOPTING RECOMMENDATIONS
AND DISMISSING PROCEEDING

On May 30, 2000, Virginia Gas Storage Company ("VGSC" or "the Company") filed its Annual Informational Filing ("AIF") for the twelve months ending December 31, 1999.

On November 30, 2000, the Staff filed its report in the captioned matter which included a financial and accounting analysis. Staff noted in its report that it had used an 11.5% cost of equity for illustrative purposes in its financial analysis. It explained that the Company and Staff had agreed to use 11.5% as part of this AIF since the rates in Company's application for a certificate of public convenience and necessity (Case No. PUE940078) were based on estimates of revenues and costs, including a cost of capital that incorporated a return on equity rate of 11.5%. The Staff reported that it 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 obtained and allocated capital for VGSC's development. This consolidated capital structure, together with an 11.5% cost of equity, produced an overall cost of capital of 10.641% for the 1999 test year.

Further, the Staff noted that there is a case now pending before the Commission involving a proposed merger between NUI Corporation ("NUI") and VGC (Case No. PUA000079). Staff reported that if the pending merger is approved with NUI, it will need to re-evaluate the capital structure appropriate for setting rates for the Company. It stated that, assuming NUI becomes the entity that issues debt on behalf of VGSC, NUI's consolidated capital structure may be the appropriate capital structure to use in setting VGSC's rates. The Staff requested that the Company reflect information required by Schedules 1, 2, and 3 for the test year and four prior fiscal years, as required by the Commission's Rules Governing Utility Rate Increase Applications and Annual Informational Filings ("Rules"), 20 VAC 5-200-30, adopted in Case No. PUA990054.

In its accounting analysis, the Staff noted that it had to revise certain of the Company's per books and fully adjusted accounting data. Staff reported that, on a jurisdictional per books basis, VGSC earned a return on year-end equity of 8.32%, and on a fully adjusted basis, the Company earned a return on equity of 9.19%. Based upon these operating results, Staff proposed that no action be taken to revise the Company's rates at this time.

On December 18, 2000, the Company filed its response to the Staff's report. In its response, VGSC requested that it be allowed to file its AIF for the twelve months ending December 31, 2000, by May 31, 2001. It noted that the Staff did not object to having VGSC file its AIF for the twelve months ending December 31, 2000, by May 31, 2001, to enable the Company to provide Staff with audited financial information with which it could evaluate VGSC's financial and operating results.

NOW, UPON consideration of the Company's application, the Staff report, the Company's response thereto, and the applicable statutes, the Commission finds that the Staff's recommendations found in its report are reasonable and should be adopted. Specifically, Staff's recommendations that the Company file Schedules 1, 2, and 3 for the test year and four prior fiscal years are reasonable and should be accepted. We further find it appropriate to grant the Company's request to file its AIF for the twelve months ending December 31, 2000, by no later than May 31, 2001, so that audited financial and operating data may be available to evaluate VGSC's fiscal and operational condition.

Accordingly, IT IS ORDERED THAT:

(1) Consistent with the findings made herein, the recommendations set out in the Staff's November 30, 2000, report are hereby adopted.

(2) If VGSC does not seek rate relief, the Company shall file its next AIF, utilizing audited financial and operating results for the year ending December 31, 2000, by no later than May 31, 2001.

(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 placed in the Commission's file for ended causes.

CASE NO. PUE000283
JANUARY 30, 2001

APPLICATION OF
VIRGINIA GAS PIPELINE COMPANY

For an Annual Informational Filing

ORDER ADOPTING RECOMMENDATIONS AND DISMISSING PROCEEDING

On May 30, 2000, Virginia Gas Pipeline Company (VGPC" or "the Company") filed its Annual Informational Filing ("AIF") for the twelve months ending December 31, 1999.

On November 30, 2000, the Commission Staff ("Staff") filed its report in this matter. That report included a financial and accounting analysis. Staff noted in its financial analysis that it had used a 13.50% return on equity in VGPC's capital structure for illustrative purposes in its financial analysis since the Company does not have an authorized point or range for its return on equity. Staff explained that, because actual operating data was not available, the Company's earlier applications for certificates of public convenience and necessity included rates derived from estimates of revenues and costs. Such estimates include a cost of capital based on a capital structure that assumed 25% equity within the capital structure, at a return on equity rate of 13.5%. The Staff reported that it used the consolidated capital structure of Virginia Gas Company ("VGC"), VGPC's parent, in its financial analysis because VGC is the primary entity that has raised capital on behalf of VGPC and its affiliates. This consolidated capital structure, together with a 13.5% cost of equity, produced an overall cost of capital of 11.713% for the 1999 test year.

Further, the Staff noted that there is a case now pending before the Commission involving a proposed merger between NUI Corporation ("NUI") and VGC, i.e., Case No. PUA000079. Staff reported that if the pending merger is approved with NUI, it will need to re-evaluate the capital structure appropriate for setting rates for the Company. It stated that, assuming NUI becomes the entity that issues debt on behalf of VGPC, NUI's consolidated capital structure may be the appropriate capital structure to use in setting VGPC's rates. The Staff requested that the Company reflect information required by Schedules 1, 2, and 3 for the test year and four prior fiscal years, as required by the Commission's Rules Governing Utility Rate Increase Applications and Annual Informational Filings ("Rules"), 20 VAC 5-200-30 adopted in Case No. PUA990054.

In its accounting analysis, the Staff noted that it had to revise certain of the Company's adjustments. Staff reported that on a jurisdictional per books basis, VGPC earned a return on year-end equity of 7.522%, and on a fully adjusted basis, VGPC earned a return on equity of 7.034%. Based upon these operating results, Staff proposed that no action be taken to revise the Company's rates at this time.

Further, the Staff recommended that the Company perform a comprehensive jurisdictional study similar to the study performed for Virginia Gas Distribution Company in Case No. PUE990531, to allocate more appropriately expenses between jurisdictional and non-jurisdictional customers, and that this study be submitted no later than 60 days prior to the filing of the Company's next rate case. Additionally, the Staff proposed that: the Company reflect capitalized interest in its future filings at a level that is consistent with the use of the methodology that had been agreed upon by Staff and the Company; the Company comply with the Staff's booking recommendations for the acquisition adjustment set out in the Staff's report, including the restatement of depreciation expense and accumulated depreciation, in future filings; the Company adjust the depreciation expense associated with the acquisition adjustment in future filings; the Company refrain from reflecting the impact of the State income taxes in its adjustments until it begins paying state income taxes on January 1, 2001; and (vi) the Company correctly allocate expenses between its Operation and Maintenance ("O & M") expenses and Taxes Other than Income expenses in future filings; e.g., the Company should credit capitalized property taxes to its "Taxes Other" account rather than to Operation and Maintenance expenses. The Staff noted that it did not object to VGPC filing its next AIF by May 31, 2001, to enable the Company to provide Staff with audited financial information with which it could evaluate VGPC's financial and operating results.

On December 18, 2000, the Company filed its response to the Staff report. In its response, VGPC noted that the jurisdictional factor for allocating transmission plant, discussed at page 7 of the Staff report, was correctly stated at 100%, and that the only customer transporting natural gas on VGPC's pipeline system is a Virginia jurisdictional customer. It explained that its acquisition adjustment of $1,176,000 was reduced in Case No. PUE960093, by $825,364, but that Schedule 13 of VGPC's AIF was set up primarily for presentation purposes so that the original acquisition adjustment, together with the amounts disallowed by the Commission, could be tied into VGPC's detailed property schedules for audit purposes. VGPC further requested that it be permitted to file its AIF for the twelve months ending 2000, by May 31, 2001.

On January 3, 2001, the Staff filed its reply to VGPC's response. In its reply, Staff did not take issue with VGPC's observation regarding the use of a 100% jurisdictional factor for the allocation of the Company's transmission plant. In light of VGPC's December 18, 2000 Response, the Staff withdrew its recommendation that the Company comply with Staff's booking recommendations for VGPC's acquisition adjustment, including the restatement of depreciation expense and accumulated depreciation in future filings. Staff reiterated its support for its other recommendations for VGPC set out on pages 14 and 15 of the November 30, 2000 Report. The Staff represented that it was authorized to state that VGPC did not wish to file a further response to the Staff's reply.

NOW UPON consideration of the Company's application, the Staff's report, the Company's response, the Staff's reply thereto, and the applicable statutes, the Commission finds that the Staff's accounting recommendations found in its report, as amended by its January 3, 2001 reply, are reasonable and should be adopted. In addition, Staff's recommendations that the Company file Schedules 1, 2, and 3 for the test year and four prior fiscal years are reasonable and should be accepted. We further find it appropriate to grant the Company's request to file its AIF for the twelve months ending December 31, 2000, no later than May 31, 2001.

Accordingly, IT IS ORDERED THAT:

(1) Consistent with the findings made herein, the recommendations set out in the Staff's November 30, 2000, report, as revised by the Staff's January 3, 2001 reply, are hereby adopted.

(2) If VGPC does not seek rate relief, the Company shall file its next AIF, utilizing financial and operating results for the year ending December 31, 2000, by no later than May 31, 2001.

(3) There being nothing further said to be done in this mater, this case 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. PUE000287
APRIL 26, 2001

APPLICATION OF
WATERLOO PROPERTY OWNERS ASSOCIATIONS WATER SYSTEM

For a certificate of public convenience and necessity and authorization to acquire utility assets

FINAL ORDER GRANTING APPLICATION

Before the Commission is the application of Waterloo Property Owners Associations Water System ("Waterloo" or "Company") for a certificate of public convenience and necessity authorizing the furnishing of water. The Company requests authority to serve the Waterloo North and Waterloo South subdivisions in Fauquier County. Also, before the Commission is the Company's application under the Utility Transfers Act, §§ 56-88 through 56-91 of the Code of Virginia, for authority to acquire the water system from Waterloo North Property Owners Association, Inc., and Waterloo South Property Owners Association, Inc., at no cost. The systems were transferred on August 10, 2000.

By Order Inviting Written Comments and Requests for Hearing of October 6, 2000, the Commission docketed the application and directed Waterloo to give notice of its application. We also directed the Commission Staff to investigate the application and file a report. In response to the public notice, the Commission received no comments or requests for a hearing.

In its report, the Staff made a number of recommendations. The Staff noted that the Company should implement the Uniform System of Accounts for Class C Water Utilities. While the Staff did not take exception to the level of rates and charges or the general structure of rates, the Staff did suggest reducing Waterloo's connection fee to $125 based on actual cost. The Staff also suggested adoption of tariff language on late charges and bad check charges consistent with Commission rules and policy. The Staff also recommended that the Company be authorized to acquire the utility plant at no cost. Waterloo filed no comments in response to the Staff's report.

Upon consideration of the application and the Staff report, the Commission finds that the transfer of water utility assets should be approved pursuant to the Utility Transfers Act. We find that such transfer will not jeopardize or impair the provision of adequate water service at just and reasonable rates. We also find, pursuant to § 56-265.2 and § 56-265.3 of the Code, that Waterloo has shown that the public convenience and necessity require the certificate to acquire the facilities and to provide water service be issued. The Commission will approve the Company's proposed rates, rules, and regulations of service, with the modifications recommended by the Staff. We will direct the Company to file promptly revised pages to its tariff. Finally, we will direct the Company to maintain its records in conformity with the Uniform System of Accounts.

Accordingly, IT IS ORDERED that:

(1) The Company's application is granted to the extent discussed above.

(2) Pursuant to §§ 56-89 and 56-90 of the Code of Virginia, the Company is hereby granted authority to acquire the existing water system.

(3) Waterloo Property Owners Association Water Systems is issued Certificate No. W-301 to provide water service in Fauquier County as shown on maps attached to and made part of the certificate of public convenience and necessity.

(4) The Division of Energy Regulation shall mail the certificate of public convenience and necessity issued in (3) above to C.T. Rush, Waterloo Property Owners Associations Water System, P.O. Box 1187, Warrenton, Virginia 20188-1187.

(5) On or before May 21, 2001, Waterloo shall file with the Division of Energy Regulation revised tariff pages incorporating the language in the Staff's report for the bad check charge and late fee and reducing the connection fee.

(6) The Company shall maintain its accounts of record in accordance with the Uniform System of Accounts for Class C Water Utilities.

(7) There being nothing further to be done, this matter is dismissed from the Commission's docket of active cases.

CASE NO. PUE000339
FEBRUARY 20, 2001

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 December 21, 1999, Contracting Enterprises, Inc., damaged a one hundred pair telephone service line operated by GTE South Incorporated located at or near the intersection of Route 619 and Route 620, Dunbrooke, Virginia, while excavating;

(2) On or about January 14, 2000, J. Sanders Construction Co. damaged a four hundred pair telephone service line operated by GTE South Incorporated located at or near the intersection of Route 17 and Route 258, Isle of Wight, Virginia, while excavating;

(3) On or about February 3, 2000, Directional Boring, L.L.C., damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 4816 Admiration Drive, Virginia Beach, Virginia, while excavating;

(4) On or about February 8, 2000, JRG Contractors, Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 900 Station Street, Herndon, Virginia, while excavating;

(5) On or about February 20, 2000, Utilities Construction Co., Inc., of South Carolina damaged a main telephone line operated by GTE South Incorporated located at or near the intersection of Route 234 and Misty Acres Lane, Catharpin, Virginia, while excavating;

(6) On or about February 21, 2000, J. Sanders Construction Co. damaged a twelve pair telephone service line operated by GTE South Incorporated located at or near 14230 Benns Boulevard, Smithfield, Virginia, while excavating;

(7) On or about February 24, 2000, Cole's Excavating, Inc., damaged a sixteen strand fiber telephone line operated by GTE South Incorporated located at or near the intersection of Route 3 and 206 Dahlgren Road, King George, Virginia, while excavating;

(8) On or about February 25, 2000, J. Sanders Construction Co. damaged a twelve pair telephone service line operated by GTE South Incorporated located at or near Benns Church Boulevard, Isle of Wight, Virginia, while excavating;

(9) On or about February 28, 2000, Harrisonburg Electric Commission damaged a two inch steel gas main line operated by Columbia Gas of Virginia, Inc., located at or near 1000 North Main Street, Harrisonburg, Virginia, while excavating;

(10) On or about March 3, 2000, William A. Hazel, Inc., damaged a fifty pair main telephone line operated by GTE South Incorporated located at or near the corner of Bragg Road and Carl D. Silver Parkway, Fredericksburg, Virginia, while excavating;

(11) On or about March 6, 2000, Foley Plumbing, Inc., damaged a two inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near Lot 254, Lapis Drive, Spotsylvania, Virginia, while excavating;

(12) On or about March 7, 2000, S. Stephens Cable Construction, Inc., damaged a one hundred pair main telephone line operated by GTE South Incorporated located at or near 7624 Stuart Court, Manassas, Virginia, while excavating;

(13) On or about March 7, 2000, Webb Incorporated damaged a thirty-six strand fiber telephone line operated by GTE South Incorporated located at or near Route 360, Warsaw Village Shopping Center, Warsaw, Virginia, while excavating;

(14) On or about March 7, 2000, Rustler Construction, Inc., damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 64 Fairfax Street, Warrenton, Virginia, while excavating;

(15) On or about March 8, 2000, Northern Neck Electric Cooperative damaged a one hundred pair telephone service line operated by GTE South Incorporated located at or near the intersection of Route 663 and Route 354, Lively, Virginia, while excavating;

(16) On or about March 9, 2000, R. G. Griffith, Inc., damaged a fifty pair telephone service line operated by GTE South Incorporated located at or near the intersection of University Boulevard and Wellington Station, Manassas, Virginia, while excavating;

(17) On or about March 9, 2000, Pipeline Structures, Inc., damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near 1513 Hidden Cove, Virginia Beach, Virginia, while excavating;

(18) On or about March 9, 2000, Collins Contracting Company, Inc., damaged a one hundred twenty-five pair main telephone line operated by GTE South Incorporated located at or near Lot #9, Ashleigh Park, Spotsylvania, Virginia, while excavating;

(19) On or about March 13, 2000, Guy C. Eavers Excavating Corp. damaged a twenty-five pair telephone service line operated by GTE South Incorporated located at or near Spring Oak Drive, Harrisonburg, Virginia, while excavating;

(20) On or about March 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 17 Wild Turkey Road, Lexington, Virginia, while excavating;

(21) On or about March 14, 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 2843 Greenwood Drive, Portsmouth, Virginia, while excavating;

(22) On or about March 15, 2000, the City of Newport News damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 106 Burwell Court, Newport News, Virginia, while excavating;

(23) On or about March 16, 2000, Rapidan Service Authority damaged a fifty pair main telephone line operated by GTE South Incorporated located at or near 116 Indian Hills Road, Locust Grove, Virginia, while excavating;

(24) On or about March 16, 2000, Directional Boring, L.L.C., damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near 744 Southleaf Drive, Virginia Beach, Virginia, while excavating;

(25) On or about March 17, 2000, I. H. McBride Sign Co. damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 1 Graves Mill Court, Forest, Virginia, while excavating;

(26) On or about March 18, 2000, the City of Chesapeake damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 1124 Lindale Drive, Chesapeake, Virginia, while excavating;

(27) On or about March 20, 2000, Newport News Water Works damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near 906 Old Wormley Creek Road, York, Virginia, while excavating;

(28) On or about March 20, 2000, Sanitary Engineering Company, Incorporated, damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 957 Linsley Drive, Virginia Beach, Virginia, while excavating;

(29) On or about March 28, 2000, Precon Construction Company damaged a one and one-quarter inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near 3500 Chesapeake Boulevard, Norfolk, Virginia, while excavating;

(30) On or about March 28, 2000, T. J. Dunleavy & Company damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 320 West 35th Street, Norfolk, Virginia, while excavating;

(31) On or about August 16, 1999, the City of Chesapeake damaged a one thousand eight hundred pair main telephone line operated by GTE South Incorporated located at or near Ashley Drive, Chesapeake, 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) For the incident described in paragraph (17) herein, the Company did not mark with proper color coding, in violation of § 56-265.21 of the Code of Virginia;

(34) On or about February 14, 2000, Mastec North America, Inc., notified the notification center of plans to excavate at or near George Washington Memorial Highway, York, Virginia;

(35) On or about March 2, 2000, Celia Wright, homeowner, notified the notification center of plans to excavate at or near 121 South Sandstone Place, Bridgewater, Virginia;

(36) On or about March 13, 2000, Dutch Way Fencing notified the notification center of plans to excavate at or near 3913 Lee Highway, Augusta, Virginia; and

(37) For the incidents described in paragraphs (34) through (36) 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 $34,250 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 $34,250 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. PUE000340
JANUARY 11, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
WILLIAM F. EAREHART, et al.
v.
VALLEY RIDGE WATER COMPANY, INC.

FINAL ORDER

By notice dated March 24, 2000, pursuant to the Small Water or Sewer Public Utility Act (§ 56-265.13:1 et seq. of the Code of Virginia ("Code"), Valley Ridge Water Company, Inc. ("Valley Ridge" or the "Company"), notified its customers and the State Corporation Commission (Commission) of its intent to increase its rates effective for service rendered on and after July 1, 2000. The Company proposed the following monthly rates: an increase in unmetered customers' rates from $22.00 to $33.00, and an increase in commercial or metered customers' rates from $19.00 to $23.00 for usage up to 2,000 gallons, and from $3.50 per 1,000 gallons to $4.20 per 1,000 gallons for all usage in excess of 2,000 gallons.

Based on objections to the proposed rate increase from 77 customers, or approximately forty-two percent (42%) of Valley Ridge's customers, the Commission in a Preliminary Order issued on June 20, 2000, found that a hearing should be scheduled and suspended the Company's proposed rates for 60 days from the date of the Company's proposed increase, or through August 29, 2000.

On August 2, 2000, the Commission issued an Order for Notice and Hearing scheduling a hearing for January 25, 2001, to receive evidence relevant to Valley Ridge's proposed tariff revisions for January 25, 2001. The Company's proposed increase in rates was permitted to become effective as of August 30, 2000, on an interim basis, subject to refund with interest. The Commission directed Commission Staff to investigate the reasonableness of Valley Ridge's proposed tariff and present its findings and recommendations in prepared testimony and exhibits.

Commission Staff did not file a Staff Report in this case as the Company indicated it did not wish to proceed further with the proposed increase. By motion filed December 18, 2000, Valley Ridge requested the matter be dismissed with prejudice. The Company stated that it would: (1) revert to the charges and rules set out in its tariff currently on file with the Commission; (2) keep its books and records in accordance with the Uniform System of Accounts for Class C Water Utilities; (3) refund all monies collected in accordance with Commission standards; and (4) address in a timely manner the completion of a filtration system.

On December 20, 2000, Hearing Examiner Alexander F. Skirpan, Jr. filed a Report that recommended the Commission: (1) adopt his findings in the matter; (2) direct Valley Ridge to refund, with interest, all revenues collected under its interim rates in excess of the tariff currently on file with the Commission; and (3) dismiss the case from the docket of active matters.

NOW THE COMMISSION, having considered the matter, hereby adopts the Hearing Examiner's recommended findings.

ACCORDINGLY, IT IS ORDERED THAT:

(1) Valley Ridge's motion to dismiss the matter with prejudice is granted.

(2) On or before June 1, 2001, Valley Ridge, using the rates and charges set forth in the Company's tariff currently on file with the Commission, shall recalculate each bill rendered after August 30, 2000 that used the rates and charges that took effect August 30, 2000. Where the application of the rates in the Company's tariff on file with the Commission results in a reduced bill, Valley Ridge shall refund with interest, as directed below, the difference.

(3) Interest upon the ordered refunds shall be computed from the date payments of 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.

(4) Valley Ridge shall work with Commission Staff in calculating the appropriate rate of interest as described in Ordering Paragraph (3) above.

(5) The refunds ordered in Ordering Paragraph (2) above may be credited to current customers' accounts (each refund category shall be shown separately on each customer's bill). Valley Ridge 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. Refunds to former customers shall be made by check mailed to the last known address of such customers when the refund amount if $1 or more. The Company may retain refunds owed to former customers when such refund amount is less than $1. Valley Ridge shall maintain a record of former customers for which the refund of 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) 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 NOS. PUE000343 and PUF000021
MARCH 12, 2001

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For Approval of Generation Facilities pursuant to Virginia Code § 56-580 D or, in the Alternative, for Approval of Expenditures pursuant to Virginia Code § 56-243.3 and for a Certificate of Public Convenience and Necessity pursuant to Virginia Code § 56-265.2

and

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 of non-jurisdiction

FINAL ORDER

On June 16, 2000, Virginia Electric and Power Company ("Virginia Power" or "the Company") filed an application with the State Corporation Commission ("Commission") in which it proposed to reconfigure its various generating units at the Possum Point Power Station and to construct a new combined cycle generating unit (hereafter collectively referred to as "the Project") at Possum Point. Presently, Virginia Power operates five units at Possum Point. Units 1 and 2 burn fuel oil and have a combined rated capacity of 143 MW. Units 3 and 4 burn coal and have a combined rated capacity of 322 MW, and Unit 5 is a 786 MW rated unit that will continue to operate on heavy oil. The Company proposes to take Units 1 and 2 out of service by no later than May 1, 2003, and to convert Units 3 and 4 to burn natural gas at a cost of approximately $14 million. Virginia Power also proposes to construct a 540 MW combined cycle facility (Unit 6) that will operate at the Possum Point Power Station and will have an estimated cost of $280 - $300 million. This new unit is scheduled to be operational in May 2003, so as to coincide with the cessation of the burning of coal at Units 3 and 4. June 16, 2000 Application at 1-2.

The Company requires the Commission's authorization to construct and operate Unit 6. As a result of the construction of this unit and the retirement of Units 1 and 2, the total capacity at the Possum Point generating station will increase from 1251 MW to 1648 MW.

Virginia Power proposed in its application to employ synthetic lease financing for the new unit and to sublease a portion of the real estate at the Possum Point plant upon which the new generating facility will be built. It asked that: (i) the Commission approve the project under § 56-580 D of the Code of Virginia, (ii) declare that § 56-234.3 of the Code of Virginia does not require the Company to obtain prior regulatory approval before entering into the agreements necessary for the proposed synthetic lease financing, or (iii) in the alternative, grant an exemption from § 56-234.3 of the Code of Virginia or approve the Company's financial expenditures for the proposed lease and sublease transactions. The Company also sought the issuance of a certificate of public convenience and necessity under § 56-265.2 of the Code of Virginia in the event the Commission determined that § 56-265.2 applied.

Further, Virginia Power filed a "Motion for Determination of Applicability of, or in the Alternative, for Exemption or Waiver from, Bidding Rules" ("Motion") with the captioned application. In its Motion, the Company requested that the Commission find that the Rules Governing the Use of Bidding Programs to Purchase Electricity from Other Power Suppliers ("Bidding Rules"), 20 VAC 5-301-10 et seq., adopted in Case No. PUE900029, to be inapplicable to the Project.

On July 5, 2000, the Company filed a related application seeking authority from the Commission to participate in lease financing arrangements of approximately $300 million for the construction of the new generating facility and for a declaration that the Commission would not assert jurisdiction over other parties participating in the transaction who, according to the Company, would serve only as vehicles for the Project's financing. The July 5 application also sought approval under (i) the Virginia Utility Securities Act, Chapter 3 of Title 56 of the Code of Virginia, because the financing arrangements could be considered to create an evidence of indebtedness; (ii) Chapter 4 of Title 56 of the Code of Virginia, because the transaction will involve jurisdictional contracts or arrangements between Virginia Power and DEI-Sub, which is a subsidiary of Dominion Energy, Inc. and an affiliate of Virginia Power; and (iii) Chapter 5 of Title 56 of the Code of Virginia, because Virginia Power proposed to transfer real property at Possum Point by means of a ground lease, on which the new facility will be constructed. The Company will be reacquiring the constructed facility and related real property through a sublease.

On July 26, 2000, the Commission entered an Order Inviting Comments and Responses and Prescribing Notice. In this Order, among other things, the Commission sought comments by interested parties on the following issues:

> (1) Whether the Bidding Rules are applicable to the Project, or in the alternative, if they do apply, whether the Commission should grant Virginia Power an exemption to these Rules.
>
> (2) Whether the Commission should approve this Project exclusively under § 56-580 D of the Code of Virginia, or under §§ 56-234.3, and/or 56-265.2 as well.
>
> (3) If § 56-234.3 of the Code of Virginia applies to this Project, whether the Company should be granted an exemption from that provision, or approval under it to make "at risk" financial expenditures in association with the Project.

That Order docketed the proceeding, appointed a Hearing Examiner to consider the preliminary issues set forth in the Order and make recommendations thereon, and required Virginia Power to publish notice of its application for approval of the Project and its request for authority to participate in the related lease financing arrangements.

On August 21, 2000, the Staff and Company filed comments on the preliminary issues identified in the July 26, 2000, Order.

On September 1, 2000, the Chief Hearing Examiner issued her "Interim Report on Preliminary Issues" ("Interim Report") wherein she found the following:

> 1. The Bidding Rules are applicable, but a waiver of those rules should not be granted and does not appear necessary in this case;
>
> 2. The Company should be directed to supplement its pre-filed direct testimony with information on the alternatives bid in its January 1999 and December 1999 solicitations if relevant to this case. If not relevant, the Company should so advise the Commission in comments hereto;
>
> 3. If the recent solicitation is not relevant to consideration of market alternatives herein, the Company should be directed to issue a Request for Proposals on a parallel track to consideration of this Project;
>
> 4. This application should be evaluated pursuant to Virginia Code §§ 56-46 (sic), 56-234.3, 56-265.2, and 56-580 D;
>
> 5. The Company should file an affidavit and schedule of expected expenditures as described . . . [within the Report] with its comments to this Report; and
>
> 6. Virginia Power should be granted interim authority to undertake permitting and preliminary site work, and to make financial expenditures for the proposed Project at its own expense and risk subject to the Commission's review of the supporting affidavit.[1]

The Chief Hearing Examiner recommended that the Commission enter an order that adopts the Interim Report's findings; grants the Company approval pursuant to § 56-234.3 to proceed with financial expenditures, permitting and preliminary site work as was necessary to facilitate the timely completion of the Project, if finally approved by the Commission; and establishes a procedural schedule to receive evidence on the pending applications, applying the statutory standards for review set forth in §§ 56-46.1, -234.3, -265.2, and -580 D of the Code of Virginia.

On September 8, 2000, Virginia Power filed its comments on the September 1, 2000, Interim Report. Among other things, the Company contended that the Commission should not require a new solicitation for the Project, that Virginia Power's recent solicitations satisfy the Bidding Rules, and that § 56-580 D presented the sole legal standard under which the Project should be considered, given the General Assembly's decision to restructure Virginia's electric industry and establish standards for the approval of all new generation. The Company also withdrew its request for approval of "at risk" financial expenditures. It explained that a special purpose subsidiary of Dominion Energy, Inc., rather than Virginia Power, had made the necessary commitments with financial institutions for the Project. Virginia Power renewed its request that the Commission grant an exemption from the Bidding Rules or, in the alternative, conclude that Virginia Power had satisfied the bidding requirements through its recent solicitations.

On October 18, 2000, we entered our Order for Notice and Hearing. In that Order, we determined that the Bidding Rules applied to the Project, but that no further bids need be solicited by the Company. We directed that the responses to Virginia Power's recent RFPs be scrutinized to consider whether these responses presented better alternatives to provide electric service than did the Project. We further found that the new generation project must be considered under §§ 56-46.1, -234.3 and -265.2 as well as -580 D, of the Code of Virginia, and that no ruling was necessary to determine whether the Company should be granted an exemption from § 56-234.3 since the Company had withdrawn its request for approval of "at risk" financial expenditures. Additionally, we set the matter for hearing, found that notice should be given and hearings on the applications held, and that the Staff should investigate the captioned applications and present its findings thereon in testimony. We remanded the applications to the Hearing Examiner to conduct further proceedings and to file a final report in this matter with the transcript.

On November 17, 2000, we entered an Order that authorized Virginia Power to enter into the lease financing arrangement, as described in its July 5, 2000, application, provided that its supporting documents were modified in accordance with the November 17, 2000, Order's requirements and were made subject to the conditions set out in that Order.[2]

A public hearing was convened on January 16, 2001. No Protestants or public witnesses appeared at the hearing. By agreement of counsel, all testimony and exhibits were admitted into the record without cross-examination. Proof of notice of the applications was marked and admitted into the record as Exhibit 1.

On February 2, 2001, Deborah V. Ellenberg, Chief Hearing Examiner, issued her Report. In her Report, the Chief Hearing Examiner found as follows:

> 1. The proposed Possum Point Project as more particularly described in the June 16, 2000 application, is in the public interest and a certificate of public convenience should be issued subject to compliance with all recommendations set forth in the DEQ [Department of Environmental Quality] coordinated review, including the following conditions:
>
> (a) A review of the National Wetlands Inventory map should be performed, and a site delineation should be conducted in any suspect wetland areas prior to project construction to determine the absence or location, extent or type of wetlands present on the site. Upon

[1] See September 1, 2000 Interim Report on Preliminary Issues, Case Nos. PUE000343 and PUF000021, Doc. Con. Ctr. No. 000910037 at 9.

[2] See 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, Case No. PUF000021, Doc. Con. Ctr. No. 001120402 (Nov. 17, 2000 Order).

receipt of such information, the DEQ will determine whether certain permits will be required for construction of the project;

(b) As recommended by DEQ, the number of stream and wetland impacts should be avoided to the maximum extent practicable. For unavoidable impacts, the following practices should be utilized to minimize impacts to wetlands and waterways: operation of machinery and construction vehicles outside of the stream-beds and wetlands, use of directional drilling from upland locations for the installation of utilities; the preservation and redistribution of the top 12 inches of trench material removed from a wetland for use as a wetland seed bank and root stock in the excavated area, and the use of synthetic mats when in-stream work is unavoidable;

(c) All solid wastes generated at the site should be reduced at the source, re-used, or recycled. All hazardous wastes should be minimized;

(d) In general, the use of herbicides or pesticides for landscape maintenance should be done in accordance with principles of integrated pest management. The least toxic pesticides that are effective in controlling the target species should be used;

(e) As recommended by the Chesapeake Bay Local Assistance Department any Commission approval should be conditioned upon a requirement that Virginia Power comply with requirements of the Chesapeake Bay Preservation Act;

(f) As recommended by the Department of Game and Inland Fisheries, Virginia Power should continue to coordinate with that agency in the future to determine additional nesting sites of the federally threatened bald eagle near the Possum Point Power Station;

2. If Virginia Power does not obtain or maintain control of the new facility, except as may be provided by the Commission in response to the Company's Functional Separation Plan, the certificate recommended herein would sunset or expire, and further authority regarding the disposition of the new facility would have to be requested from the Commission; and

3. The Lessor under the synthetic lease financing for the Project and the Sublessor as described more fully above should be determined not to be public utilities subject to Commission jurisdiction based on and limited to the facts of this case.

The Chief Hearing Examiner recommended that the Commission enter an Order that adopts the findings in her Report; grants the Company's application for a certificate of public convenience and necessity for the Possum Point Project with the conditions set out in her Report; and dismisses the case from the Commission's docket of active proceedings. The Chief Hearing Examiner invited the parties to file comments to her Report within seven (7) days from the date of its issuance.[3]

On February 5, 2001, the Staff of the State Corporation Commission, by counsel, advised that the Staff did not intend to file comments on the February 2, 2001, Report of the Chief Hearing Examiner. Similarly, on February 7, 2001, the Company, by counsel, advised that it did not intend to file comments or exceptions in response to the February 2, 2001, Report.

As we noted in our October 18, 2000, Order for Notice and hearing, statutes other than § 56-580 D of the Code of Virginia must be considered in the approval of the construction of this new generating unit. Specifically, §§ 56-46.1, -234.3, -265.2, as well as § 56-580 D of the Code of Virginia apply to this Project. While we have considered the principles embodied by these statutes collectively in reaching our decision in this matter, we will discuss the issues raised by each separately.

Pursuant to §§ 56-234.3 and -265.2 of the Code of Virginia, we consider the following criteria in this application: the need for additional power, the reasonableness of the utility's cost estimates, choice of technology, construction plans, and the availability of suitable alternatives to the project.[4] Further, we have considered the effect of the proposed facility on the environment as required by §§ 56-46.1 and -580 D of the Code of Virginia. Section 56-46.1 A of the Code of Virginia also permits us to consider the effect of the proposed facility on economic development within the Commonwealth and directs us to consider any improvements in service reliability that may result from the construction of a new generating facility.

In this case, there was no substantial controversy about any of these criteria. The need for electric power within the Northern Virginia service area specifically and Virginia Power's service area generally was acknowledged. As explained in Staff witness Walker's testimony, Exhibit CDW-12 at 10-11, the continued load growth in Virginia Power's service territory, as well as the necessity for maintaining adequate generating reserves, is expected to require additional generating resources in the future. Without the Project, reserve margins are expected to be 7.31, 11.53, 9.87, and 7.93 percent in 2003, 2004, 2005, and 2006, respectively. The Project will increase reserve margins to 9.69, 14.01, 12.32, and 10.34 percent in 2003, 2004, 2005, and 2006, respectively. As evidenced by these reserves, additional capacity will be required in the near term, with the exception of 2004, and additional resources will be required in 2003, even with the addition of Unit 6 at Possum Point. Exhibit CDW-12 at 10-11.

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[3] See Feb. 2, 2001, Report of Deborah V. Ellenberg, Chief Hearing Examiner, Case Nos. PUE000343 and PUF000021, Doc. Con. Ctr. No. 010210085 at 12-13.

[4] The evidence presented in this record indicates that the bids received in response to the Company's recent capacity solicitations would not be better than the Project. Exhibit CDW-12 at 17-18. See also Exhibit JLJ-9 at 4.

As witness Walker also testified, a number of competitive power producers have announced plans to add capacity in Virginia Power's control area, but have not received, and in most cases have not sought, Commission approval to construct and operate these projects. Exhibit CDW-12 at 11-12. Many of these projects may face public opposition that, in turn, may increase the uncertainty that the projects will be successful. Further, there is no evidence that any of these new projects will be available to provide power to Virginia Power. While these plants may be built in Virginia, they may not be contractually obligated to provide their output to Virginia Power to assist that Company in serving its load.

The Staff also noted that a portion of Virginia Power's future loads may be served by competitive retail suppliers with resources located outside of Virginia Power's service area and that the need for the Project could be decreased by such developments. However, as noted by Staff witness Walker, there is a significant amount of uncertainty as to how much load will be served by these competitive suppliers. Exhibit CDW-12 at 12-14.

In short, considering all of these factors, Virginia Power will require additional generation in the near term future even if Unit 6 is built. Some of this generation may be supplied by the construction of new generating units within the Commonwealth or through the purchase of electric supply elsewhere.

In order to consider whether the Company should be permitted to construct its new unit, we also consider the effects of the Project on the environment. This is a factor that must be weighed along with the need for the unit in determining whether to permit the Company to construct this facility. Specifically, § 56-46.1 A of the Code of Virginia requires that we give consideration to the effect that a proposed facility may have on the environment and directs us to establish such conditions as are necessary to minimize adverse environmental impacts.[5] Section 56-580 D of the Code of Virginia directs us to give consideration "to the effect of the facility and associated facilities, including transmission lines and equipment, on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact as provided in § 56-46.1."

As a result of the reconfiguration of the Possum Point Generating Station, i.e., the elimination of two generators burning fuel oil, the conversion of two coal-fired generators to natural gas, continued operation of Unit 5, and the construction of Unit 6, a new unit that will operate on natural gas, Virginia Power will increase its capacity by 32% and will significantly decrease its average emissions for NO_X and SO_2 from this generating station. This is particularly important for this station because it is in a serious ozone nonattainment area. Further, construction of Unit 6 and the reconfiguration of the remaining units at Possum Point will permit the Company to reduce emissions in absolute terms while increasing the Company's capacity and generation in a cost effective manner. Exhibit CDW-12 at 22. Exhibit EPH-4 at 3-4.

In its application, Virginia Power has represented that the new unit will be available to serve its growing load, will provide environmental benefits, and will enhance its system reliability. To meet these objectives, Virginia Power must, as a matter of course, maintain and retain control of the new facility at Possum Point. Therefore, the conditions recommended by the Chief Hearing Examiner that require Virginia Power to obtain and maintain control over this facility are appropriate. Subject to the conditions set out in the February 2, 2001, Chief Hearing Examiner's Report, the cost estimates, choice of technology, and manner of construction will meet the Company's growing demand in a timeframe more suitable than any other alternative.[6]

With the addition of the conditions set out in the DEQ coordinated review (Attachment CDW-3 to Exhibit CDW-12), the Project is unlikely to have significant effects on transportation, forest resources, health issues, and geological features. The Company has agreed to comply with the recommendations found in the DEQ coordinated review. See Exhibit 2. This is a major project, and could have significant impacts on the environment if proper precautions are not undertaken. Accordingly, we will direct our Division of Energy Regulation Staff ("the Division") to monitor Virginia Power's compliance with the recommendations set out in the Chief Hearing Examiner's Report and the coordinated review, and require the Company to provide quarterly reports on its compliance and on its plans to comply with the coordinated review to Staff in advance of its compliance actions. Virginia Power should use all reasonable efforts to comply with the letter and spirit of the coordinated review.

A number of the recommendations set out in the coordinated review permit Virginia Power to take various actions "where practical". The Company should advise Staff in advance when it is not practical for the Company to take an action recommended by the coordinated review and explain why that action is not practical. The Division should review the reports submitted by the Company and consult with the appropriate state agency concerning Virginia Power's plans to comply with the requirements found in the coordinated review (Attachment CDW-3 to Exhibit CDW-12).

Finally, for purposes of this case, we will not find the lessor under the synthetic lease financing for the Project (a Grantor Trust formed to construct and own the new facility and lease it to the sublessor) and the sublessor DEI-Sub, to be public utilities subject to our jurisdiction under the limited circumstances of this case. This finding should be deemed to have no precedential effect in any subsequent, separately docketed proceedings.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations set out on pages 12 and 13 of the Chief Hearing Examiner's February 2, 2001, Report are hereby adopted.

(2) Pursuant to §§ 56-46.1, -234.3, -265.2, and -580 D of the Code of Virginia, Virginia Electric and Power Company is authorized to construct, acquire, and operate the generating units at the Possum Point Power Station, as more specifically described in its June 16 and July 5 applications, i.e., to remove two existing oil-fired units (Units 1 and 2) from service, convert two existing coal-fired units (Units 3 and 4) to natural gas, and construct a new 540 MW combined cycle generating unit at the Possum Point Generating Station in Prince William County, Virginia.

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[5] Section 56-46.1 also permits us to consider the effect of the facility on economic development within the Commonwealth and directs us to consider any improvements in service reliability that may result from the construction of the subject facility. The testimony in this record indicates that the capacity added by the new unit in Northern Virginia could be interpreted as an economic benefit, in the sense that adding capacity as load grows, decreases supply uncertainty and increases reliability in the Northern Virginia area. Exhibit JS-14 at 7.

Further, the addition of Unit 6 at Possum Point could potentially delay the addition of new transformer banks in Loudoun and Prince William Counties, thus providing additional reliability in the Company's Northern Virginia service area. Exhibit CDW-12 at 14.

[6] While we conclude that the construction of a new unit is needed at Possum Point, we make no determination regarding the transfer of this unit, as that issue will be considered in Virginia Power's Functional Separation Plan Application, docketed as Case No. PUE000584 or in some other docket. In addition, we reach no conclusions as to Virginia Power's proposal to construct a natural gas pipeline lateral, inasmuch as the need for and location of this pipeline was not developed in this case, but is the subject of another Virginia Power application, docketed as Case No. PUE000741.

(3) Pursuant to § 56-265.2 of the Code of Virginia, subject to the conditions imposed herein, and upon filing appropriate maps with the Division of Energy Regulation, Virginia Power shall be granted Certificate of Public Convenience and Necessity No. ET-161 to construct and operate the new 540 megawatt combined cycle facility operating on natural gas or distillate oil identified in Ordering Paragraph (2), as more fully described in the Company's application of June 16, 2000. The Certificate of Public Convenience and Necessity issued herein shall expire if Virginia Power does not obtain or maintain control of this new facility, except as may be determined in Virginia Power's Functional Separation Plan, docketed as Case No. PUE000584 or some other docket. If said Certificate of Public Convenience and Necessity expires, further authority regarding the disposition of the new facility shall be requested from the Commission.

(4) The lessor under the synthetic lease financing for the Project and the sublessor as described more fully herein are not public utilities subject to Commission jurisdiction, based on and limited to the facts of this case.

(5) The financing for the Project, as modified by our Order of November 17, 2000, entered in Case No. PUF000021, and Exhibit 1 attached to Exhibit LTO-13, is hereby approved.

(6) Virginia Electric and Power Company shall comply with all conditions identified as Findings 1 (a)-(f) of the Chief Hearing Examiner's February 2, 2001, Report, as well as the DEQ coordinated review, so as to minimize any adverse impact in the environment caused by the construction authorized herein. In this regard, Virginia Power shall provide quarterly reports to the Division of Energy Regulation regarding the Company's compliance and plans for compliance with the DEQ coordinated review in advance of actions taken to comply with that review. Where Virginia Power has determined that an action under the coordinated review is not practical, it shall so advise the Division and shall explain in advance why such action is not practical and shall report any actions it has taken to comply with the coordinated review. The Division shall review the reports submitted by the Company and shall consult with the appropriate state agency concerning Virginia Power's plans for compliance.

(7) Consistent with Finding 1 (e) of the February 21, 2001, Hearing Examiner's Report, Virginia Power shall comply with the requirements of the Chesapeake Bay Preservation Act, Chapter 21 (§ 10.1-2100 et seq.) of Title 10.1 of the Code of Virginia, as a further condition of the approval granted herein.

(8) The approvals granted herein are for the specific facilities authorized by this Order, as more particularly described in Virginia Electric and Power Company's applications of June 16, 2000, and July 5, 2000. The Company shall forthwith advise the Commission of any proposed changes to the facilities or construction practices that differ from those which have been proposed and approved herein.

(9) There being nothing further to be done in this matter, Case Nos. PUE000343 and PUF000021 shall be removed from the Commission's docket of active proceedings, and the papers filed therein made a part of the Commission's file for ended causes.

CASE NOS. PUE000343 and PUF000021
APRIL 2, 2001

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For Approval of Generation Facilities pursuant to Virginia Code § 56-580 D or, in the Alternative, for Approval of Expenditures pursuant to Virginia Code § 56-234.3 and for a Certificate of Public Convenience and Necessity pursuant to Virginia Code § 56-265.2

and

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 of non-jurisdiction

ORDER GRANTING RECONSIDERATION

On March 12, 2001, the State Corporation Commission ("Commission") entered its Final Order in the captioned matter, and, among other things, granted approval to Virginia Electric and Power Company ("Virginia Power" or "the Company") to construct, acquire and operate the generating units at the Possum Point Power Station, as more specifically described in the Company's June 16, 2000, application docketed as Case No. PUE000343 and its July 5, 2001 application docketed as Case No. PUF000021. That Order also approved the financing for the Possum Point Project, as modified by the Commission's November 17, 2000, Order entered in Case No. PUF000021, and Exhibit 1 attached to Exhibit LTO-13.

On March 30, 2001, the Company filed a Petition for Reconsideration and Motion to Amend Final Order ("Petition"), wherein it requested that it be allowed to increase the total amount it could borrow under the synthetic lease approved in Case No. PUF000021 from $300 million to $370 million. In its Petition, Virginia Power explained that it recently concluded a comprehensive update of its previous estimate based on its actual experience in the marketplace for procurement of the equipment and services necessary to construct Unit 6. According to the Company, its updated projected cost for Unit 6 is now $366 million, rather than $300 million. The projected cost level includes an increase in contingency expenses of approximately $17 million and an additional amount of approximately $10 million for full financing of the gas pipeline for the Possum Point Project through the synthetic lease. Virginia Power attached the Affidavit of Thorald A. Evans to its Petition.

As indicated in Mr. Evans' Affidavit, the Company's updated construction cost for the Possum Point Project includes the cost of the gas pipeline, meaning that the Company now proposes to finance the pipeline using proceeds of the synthetic lease financing. Virginia Power explains that using its proposed financing for the pipeline will not mean that the pipeline assets and rights will be owned by the Grantor Trust, leased to the Sublessor and

subleased to Virginia Power as the generation facilities will be. The Company comments that the pipeline facilities will need to be subject to assignment as collateral security for the synthetic lease financing. The Company has committed to make the necessary revisions to its application and supporting testimony in Case No. PUE000741, the Company's application for approval of the pipeline, to reflect its proposed change in the pipeline's financing.

NOW UPON CONSIDERATION of the Company's Petition, the Commission is of the opinion and finds that the Company's request for reconsideration should be granted to allow consideration of the issues raised therein; that the provisions of the March 12, 2001, Final Order addressing the issues raised in the Company's Petition for Reconsideration should be suspended, but, in all other respects, the provisions of the March 12, 2000, Final Order should remain effective; that Virginia Power should forthwith file the necessary revisions to its application and supporting testimony in Case No. PUE000741; that the Company should forthwith file revised agreements in Case Nos. PUE000343 and PUF000021 to indicate its proposals to revise the synthetic lease financing approved in those dockets; and that the matter should be continued.

Accordingly, IT IS ORDERED THAT:

(1) Virginia Power's request for reconsideration shall be granted to the extent necessary to permit the consideration of the issues raised in its Petition.

(2) The provisions of the March 12, 2001, Final Order related to the issues raised in the Company's Petition for Reconsideration shall be suspended, but otherwise the provisions of that Order shall remain in effect.

(3) Virginia Power shall forthwith file the necessary revisions to its application and supporting testimony in Case No. PUE000741 to reflect its proposed change in the financing of the gas pipeline lateral.

(4) Virginia Power shall forthwith file revised agreements in Case Nos. PUE000343 and PUF000021, to indicate its proposals to revise the synthetic lease financing approved in those dockets.

(5) This matter shall be continued, pending further order of the Commission.

CASE NOS. PUE000343 and PUF000021
JUNE 29, 2001

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For Approval of Generation Facilities pursuant to Virginia Code § 56-580 D or, in the Alternative, for Approval of Expenditures pursuant to Virginia Code § 56-234.3 and for a Certificate of Public Convenience And Necessity pursuant to Virginia Code § 56-265.2

and

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 of non-jurisdiction

ORDER GRANTING ADDITIONAL AUTHORITY

On March 12, 2001, the State Corporation Commission entered a Final Order in the captioned matters, and, among other things, granted Virginia Electric and Power Company ("Virginia Power" or "the Company") authority to construct, acquire and operate the generating units at the Possum Point Power Station, as more specifically described in the Company's June 16, 2000, application docketed as Case No. PUE000343 and its July 5, 2000, application docketed as Case No. PUF000021. The Commission's March 12, 2001, Order also approved a synthetic lease agreement to be used to finance the construction of Unit 6 at the Company's Possum Point Power Station ("Unit 6"), as modified by the Commission November 17, 2000, Order entered in Case No. PUF000021, and Exhibit 1 attached to Exhibit LTO-13 in testimony in Case No. PUE000343, and to fund the pipeline partially.

On March 30, 2001, the Company filed a Petition for Reconsideration and Motion to Amend Final Order ("Petition"), wherein it requested that it be allowed to increase the total amount it could borrow under the synthetic lease approved in Case No. PUF000021 from $300 million to $370 million. In its Petition, Virginia Power explained that it recently concluded a comprehensive update of its previous estimate based on its actual experience in procuring the equipment and services necessary to construct Unit 6 at Possum Point. According to the Company, its updated projected cost for Unit 6 is now $366 million, rather than $300 million. This revised estimate includes an increase in contingency expenses of approximately $17 million and an amount of approximately $10 million for full financing for the natural gas pipeline lateral to the Possum Point Project through the synthetic lease.

By Order dated April 2, 2001, the Commission granted Virginia Power's request for reconsideration to the extent necessary to permit the consideration of the issues raised in its Petition.

In Case No. PUE000741, the Commission's docket established to consider the Company's application for a certificate of public convenience and necessity to construct the pipeline, the Company noted that an affiliate of Virginia Power, Dominion Transmission, Inc. ("DTI"), was selected to construct, operate and maintain the pipeline.[1] By Commission Order dated June 20, 2001, the Commission authorized Virginia Power to construct, own and operate

[1] The terms of the construction agreement between Virginia Power and DTI are memorialized in a Construction Contract, attached to our June 20, 2001, Order in Case No. PUE000741. Likewise, the terms and conditions under which DTI will operate and maintain the pipeline are memorialized in the Operating and Maintenance Agreement ("O&M Agreement"), also attached to our June 20, 2001, Order in Case No. PUE000741.

the pipeline upon receipt of final Commission approval of the synthetic lease financing pending in Case No. PUF000021, and final approval of the Construction Contract and O&M Agreement that are at issue in Case No. PUA010025.

As we noted in our November 17, 2000, Order entered in Case No. PUF000021, Dominion Equipment II, Inc., ("DEI Sub"), an affiliate of Virginia Power, was created to act as construction agent for the Possum Point Project. In addition, DEI Sub entered into a synthetic lease for Unit 6. Virginia Power will acquire control of Unit 6 from DEI Sub through a sublease agreement. In our November 17, 2000, Order in Case No. PUF000021 we expressed concern with regard to Virginia Power being able to obtain and maintain control of Unit 6 through its synthetic lease financing arrangement.

Based upon these concerns, we required, among other things, that Virginia Power take all actions necessary to ensure that it will have the right to acquire control of Unit 6 through the sublease upon completion of construction and to reform the sublease agreement to the extent necessary, to assure that Virginia Power can maintain, to the extent practicable, the same control of Unit 6 as DEI Sub may enjoy under the lease.

With regard to the pipeline which Virginia Power now proposes to finance with proceeds from the synthetic lease arrangement, the use of the synthetic lease to finance the pipeline may raise additional concerns. While Virginia Power will be granted a Certificate of Public Convenience and Necessity for the pipeline once it complies with the conditions set out in the June 20, 2001 order, it will, through its construction contract and O&M agreement permit DTI to exercise discretion in the construction, operation and maintenance of the pipeline.

Moreover, our Staff has informed us that it has some concerns with regard to Virginia Power's ability to maintain control of the pipeline due to language in the O&M Agreement, the Construction Contract, including the assignments therein, and an Easement Support Agreement that is intended to grant the lenders access to Virginia Power's easements in the event of default by Virginia Power. The Easement Support Agreement, copy of which was filed with the Commission in the captioned matter (DCC No. 010610108), is a document to be executed between Virginia Power and the lenders in the synthetic lease agreement.

In response to our Staff's concerns, Virginia Power, by counsel, filed revisions to its O&M Agreement and the Construction Contract, including the assignments therein as well as the Easement Support Agreement in Case Nos. PUE000343, PUF000021 and PUA010025. Our Staff has informed us that these revisions alleviate its concerns and has recommended that the Company's request to increase the amount of the lease to $370 million and to use the proceeds to finance the pipeline should be granted, provided these agreements are executed with the revisions proposed in the June 27 and 28, 2001 filings.

ON CONSIDERATION WHEREOF, the Commission is of the opinion and finds that increasing the amount that Virginia Power can borrow under the synthetic lease arrangement from $300 million to $370 million and using these proceeds to finance the construction of the pipeline will not be detrimental to the public interest provided that the arrangements as revised to assure Virginia Power's control over the construction of Unit 6 and the natural gas pipeline are made. Accordingly,

IT IS ORDERED THAT:

1) Virginia Power is authorized to borrow up to $370 million under the synthetic lease financing arrangement.

2) Virginia Power is authorized to finance the pipeline with proceeds from the synthetic lease, provided it executes the O&M Agreement, Construction Contract and Easement Support Agreement as set out in the attachments to its letters of June 27, 2001, and June 28, 2001, filed with the Clerk of the Commission.

3) The Company shall file executed agreements with the Commission conforming to the revisions that Virginia Power has proposed in its June 27 and June 28 letter filed with the Clerk of the Commission in this docket.

4) This matter shall remain under the continued review, audit and appropriate directive of the Commission.

CASE NOS. PUE000343, PUF000021, and PUA010025
NOVEMBER 5, 2001

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of Generation Facilities pursuant to Virginia Code § 56-580 D, or in the Alternative, for Approval of Expenditures pursuant to Virginia Code § 56-234.3 and for a certificate of Public Convenience and Necessity pursuant to Virginia Code § 56-265.2

and

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 of non-jurisdiction

and

PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY
and
DOMINION TRANSMISSION, INC.

For approval of a pipeline construction contract and pipeline operation and maintenance agreement under Chapter 4, Title 56 of the Code of Virginia and for expedited consideration

ORDER ON AGREEMENTS

On March 12, 2001, the Commission issued its Final Order in Case No. PUE000343, authorizing Virginia Electric and Power Company ("Virginia Power" or "the Company") to construct, acquire, and operate a new 540 MW combined cycle generating unit at the Possum Point Generating Station ("the Project" or "Generating Station") in Prince William County, Virginia. Among other things, Ordering Paragraph (5) of the March 12 Order approved the financing for the Project, as modified by both the Commission's November 17, 2000 Order entered in Case No. PUF000021, and by Exhibit 1 attached to Exhibit LTO-13 filed in Case No. PUE000343.

On March 30, 2001, the Company filed a Petition for Reconsideration and Motion to Amend Final Order ("Petition") in Case Nos. PUE000343 and PUF000021. In that Petition, the Company requested that it be permitted to increase the total amount it could borrow under the synthetic lease approved in Case No. PUF000021, from $300 million to $370 million. Part of the requested increase in financing related to approximately $10 million of financing for a natural gas pipeline to the Generating Station.[1]

By Order dated April 2, 2001, entered in Case Nos. PUE000343 and PUF000021, the Commission granted Virginia Power's Petition to allow consideration of the issues raised therein. In its June 29, 2001 Order Granting Additional Authority, entered in those dockets, the Commission authorized Virginia Power to finance the pipeline with proceeds from the synthetic lease, provided the Company executed the O&M agreement, construction contract, and easement support agreement set out in the attachments to its letters filed with the Commission on June 27, 2001, and June 28, 2001. Ordering Paragraph (3) of the June 29, 2001 Order Granting Additional Authority directed the Company to file executed agreements with the Commission conforming to the revisions Virginia Power proposed in its June 27 and June 28 letters filed in these dockets.

On May 21, 2001, Virginia Power and DTI filed a Petition with the Commission under Chapter 4 of Title 56 of the Code of Virginia for approval of the pipeline construction contract and O&M agreement between the Company and DTI for the natural gas pipeline to the Project. This Petition was docketed as Case No. PUA010025.

In its June 29, 2001 Order Granting Approval entered in Case No. PUA010025, the Commission noted that the Company had filed modifications to the construction contract and O&M agreement to address Staff's concerns about whether Virginia Power would be able to obtain and maintain ultimate control over the new gas facilities and to address the appropriate pricing to be incorporated in the agreements. Ordering Paragraph (3) of the June 29, 2001 Order provided that "[s]hould any terms and conditions of the Construction Contract or the O&M Agreement change from those approved herein, additional Commission approval shall be required for such changes." (Emphasis added.) Ordering Paragraph (7) of that Order directed Virginia Power to submit revised executed copies of the construction contract and O&M agreement, incorporating the modifications found in the documents filed with the Commission under the cover letters of counsel dated June 27, and June 28, 2001.

On July 27, 2001, the Commission granted Virginia Power's and DTI's July 26, 2001 request filed in Case No. PUA010025, for an extension of sixty (60) days in which to file their executed construction contract and O&M agreement with the Commission.

On September 27, 2001, the Company, by counsel, filed executed copies of the pipeline construction contract and O&M agreement in Case Nos. PUE000343, PUF000021, and PUA010025. The cover letter accompanying these documents noted that the subject agreements reflected revisions to

[1] In Case No. PUE000741, Virginia Power sought authority to construct a natural gas pipeline to the Possum Point Generating Station. As recited in that application, Virginia Power had selected its affiliate, Dominion Transmission, Inc. ("DTI"), to construct, operate and maintain the pipeline. In its June 20 2001 Order Granting Preliminary Approval, entered in Case (Fn. 1 cont.) No. PUE000741, the Commission authorized Virginia Power to construct, own, and operate the natural gas pipeline conditioned upon, among other things, the receipt of final Commission approval of the synthetic lease financing pending in Case No. PUF000021 and final approval of the construction contract and operating and maintenance ("O&M") agreement with DTI under consideration in Case No. PUA010025.

the versions previously submitted to the Commission on June 27, 2001. The letter represented that the revisions were required by the lenders under the synthetic lease financing. Counsel represented that the revisions, shown on blacklined versions of the contract, agreements and attachments, were not considered by Virginia Power and DTI to be substantive in the context of the captioned proceedings. Counsel commented that the lenders in the synthetic lease financing arrangements could require further revisions, although those anticipated revisions were also not expected to be substantive from the perspective of the referenced proceedings.

On October 4, 2001, Virginia Power, by counsel, filed final executed versions of the construction contract and O&M agreement in Case Nos. PUE000343, PUF000021, and PUA010025, and PUE000741. These documents contained additional revisions that Virginia Power and DTI did not, by representation of counsel, consider to be substantive in the context of these proceedings. The documents also included blacklined versions of the contract and O&M agreement that indicated the further revisions.

On November 5, 2001, Counsel for Virginia Power submitted a document explaining the nature of the revisions made in the documents submitted September 27, 2001, and October 4, 2001. As represented by counsel, these revisions were primarily necessary to secure the lenders' agreement to the synthetic lease financing and to protect the lenders' interests in the Project and the natural gas pipeline. According to counsel, these revisions do not affect the conditions contained in Ordering Paragraph (2) of the Commission's June 29, 2001 Order Granting Approval in Case No. PUA010025 or any obligations imposed by the Commission's Order Granting Preliminary Approval issued June 20, 2001 in Case No. PUE000741.

NOW, UPON consideration of the foregoing, the Commission, having been advised by its Staff, is of the opinion and finds that the documents submitted by Virginia Power and DTI on September 27, 2001, and October 4, 2001, together with the explanation of the revisions contained in those documents should be treated as a request for further authority as contemplated by Ordering Paragraph (3) of the June 29, 2001 Order Granting Approval, entered in Case No. PUA010025; and that the revisions to these documents, as represented by counsel, appear to be required by the Company's lenders in order to finalize the synthetic lease arrangement.

We further find that Virginia Power remains responsible for obtaining and maintaining control of the Possum Point Generating Station facilities and the intrastate transmission pipeline; and that except for the revisions to the construction contract, O&M agreement, and subsidiary documents thereto authorized herein, the directives set out in the June 29, 2001 Order Granting Approval entered in Case No. PUA010025, and the June 29, 2001 Order Granting Additional Authority, entered in Case Nos. PUE000343 and PUF000021, should remain in effect. If the Company and DTI desire to revise any of the provisions of the documents filed under letter of counsel dated October 4, 2001, they must seek and obtain further authority from the Commission in advance of executing the revised documents. Finally, we find that Case Nos. PUE000343, PUF000021, and PUA010025 should be dismissed from the Commission's docket of active proceedings.

Accordingly, IT IS ORDERED THAT:

(1) Virginia Power's and DTI's request for further authority to include the revisions set out in the documents filed with the Commission on September 27 and October 4, 2001, in Case Nos. PUE000343, PUF000021, and PUA010025 is hereby granted.

(2) Virginia Power remains charged with obtaining and maintaining control of the Possum Point Project approved in Case No. PUE000343 as well as the intrastate natural gas pipeline for which Preliminary Approval was granted in Case No. PUE000741.

(3) Except for the revisions authorized herein, the directives set out in the June 29, 2001 Order Granting Approval entered in Case No. PUA010025 and the June 29, 2001 Order Granting Additional Authority, entered in Case Nos. PUE000343 and PUF000021 shall remain in effect. Virginia Power shall comply with these directives.

(4) If Virginia Power and DTI desire to revise any of the provisions of the construction contract, and O&M agreement, or the subsidiary assignments and agreements attached to the construction contract and O&M agreement, filed under cover letter of counsel dated October 4, 2001, they must seek further authority from the Commission in advance of executing any such revisions.

(5) Case Nos. PUE000343, PUF000021, and PUA010025 are hereby dismissed from the Commission's docket of active proceedings, and the papers filed therein shall be placed in the Commission's files for ended causes.

CASE NO. PUE000349
SEPTEMBER 13, 2001

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 WAIVER

On August 1, 2000, Dominion Energy Direct Sales, Inc., ("DEDSI" or "the Company"), completed an application for licensure to conduct business as a competitive service provider. In its application, DEDSI requested licenses to provide competitive electric and natural gas services to commercial and industrial customers. This application sought authority to provide such services to commercial and industrial customers participating in the electric retail access pilot programs of Virginia Power, American Electric Power-Virginia ("AEP-VA"), and Rappahannock Electric Cooperative ("REC"), and in the natural gas retail access pilot programs of Columbia Gas of Virginia, Inc., ("CGV"), and Washington Gas Light Company ("WGL").

After providing notice and opportunity for hearing, and receiving no comments from the public, and after considering its Staff's Report and the Company's response thereto, the Commission issued an Order on September 7, 2000, in Case No. PUE000349, that, among other things, granted Dominion Retail License No. PE-5 to provide competitive electric supply service to commercial and industrial customers in conjunction with the retail access pilot

programs of Virginia Power, AEP-VA, and REC; and granted the Company License No. PG-3 to provide competitive natural gas service to commercial and industrial customers in conjunction with the retail access pilot programs of CGV and WGL.

On June 19, 2001, the Commission entered its Final Order in Case No. PUE010013, adopting its Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules"), 20 VAC 5-312-10, et seq.[1] Page 6 of this Order provided that each competitive service provider who wished to convert its pilot license to a permanent license to participate in retail access must submit a request to do so in writing to the Commission on or before August 31, 2001. We directed that: (i) each such request must include an attestation that the information provided and updated in its application for a pilot license is true and correct, (ii) the Company must attest that it will abide by all applicable regulations of the Commission, as required by 20 VAC 5-312-40 B, and (iii) the Company must include any changes to information previously provided to the Commission, as required by 20 VAC 5-312-20 R.

On August 31, 2001, DEDSI filed a request for a waiver of the requirement for the Company to convert its License No. PE-5 to a permanent license for participation in retail access in Virginia. Instead the Company requested that its License No. PE-5 be continued for a finite period of time. The Company states that it does not wish to convert either of its pilot licenses to permanent licenses, but does wish to continue its electric license for a period of time during the transition to full retail choice in order to fulfill its contractual obligations to its customers.[2]

DEDSI has approximately 220 commercial and industrial electric commodity customers in Virginia under existing contracts. The initial term of these contracts expires May 31, 2002, and continues month-to-month thereafter. DEDSI does not plan to continue these contracts on a month-to-month basis after May 31, 2002. Nor will DEDSI enroll new customers. The Company states that it seeks merely to preserve the ability to serve its existing customers until the initial term of the contracts expire. Therefore the Company requests that the Commission grant a waiver of the requirement for DEDSI to convert License No. PE-5 to a permanent license and to continue serving customers under License No. PE-5 until May 31, 2002.

NOW UPON CONSIDERATION, we are of the opinion that DEDSI's request for waiver should be granted.

Accordingly, IT IS ORDERED THAT:

(1) DEDSI hereby is granted a waiver from the licensure requirement to convert its pilot licenses to permanent licenses.

(2) Should DEDSI desire to serve any customers other than the customers it currently serves or should DEDSI desire to serve any additional location(s) of those customers, or should the contracts ending May 31, 2002, be renewed, DEDSI shall obtain a license to act as a competitive service provider or aggregator as required by the Retail Access Rules. Such license must be obtained before DEDSI 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 May 31, 2002.

(3) If none of the conditions in paragraph (2) above occurs, DEDSI shall have until July 15, 2002 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 July 15, 2002, report, or alternatively, DEDSI's application for licensure as a competitive service provider.

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[1] Commonwealth of Virginia, At the relation of the State Corporation Commission, Ex Parte: In the matter of establishing rules for retail access, Case No. PUE010013, Document Control Center No. 010630011, Final Order (June 19, 2001).

[2] DEDSI does not wish to provide natural gas service under License No. PG-3 after December 31, 2001.

CASE NO. PUE000352
JULY 9, 2001

APPLICATION OF
DOMINION RETAIL, INC.

For licenses to conduct business in electric and natural gas retail access pilot programs and to act as an aggregator

ORDER GRANTING LICENSES

On July 5, 2000, CNG Retail Services Corporation d/b/a Dominion Retail ("CNGR" or "Applicant") filed an application for licensure to conduct business as an electric competitive service provider to residential and small commercial customers in Virginia Electric and Power Company's ("Virginia Power") retail access pilot program. By Order dated August 23, 2000, CNGR was issued License No. PE-2 to provide competitive electric supply service to such customers in Virginia Power'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., ("Dominion Retail") and requested that its license be amended to reflect the new corporate name. On October 24, 2000, the Commission canceled License No. PE-2 and reissued it as License No. PE-2A in the name of Dominion Retail, Inc.

On May 25, 2001, Dominion Retail filed an application to amend its license so that it may also conduct business as an electric and natural gas competitive service provider and to act as an aggregator, serving all customer classes in conjunction with other electric and natural gas pilot programs. The Applicant intends to serve residential, commercial, and industrial customers participating in the electric retail access pilot programs of Virginia Power, American Electric Power-Virginia ("AEP-VA"), and Rappahannock Electric Cooperative ("REC"), and in the natural gas retail access pilot programs of Columbia Gas of Virginia, Inc., ("CGV"), and Washington Gas Light Company ("WGL").

On June 8, 2001, the Commission issued its Order for Notice and Comment, docketing 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 Dominion Retail's application and present its findings in a Staff Report to be filed on or before July 3, 2001.

The Applicant filed proof of publication of its notice on June 28, 2001. No comments from the public on Dominion Retail's application were received.

The Staff filed its Report on July 3, 2001, concerning Dominion Retail's fitness to provide competitive electric and natural gas service as well as aggregation services. In its Report, the Staff summarized Dominion Retail's proposal and evaluated its financial condition and technical fitness. Staff noted that Dominion Retail is a wholly owned subsidiary of Dominion Resources, Inc. ("DRI"), one of the nation's largest integrated electric and natural gas holding companies. According to DRI's December 31, 2000, Form U-5S, filed with the Securities Exchange Commission, Dominion Retail had revenues in excess of $170 million, a net loss of $5.2 million and total assets of approximately $87 million. Staff also noted that Dominion Retail will rely upon the resources of DRI to finance its operations in Virginia as it is done in the other states in which it does business. As such, the Staff concluded that Dominion Retail would satisfy the financial and technical fitness requirements for licensure upon receipt of such additional evidence.

The Staff recommended that Dominion Retail's current license, PE-2A be amended to allow it to sell electric service to residential, commercial and industrial customers in the pilot programs of Virginia Power, AEP-VA, and REC. Staff further recommended that Dominion Retail be granted a license for the provision of competitive natural gas service to residential, commercial and industrial customers in the CGV pilot program and the WGL retail choice program;[1] and for the provision of aggregation services.

Dominion Retail filed a response to the Staff Report on July 5, 2001, in which it states that it supports generally the findings of the Staff Report and will not otherwise file comments thereon.

NOW UPON CONSIDERATION of the application, the Staff Report, and the Company's July 5, 2001, reply to the Staff Report, the Commission finds that Dominion Retail's application to provide electric, natural gas, and aggregation services should be granted, subject to the conditions set forth below. However, as we have noted, WGL has been authorized to implement full natural gas retail supply choice to all of its customers, consequently, it no longer has a pilot program. In Case No. PUE010013, by Order dated June 19, 2001, the Commission adopted Rules Governing Retail Access to Competitive Energy Services, 20 VAC 5-312-10 et seq. ("Retail Access Rules"), effective August 1, 2001. Since WGL no longer has a pilot program, we will treat Dominion Retail's request to participate in WGL's pilot as a request to participate in its natural gas retail supply choice program.

Accordingly,

IT IS ORDERED THAT:

(1) Dominion Retail's current license, License No. PE-2A, is hereby amended to allow Dominion Retail to provide competitive electric supply service to residential, commercial and industrial customers in conjunction with the retail access pilot programs of Virginia Power, AEP-VA, and REC. This license to act as a competitive service provider is further 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) Dominion Retail is hereby granted License No. PG-19 to provide competitive natural gas supply service to residential, commercial and industrial customers in conjunction with the retail access pilot program of 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) Dominion Retail is hereby granted License No. PA-12 to provide aggregation services to residential, commercial and industrial customers in conjunction with the retail access pilot programs of 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.

(4) The licenses granted pursuant to ordering paragraphs 1, 2, and 3 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) Dominion Retail is hereby granted License No. G-1 to provide competitive natural gas service to residential, commercial and industrial customers in the natural gas retail supply choice program of WGL. The authority to act as a competitive natural gas provider in WGL's natural gas retail supply choice program is effective on August 1, 2001, the date the Retail Access Rules are effective. This license to act as a competitive service provider in the WGL program is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(6) Dominion Retail is hereby granted License No. A-1 to provide aggregation services to residential, commercial and industrial customers in conjunction with WGL's natural gas retail supply choice program. The authority to act as an aggregator in WGL's natural gas retail supply choice program is effective on August 1, 2001, the date the Retail Access Rules are effective. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(7) Failure of Dominion Retail to comply with the Interim Rules, the Retail Access 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 that includes, 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 consideration of any subsequent amendments or modifications to these licenses.

[1] By Commission Order dated March 7, 2001, in Case No. PUE000474, the Commission approved an application by WGL to implement on a permanent basis natural gas retail supply choice to all of its customers in Virginia, including those served by its Shenandoah Gas Division.

CASE NO. PUE000388
SEPTEMBER 5, 2001

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
COLUMBIA GAS OF VIRGINIA, INC.

FINAL ORDER

The issue presented by this case is whether Columbia Gas of Virginia, Inc. ("Columbia Gas" or "the Company") failed to comply with its filed transportation tariff by overcharging its transportation customers purchasing gas directly from Columbia Gas in connection with the Company's banking and balancing services.

Banking and balancing services are provided to the Company's gas transportation customers through the Company's tariff on file at the Commission. Transportation customers who purchase this service are entitled to purchase gas from the Company when such customers use more gas than they have had delivered to the Company's system. These gas purchases are referred to in the Company's tariff as "excess volumes."[1] At issue is whether Company must bill for the *non-gas* components (i.e., components other than the gas commodity itself) of these excess volumes under the declining blocks of the Company's TS-1/TS-2 transportation rate schedules as the Commission Staff ("Staff") contends, or under the interruptible, *non-gas,* rate blocks of Rate Schedule LGS as the Company asserts. Customers whose transportation volumes would otherwise be billed in a given billing cycle under the second and subsequent rate blocks of transportation rate schedules TS-1/TS-2, pay more for such excess volumes gas purchases under the Company's interpretation of its tariff, and less under the Staff's.

As summarized in the Hearing Examiner's Report in this matter,[2] on August 3, 2000, Staff filed a Motion Requesting Issuance of a Rule to Show Cause ("Motion") requiring the Company to show cause why it should not be found in violation of Virginia Code §§ 56-234, 56-236, and 56-237, for failure to comply with its filed tariffs. In its Motion, Staff sought to enjoin Columbia Gas from continuing to disregard its filed tariffs and sought appropriate penalties.

On August 10, 2000, the Commission issued its Rule to Show Cause why Columbia Gas should not be found in violation of Virginia Code §§ 56-234, 56-236, and 56-237 for failing to comply with its filed tariffs and why, because of the Company's failure to cease such violations, the Commission should not impose fines and penalties and enjoin Columbia Gas from further violations. In its order, the Commission directed Columbia Gas to file a responsive pleading on or before August 29, 2000. Further, the Commission directed Columbia Gas and Staff to file on or before August 29, 2000, a joint stipulation of material facts relating to this matter. Finally, the Commission directed Columbia Gas to furnish notice of this proceeding; set September 15, 2000, as the deadline for Staff and Columbia Gas to submit legal briefs; and assigned this matter to a Hearing Examiner.

On August 29, 2000, Columbia Gas filed its Response to Rule to Show Cause and Motion to Dismiss ("Response and Motion"). Columbia Gas contended that it had not overcharged transportation customers and that it billed such customers according to the terms, conditions, and intent of its tariff. Therefore, Columbia Gas argued that the Rule to Show Cause should be dismissed.

Also, on August 29, 2000, Staff and Columbia Gas filed a joint stipulation of facts ("Joint Stipulation"). This document lists ten undisputed material facts and three disputed issues of fact.

On September 22, 2000, Staff and Columbia Gas filed briefs supporting their positions. On November 9, 2000, a Hearing Examiner's Ruling scheduled a public hearing and established a procedural schedule for the filing of testimony and exhibits.

On January 19, 2001, a hearing was convened. Representing Columbia Gas were Kodwo Ghartey-Tagoe, Esquire, and James Copenhaver, Esquire. Arlen K. Bolstad, Esquire, and William H. Chambliss, Esquire, represented the Staff. The Staff presented the testimony of John Stevens, utilities engineer with the Commission's Division of Energy Regulation, who adopted his prefiled direct and rebuttal testimonies at the hearing. The Company presented two witnesses: Mark P. Balmert, business services manager of regulatory compliance for Columbia Gas and Columbia Gas of Ohio, Inc., and Robert E. Horner, manager of regulatory policy for Columbia Gas. The Company's witnesses adopted their pre-filed testimony at the hearing. At the conclusion of the hearing, the parties were afforded an opportunity to file post-hearing briefs. The Company and Staff filed post-hearing briefs on February 16, 2001. Thereafter, the Hearing Examiner's report concerning this matter was filed on March 23, 2001. The Company, by its counsel, filed comments and exceptions to the Report on April 16, 2001.

This case began with Staff's investigation of a complaint filed by Old Virginia Brick Company, Inc. ("Old Virginia Brick") against Columbia Gas. Old Virginia Brick purchases two distinct services from the Company. First, Old Virginia Brick purchases gas transportation service from Columbia Gas under Rate Schedule TS-1/TS-2.[3] As shown below, Rate Schedule TS-1/TS-2 comprises four "declining" rate blocks in which transportation charges (calculated on the basis of gas volumes delivered to the customer) decline as gas volumes transported to the customer increase. These volumetric rate blocks

[1] Transportation services offered by the Company permit gas transportation customers to purchase gas from someone other than the distribution company (e.g., Columbia Gas), have the gas delivered to the distribution company, and then have the distribution company deliver the gas to the customer's facilities. Distribution companies offering transportation service must plan for the likelihood that the volumes of gas delivered by customers will vary from the volumes of gas utilized at the customers' facilities. As described in the Company's tariff, banking and balancing services are designed to account for such differences in volumes. Consequently, the Company's tariff contains two provisions concerning the sales of gas to transportation customers. The first provision pertains to transportation customers purchasing banking and balancing services, and is the provision at the heart of this case. The second provision is for transportation customers not subscribing to banking and balancing services.

[2] Commonwealth of Virginia, ex rel., State Corporation Commission v. Columbia Gas of Virginia, Inc., Case No. PUE000388, Report of Alexander F. Skirpan, Jr., Hearing Examiner, dated March 25, 2001.

[3] Joint Stipulation at ¶ A. 2.

are the basis on which transportation customers are charged for gas transportation services (not for the gas commodity itself). These TS-1/TS-2 transportation rate blocks are as follows:

First 1,000 MCF	$0.8866 per MCF
Next 4,000 MCF	$0.5082 per MCF
Next 15,000 MCF	$0.2511 per MCF
Over 20,000 MCF	$0.1741 per MCF[4]

It bears emphasizing that these rate blocks are identical to the base, *non-gas* volumetric charges of the Large General Service ("LGS") rate schedules for firm, standby, interruptible, and curtailable options.[5] The LGS rate schedule is *not* a transportation schedule, however. Rate Schedule LGS is made expressly applicable only to those transactions in which the Company is selling the gas commodity to customers on a firm, standby, interruptible, or curtailable basis. Moreover, as will be discussed in greater detail below, the LGS rate schedule contains no express language making its provisions applicable to "excess volumes" under Rate Schedules TS-1/TS-2.

A second, ancillary service to which Old Virginia Brick as a transportation customer subscribes is the banking and balancing service offered by Columbia Gas pursuant to the tariff (TS-1/TS-2).[6] This service permits Company transportation customers to purchase gas (i.e., the commodity itself as contrasted with transportation services for that gas) from Columbia Gas when these customers use more gas than they have had transported to the Company's system within a given billing cycle, and the customers have no "banked" volumes to credit against that deficiency.[7] These gas purchases are referred to in the tariff as "excess volumes."

When Columbia Gas sells excess volumes to transportation customers taking banking and balancing services, it first bills these customers for the actual gas commodity at the average daily city gate price for the month published in *Gas Daily*, all as explicitly provided in the Company's transportation rate schedule TS-1/TS-2.[8] With respect to billing for the *transportation* of such gas, Columbia's current practice is to apply the interruptible base *non-gas* rate blocks of Rate Schedule LGS to such purchases. Although (as pointed out above) the volumetric rate blocks of Rate Schedules TS-1/TS-2 and LGS are identical, by billing the excess volumes separately under Rate Schedule LGS, excess volumes are effectively billed under the first (and most expensive) rate block under either schedule. This billing practice increases the bills of transportation customers whose total transportation volumes would otherwise be billed under the second or subsequent declining rate blocks of Rate Schedule TS-1/TS-2.

Old Virginia Brick's bill for February 2000 illustrates this billing increase.[9] During that month, the sum of routine transportation volumes plus excess volumes of gas transported to Old Virginia Brick would have placed the excess volumes in the third rate block of Rate Schedule TS-1/TS-2.[10] However, Columbia Gas separated the two volumes when it calculated its bill to Old Virginia Brick, billing the excess volumes under the first rate block of Rate Schedule LGS.[11] This difference in methodology increased the bill for Old Virginia Brick for February 2000, by $874.35 over what Old Virginia Brick would have been charged had transportation of these excess volumes been billed under the third rate block of Rate Schedule TS-1/TS-2.[12] Moreover, Columbia Gas included an additional administrative charge of $121.72, also calculated on the basis of Rate Schedule LGS—a charge the Staff has challenged as well.

Following its investigation of the complaint filed by Old Virginia Brick, Staff concluded that the Company's billing practices described above violate its tariff and that Columbia Gas should refund excess amounts billed to customers.[13] Columbia Gas has refused to discontinue its billing practices in this regard and has not agreed to make any refunds.[14]

As noted by the Hearing Examiner, Columbia Gas and Staff stipulated that the Company's billing practice described above reflects the billing determinants, rate design, and revenue requirements in Case Nos. PUE970455 and PUE980287 ("1997 and 1998 Rate Cases")[15] The parties also agreed that if the billing determinants utilized in the 1997 and 1998 Rate Cases had been consistent with Staff's tariff interpretation in this case, then the actual rates

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[4] Exhibit REH-5, at Appendix B.

[5] *Id.*

[6] Joint Stipulation at ¶ A. 3.

[7] *Id.*

[8] *Id.* at ¶ A. 4.

[9] JAS-1, Attachment I.

[10] Joint Stipulation at ¶ A. 5.

[11] *Id.*

[12] *Id.*

[13] *Id.* at ¶ A. 7.

[14] *Id.*

[15] *Id.* at ¶ A. 8.

would have been higher than those approved by the Commission.[16] Consequently, Staff's tariff interpretation would result in lower revenues for Columbia Gas.[17]

On this point, Staff witness Stevens emphasizes that Columbia Gas explicitly eliminated references to Rate Schedule LGS in its banking and balancing service tariff in conjunction with the 1997 and 1998 rate cases, while making no corresponding changes in its billing determinants.[18] The Company has, however, continued to apply Rate Schedule LGS to excess gas volumes purchased by banking and balancing customers—as if this tariff change had not occurred.[19] Mr. Stevens posits that the Company did so to recover the revenues it would have otherwise lost due to its apparent failure to adjust rates to reflect the tariff language change.[20]

Mr. Stevens also pointed to the Company's own explanation of this tariff change, an explanation given in direct testimony filed by the Company in its 1997 Rate Case. In that case, the Company offered the testimony of Robert E. Horner (Columbia's Manager of Regulatory Relations who also appeared as a witness in the instant case). Explaining the tariff change in the banking and balancing provisions of Rate Schedule TS-1/TS-2, Mr. Horner testified that banking and balancing customers taking excess volumes would be charged for the gas commodity itself plus the "*normally applicable TS-1 or TS-2 rate.*"[21]

Finally, Mr. Stevens maintained that Staff's application of the Company's tariff permitted Columbia Gas the opportunity to recover its costs and did not interfere with the appropriate price signals of the cost of gas.[22] In his pre-filed rebuttal testimony, Mr. Stevens reiterated that it was the Company's responsibility to ensure that its billing determinants reflected the tariff change in the 1997 Rate Case.[23] Failure to have done so should not excuse the Company's failure to follow its tariff, he said.[24]

On December 11, 2000, Columbia Gas filed the testimony of two witnesses. Mark P. Balmert, business services manager of regulatory compliance for Columbia Gas and Columbia Gas of Ohio, Inc., explained the workpapers supporting the billing determinants supplied to Staff by the Company in the 1997 and 1998 Rate Cases.[25] Also, Mr. Balmert asserted that the tariff change adopted in the 1997 Rate Case was not intended to change its rate design.[26] Robert E. Horner, manager of regulatory policy for Columbia Gas, claimed that the Company has not violated the terms and conditions of its tariff.[27] In this regard, Mr. Horner stated that because the excess volumes provision is a "sales" service, the Company is correct to apply the terms and conditions of Schedule LGS.[28] Furthermore, Mr. Horner declared that the Company's billing methodology avoids discrimination against interruptible and standby service customers and is consistent with the rationale underlying the tariff change approved in the 1997 Rate Case.[29]

Hearing Examiner Skirpan found in his report that the pertinent language of the Company's tariff concerning excess volumes is unambiguous. He concluded that the banking and balancing provision within Rate Schedule TS-1/TS-2 sets the commodity and transportation prices for these gas volumes; it does not incorporate the rates, terms, or conditions of Rate Schedule LGS. Moreover, he concluded that Rate Schedule LGS contains language that prohibits its use as a default interruptible backup service (which is precisely how Columbia Gas attempts to use it, in his view). Thus, Hearing Examiner Skirpan found that that Columbia Gas had failed to follow its tariff.

Mr. Skirpan also concluded that extrinsic evidence offered by the Company tends to support its claims that the Company's billing practices at issue in this case are not inconsistent with revenue requirements and rate design in the Company's 1997 and 1998 Rate Cases. Consequently, he recommended that Columbia Gas not be subject to any fines or penalties. However, he agreed with Staff that refunds are appropriate in this case.

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[16] *Id.* at ¶ A. 10.

[17] *Id.*

[18] Exhibit JAS-1 at 5-7.

[19] *Id.* at 6-7.

[20] *Id.*

[21] *Id.* at 10. Mr. Horner's direct testimony in the Company's 1997 rate case concerning Sheet 162 (the tariff provision at the center of this case), was that "[C]ommonwealth proposes to charge transportation customers that under-tender gas volumes the normally applicable TS-1 or TS-2 [rate] plus the average city gate price for deliveries to mid-Atlantic city gates via Columbia Gas Transmission Corporation as published in Gas Daily for the month." (This excerpt from Mr. Horner 1997 testimony is part of Attachment VII appended to Exhibit JAS-1).

[22] *Id.* at 11.

[23] Exhibit JAS-6 at 2.

[24] *Id.* at 2-3.

[25] Exhibit MPB-4, at 2-7.

[26] *Id.* at 7-8.

[27] Exhibit REH-5, at 4-5.

[28] *Id.* at 6-7.

[29] *Id.* at 8-15.

In summary, Hearing Examiner Skirpan recommended that the Commission: (i) adopt the findings and recommendations contained in his Report; (ii) direct the Company to conform its billing practices to its authorized tariff and refund any amounts collected in error; and (iii) dismiss this case from the Commission's docket of active cases and pass the papers herein to the file for ended causes.

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 the findings and recommendations set forth in the Hearing Examiner's Report.

In the case before us, Staff argues that Company's tariff concerning these excess volumes is unambiguous and does not permit Columbia Gas to add additional administrative costs or treat these excess volumes transported to the Company's transportation customers as sales subject to the separate and independent application of Rate Schedule LGS.[30] Moreover, Staff maintains that if the Commission finds the tariff ambiguous, then the ambiguity must be resolved against Columbia Gas.[31] In support of this contention, Staff cites *Smokeless Fuel Company v. The Chesapeake and Ohio Railway Company*[32] in which the Virginia Supreme Court held:

> [I]t is well settled and may be freely conceded that tariffs are to be construed according to their language, and that the intention of the framers is entitled to little, if any, consideration. Furthermore, in cases of doubt, the language of the tariff is to be construed most strongly against those who frame it.[33]

Columbia Gas, on the other hand, maintains that its billing methodology for purchases of excess volumes by TS-1/TS-2 customers complies with its filed tariffs and therefore does not violate §§ 56-234, 56-236, and 56-237.[34] Columbia Gas states that all parties agree that the excess volumes provision of its tariff is "somewhat ambiguous."[35] Thus, Columbia Gas urges the Commission to apply the rule of reason in its interpretation.[36] In support, the Company argues that because the banking and balancing provision permits the "purchase of excess volumes" and Rate Schedule TS-1/TS-2 applies only to transportation and delivery services, "the tariff . . . implies that customers must look to one of the Company's sales tariffs for the pricing of [such] purchases."[37] Further, Columbia Gas asks the Commission to apply the rule of reason in its interpretation because "a literal reading of the tariff would permit customers purchasing excess volumes from the Company under that provision to pay a below cost rate for their gas . . . ."[38] Finally, Columbia Gas submits that the excess volumes provision is "ambiguous because the evidence in this case shows that at the time the tariff was filed in 1997, neither the Commission nor [the Company] intended that the language would absolve Banking and Balancing Service customers purchasing Excess Volumes from paying the non-gas components of [the Company's] interruptible sales service."[39] The Company's comments and exceptions to the Hearing Examiner's Report[40] are consistent with the positions it took in its post-hearing brief summarized above.

In our view, the Company's analysis of the issues introduces far more complexity than warranted. Under the Company's billing method, purchases of excess volumes for the Company's transportation customers are currently being billed separately from gas transportation services.[41] For purchases of excess volumes, Columbia Gas applies the average monthly city gate price of gas, which specifically is provided for by its tariff. In addition, for purchases of excess volumes, the Company applies the interruptible non-gas components set forth in Rate Schedule LGS.[42] Columbia Gas claims that it must look to Rate Schedule LGS to determine customer charges for the non-gas components of excess volumes because Rate Schedule TS-1/TS-2 covers only the transportation and delivery of gas and does not establish terms and conditions for the sale of gas.[43]

As emphasized by Hearing Examiner Skirpan, Columbia Gas cannot claim that Rate Schedule TS-1/TS-2 is void of any terms and conditions for the sale of gas. At a minimum, the banking and balancing provisions of this rate schedule set the commodity price of gas. That is, Rate Schedule TS-1/TS-2 explicitly sets the commodity (or gas) price of excess volumes sold to transportation customers at "the average city gate price for deliveries to mid-Atlantic city gates via Columbia Gas Transmission Corporation as published in *Gas Daily* for the month."[44] Moreover, as highlighted by Columbia Gas during the

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[30] Staff's Post-Hearing Brief at 3-4.

[31] *Id.* at 5-7.

[32] 142 Va. 355 (1925).

[33] *Id.* at 371.

[34] Company's Post-Hearing Brief at 4-6.

[35] *Id.* at 6.

[36] *Id.* at 6-10.

[37] *Id.* at 7.

[38] *Id.*

[39] *Id.* at 8.

[40] Comment and Exceptions of Columbia Gas of Virginia, Inc., filed in PUE000388, dated April 16, 2001.

[41] Exhibit REH-5, at 3, Appendix D.

[42] *Id.*

[43] *Id.* at 6.

[44] *Id.* at Appendix A, Original Sheet No. 162.

hearing, Rate Schedule TS-1/TS-2 also includes a "catch-all" provision that permits the Company to bill customers for gross receipts taxes.[45] However, the issue remains, does the Company's tariff indicate whether Rate Schedule LGS is applicable, in any way, to the sale of excess volumes made pursuant to the banking and balancing provision of Rate Schedule TS-1/TS-2? Put another way, may this Commission look outside the provisions of the banking and balancing service tariff language in Rate Schedule TS-1/TS-2 to determine what a customer taking such service must pay the company for excess volume gas purchases?

In his detailed analysis, the Hearing Examiner does note that Rate Schedule TS-1/TS-2 makes reference to Rate Schedule LGS in language addressing the obligations of transportation customers purchasing excess volumes who *do not* subscribe to banking and balancing services. As per the tariff, these Customers "will purchase such excess volumes from Company, if available, at the Company's LGS interruptible sales rate unadjusted for the ACA. . . ."[46] In contrast, the banking and balancing service tariff provision of TS-1/TS-2 states that customers *who do subscribe to banking and balancing* service "may purchase excess volumes, if available, from the Company at the average city gate price for deliveries to mid-Atlantic city gates via Columbia Gas Transmission Corporation as published in *Gas Daily* for the month."[47]

Two additional references are made to Rate Schedule LGS in Rate Schedule TS-1/TS-2 as noted by the Hearing Examiner. Neither provision, however, has any connection to billing banking and balancing service customers for excess volumes.[48]

We agree with the Hearing Examiner that a literal reading of the banking and balancing provision at issue in this case fails to reference Rate Schedule LGS. Moreover, implicit incorporation of the non-gas components of Rate Schedule LGS into the terms and conditions of such sales is unlikely given the tariff's specific reference to Rate Schedule LGS in the provision addressing the excess volumes obligations of transportation customers that *do not* take banking and balancing services.

As Mr. Skirpan emphasizes, rather than confronting the actual words of its tariff, Columbia Gas attempts to make the case that its tariff is ambiguous. In this regard, the Company's witness, Mr. Horner, offered two alternate theories of ambiguity. The first is that Rate Schedule TS-1/TS-2 does not establish terms and conditions for the sale of gas. Under that theory, the Company declares that we must look outside Rate Schedule TS-1/TS-2 for those terms and conditions, and thus, it directs us to Rate Schedule LGS for that information, despite the fact that this rate schedule contains no language making it applicable to Rate Schedule TS-1/TS-2.

The Company's second argument for ambiguity centers on the Company's past practices. Prior to the tariff change in the 1997 Rate Case, the provision for the purchase of excess volumes by banking and balancing customers contained an explicit reference to Rate Schedule LGS. That is, prior to the change in language, the banking and balancing provision at issue in this case also permitted customers to "purchase excess volumes, if available, from the Company at the Company's LGS Interruptible sales rate, unadjusted for the ACA."[49] Thus, the Company's current billing practices appear to comply with past practices under its prior tariff. But, such past practices do not create or prove "ambiguity" in the current tariff from which the referent language has been excised. Put simply, past practices and other extrinsic evidence should be used to resolve, and not create, ambiguity.[50]

With regard to the Company's argument that Rate Schedule TS-1/TS-2 is not available for excess volumes sales service, i.e., that this tariff language does not establish terms and conditions for the sale of gas, we note that both Rate Schedule TS-1/TS-2 and Rate Schedule LGS contain sections devoted to the availability and character of service. Rate Schedule TS-1/TS-2 contains the following provision regarding the availability and character of service:

> a. Gas service under this Rate Schedule is available to any nonresidential Customer located on the Company's distribution system for the transportation and delivery of gas through the Company's distribution facilities; . . . .[51]

Columbia Gas argues that "for the transportation and delivery of gas through the Company's distribution facilities" limits the applicability of Rate Schedule TS-1/TS-2 to exclude terms and conditions for the sale of gas.[52] Consequently, Company witness Horner testified that the banking and balancing provision of Rate Schedule TS-1/TS-2 was ambiguous because it referred to the "purchase [of] excess volumes" without referring to a specific sales rate schedule.[53]

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[45] *Id.* at Appendix A, Original Sheet No. 165; Stevens, Tr. at 44; Company's Post-Hearing Brief at 12.

[46] *Id.* at Appendix A, Original Sheet No. 162.

[47] *Id.*

[48] As noted by the Hearing Examiner, the second specific reference to Rate Schedule LGS contained in Rate Schedule TS-1/TS-2 is in the tariff's rate section. This provision only establishes that Rate Schedules TS-1/TS-2 are used in conjunction with service provided under Schedule LGS. The third specific reference to Rate Schedule LGS within the TS-1/TS-2 Rate Schedules concerns back-up service and provides the Company is under no obligation to deliver gas on any day in excess of the Customer-owned volumes physically delivered into the Company's distribution facilities unless a Customer has contracted with the Company for LGS Firm/Standby sales service.[48] As noted by the Hearing Examiner, this third provision indicates that Columbia Gas has no obligation to provide excess gas. It does not address how such sales are billed.

[49] Exhibit JAS-3.

[50] *See, e.g., Burns v. Eby & Walker, Inc.*, 226 Va. 218 (1983).

[51] Exhibit REH-5 at Appendix A, Original Sheet No. 160.

[52] Company's Post-Hearing Brief at 13.

[53] Horner, Tr. at 103-05.

Based on the record, we find the language stating that Rate Schedule TS-1/TS-2 "is available . . . for the transportation and delivery of gas" does not exclude terms and conditions related to the sale of gas, especially for sales made as a by-product of transportation service. Therefore, the tariff provisions at issue, which provisions state that transportation customers may purchase excess volumes from the Company at "the average city gate price for deliveries to mid-Atlantic city gates via Columbia Gas Transmission Corporation as published in *Gas Daily* for the month,"[54] also direct us to the total charge to be applied.

We also note that the service terms and conditions of Rate Schedule LGS state:

> d. Interruptible and Curtailable Service under this Rate Schedule shall not be available as a standby or back up gas supply for service under any other Rate Schedule of this Tariff;[55]

During the hearing, Mr. Horner was asked if this provision prohibited banking and balancing customers from utilizing Rate Schedule LGS. Mr. Horner's response was as follows:

> Well, I would interpret it to not - - in the case of a balancing service prohibit you from going back to this rate schedule for the rates themselves. I think what it's intended to do is to have a customer that didn't subscribe to banking and balancing . . . from utilizing LGS interruptible service, inclusive of ACAs and refunds, *et cetera*, as their means to supply their facilities when they couldn't get gas or otherwise.[56]

Thus, Mr. Horner acknowledged that the tariff language prohibiting Rate Schedule LGS's use for standby or back up gas supply is applicable to transportation customers served under Rate Schedule TS-1/TS-2. He sought, however, to limit that prohibition's applicability to transportation customers that do not subscribe to banking and balancing services. As discussed above, however, Rate Schedule TS-1/TS-2 explicitly states that customers *not* taking banking and balancing services will be charged "the Company's LGS interruptible sales rate unadjusted for the ACA" for purchases of excess volumes. Thus, the TS-1/TS-2 tariff language provides an explicit exception to the prohibition within Rate Schedule LGS; the exception does not apply to customers who subscribe to banking and balancing services.

We find no ambiguity in the tariffs with respect to the issues we have before us. The banking and balancing provision itself within Rate Schedule TS-1/TS-2 sets the total charge to be applied for the sale of such gas; it does not incorporate the rates, terms, or conditions of Rate Schedule LGS. We agree with Hearing Examiner Skirpan that the Company has failed to follow its tariff in its application of the interruptible *non-gas* rate blocks of Rate Schedule LGS to excess volumes sold under the provisions of the Company's banking and balancing service.

We do find that gross receipts taxes are applicable to the sales of excess volumes to transportation customers receiving banking and balancing services under the Company's tariff provisions in Original Sheet 165, No. 12.[57] To the extent that the Company has omitted to obtain payment from its transportation customers for any such taxes otherwise due under this tariff language, its tariff would, however, limit its ability to collect such taxes to the twelve month period immediately preceding any billing statement allegedly in error.[58]

On the other hand, and consistent with our findings above, we find that the Company was not authorized under its tariff to assess administrative charges on the sales of excess volumes under the interruptible, *non-gas* provisions of Rate Schedule LGS. Such charges are not authorized under the Company's transportation rate schedules (TS-1/TS-2) and, as we conclude above, Rate Schedule LGS has no applicability to such sales.

With respect to refunds, we will direct the Company to make refunds on overcharges resulting from the application of the interruptible *non-gas* rate blocks of Rate Schedule LGS to the sales of excess volumes to banking and balancing services customers. The Company's obligation to make such refunds shall be calculated with reference to excess volumes purchased by the Company's banking and balancing service customers on and after October 13, 1998, the effective date of the Company's current transportation Rate Schedules TS-1/TS-2.[59]

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[54] Exhibit REH-5, at Appendix A, Original Sheet No. 162.

[55] Exhibit REH-5, at Appendix B, Original Sheet No. 151.

[56] Horner, Tr. at 110-11.

[57] Original Sheet 165 (No. 12) of the Company's tariff, provides that bills rendered under that rate schedule are subject to "any effective tax based upon revenue receipts levied by governing bodies". Consequently, there is basis in the Company's tariff for the imposition of gross receipts tax independent of Rate Schedule LGS, and thus such taxes are appropriately assessed on excess volumes sales to banking and balancing customers under the provisions in Original Sheet 165 of the Company's filed tariff. On that issue, the Hearing Examiner indicated on page 14 of his report, his agreement with Staff's interpretation of the Company's tariff "with the exception of Staff's failure to include gross receipts tax." However, the exception may have resulted from a possible misunderstanding of the Staff's position on that issue, clarified in Mr. Stevens' testimony (Tr. at 44-45) indicating that gross receipts taxes are encompassed within Original Sheet 165 (No. 12) of the Company's tariff.

[58] Original Sheet No. 367 (in Number 7.4 "Adjustment of Billing Errors") provides that in the case of customer undercharges and overcharges, any claim for billing adjustment must be made within twelve months of the date of the billing statement allegedly in error.

[59] The Company's counsel suggested at the hearing in his cross examination of Staff witness, John Stevens, that the Company's tariff contains language "that limits refunds in the event of a mistake and such, to one year..." (Tr. 64-65). Additionally, in the Company's comments and exceptions to the Hearing Examiner's Report, the Company asserts that "[P]ursuant to CGV's tariff, Original Sheet No. 367, refunds in the event of a mistake are limited to twelve months." (Comments and Exceptions of Columbia Gas of Virginia, Inc, dated April 16, 2001, pg. 18). Our review of the Company's tariff reveals no provision so limiting the Company's obligation to makes refunds in this matter. Specifically, Original Sheet No. 367 (in Number 7.4 "Adjustment of Billing Errors") provides only that in the case of customer undercharges and overcharges, any claim for billing adjustment must be made within twelve months of the date of the billing statement allegedly in error. Such language places no limitation on the Commission's authority to grant refunds where the Company has violated its tariff.

Accordingly, IT IS ORDERED THAT:

(1) The recommendations set forth in the Hearing Examiner's March 23, 2001 report are hereby adopted;

(2) The Company shall conform its billing practices to its authorized tariff as specified herein.

(3) The Company shall refund any and all amounts collected in violation of its tariff as set forth in this Order; specifically, the overcharges resulting from the application of the interruptible *non-gas* rate blocks of Rate Schedule LGS to the sales of excess volumes to banking and balancing services customers. The Company's obligation to make such refunds shall be calculated with reference to excess volumes purchased by the Company's banking and balancing service customers on and after October 13, 1998, the effective date of its current transportation Rate Schedules TS-1/TS-2.

(4) The papers herein are passed to the file for ended causes.

CASE NO. PUE000388
SEPTEMBER 26, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION.
v.
COLUMBIA GAS OF VIRGINIA, INC.

ORDER GRANTING PETITION FOR RECONSIDERATION AND SUSPENDING FINAL ORDER

On September 20, 2001, Columbia Gas of Virginia, Inc. ("Columbia" or "the Company"), filed with the State Corporation Commission ("Commission") a petition for reconsideration of the Commission's Final Order of September 5, 2001.

Pursuant to Rule 5 VAC 5-20-220 of the Commission's Rules of Practice and Procedure, the Commission has determined that Columbia's Petition for Reconsideration should be granted in order to allow the Commission to retain jurisdiction over this matter while the issues raised by the Company are reviewed.[1] We find that such action is appropriate in this instance for the Commission to have sufficient time to consider both the substance of the petition and further procedural matters.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) The September 20, 2001, petition of Columbia Gas of Virginia, Inc. for reconsideration of the September 5, 2001, Final Order in this matter is hereby granted.

(2) Pending the Commission's reconsideration, the Final Order of September 5, 2001, is suspended and this matter is continued until further order of the Commission.

[1] The suspension of the Final Order will extend the time for taking any appeal of the Final Order.

CASE NO. PUE000388
DECEMBER 5, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION.
v.
COLUMBIA GAS OF VIRGINIA, INC.

ORDER ON RECONSIDERATION

On September 20, 2001, Columbia Gas of Virginia, Inc. ("Columbia" or "the Company"), filed with the State Corporation Commission ("Commission") a Petition for Reconsideration of the Commission's Final Order of September 5, 2001.

Pursuant to Rule 5 VAC 5-20-220 of the Commission's Rules of Practice and Procedure, the Commission determined that Columbia's Petition for Reconsideration should be granted in order to allow the Commission to retain jurisdiction over this matter while the issues raised by the Company were reviewed. Accordingly, an Order granting the Company's petition was entered on September 26, 2001, providing, *inter alia,* that the provisions of our September 5, 2001, Order would be suspended pending the resolution of the Petition for Reconsideration.

Thereafter, on October 2, 2001, the Commission issued an Order Establishing Procedures on Reconsideration ("the October 2 Order") in which the Commission Staff was directed to file, on or before October 26, 2001, a response to the Company's petition for reconsideration, addressing the issues raised and developed therein. The October 2 Order also permitted the Company to file any rebuttal it deemed appropriate not later than November 9, 2001. Finally, the October 2 Order directed that pending the Commission's reconsideration of this matter, the Commission's Final Order of September 5, 2001, would continue to be suspended, and this matter was continued until further order of the Commission.

The Commission has reviewed the Company's September 20, 2001 Petition for Reconsideration, the Commission Staff's October 26, 2001 Response thereto, and the Company's November 9, 2001 Reply. In so doing, and as discussed below, the Commission has determined that the relief requested by the Company in its Petition for Reconsideration should be denied.

The primary issue raised by the Company's Petition for Reconsideration was whether the Commission's authority to order refunds in this matter, is limited to a twelve-month period pursuant to the provisions of Section 7.4 of the Company's tariff on file with the Commission. This tariff language addresses the resolution of billing errors by and between the Company and its customers. As discussed below, this tariff language does not limit or obviate the statutory obligation of this Commission to enforce, without limitation, the terms of the Company's tariff.

By way of background, we note that the central issue presented by this case, and addressed in our September 5, 2001, Order, was whether a billing practice the Company applied to an entire group of its transportation customers violated the Company's tariff. We held that the practice at issue violated the Company's tariff, a determination that the Company has not presented for reconsideration in its petition before us.

With respect to the collateral issue raised by the petition (whether Section 7.4 limits this Commission's authority vis-à-vis refund relief), the record in this proceeding is devoid of any suggestion that the Company's application of the interruptible non-gas rate blocks of Rate Schedule LGS to excess volumes sold to the Company's banking and balancing service customers was the result of error. Indeed, the evidence is to the contrary.[1]

Further, we do not agree that tariff violations resulting from "incorrect interpretations" of regulated utilities' tariffs can and should be categorized or treated as "billing errors" within the aegis of Section 7.4's twelve-month liability limitation, as the Company invites us to do in its Petition for Reconsideration.[2] To do so, in our view, would suggest that this Commission's regulatory oversight with respect to Company overcharges, in this context, is invoked solely by the actions of the Company's customers pressing the Company for refunds.[3] Of course, such a construction would collide with this Commission's overarching, regulatory duties imposed by the Virginia State Constitution and Virginia statutory law charging the Commission with the duty of regulating the *rates, terms and charges* of the Commonwealth's public service companies.[4]

We agree with the Commission Staff that § 56-234 of Code of Virginia requires a different result, namely, that the Company has an *unconditional* obligation under § 56-234 to refund charges that violate its filed tariff.[5] Put simply, each and every provision of the Company's tariff (including Section 7.4) must be read in the light of that General Assembly mandate. This Commission has a concomitant obligation to enforce that statutory requirement, and it is in the enforcement thereof, that we hereby deny the relief sought by the Company in its Petition for Reconsideration to limit its refund obligation to the twelve-month period immediately preceding Old Virginia Brick's complaint to the Commission Staff on March 24, 2000.[6]

To put a finer (and final) point on the main issue raised in the Company's Petition for Reconsideration, it is long-settled Virginia law that tariffs are to construed most strongly against those who frame them.[7] Moreover, and as the Virginia Supreme Court has emphatically stated, when "the language of a tariff is fairly susceptible of a reasonably plain meaning, that construction should be put upon it. *It is not the part of the judicial expositor to inquire whether or not, by strained or forced interpretation of separate words or paragraphs considered disconnectedly, some other construction might be possible.*"[8] (emphasis added).

The reasonably plain meaning of Section 7.4 is manifest in its heading ("Adjustment of Billing Errors"); within its scope (customer "undercharge[s]" and "overcharge[s]"); and within its express applicability to the "parties" (i.e., the Company and its customers) efforts to "agree on the adjustment of any claimed error." Only a "forced or strained construction" would seek to wring from that plain and unambiguous language, limitations on the Commission's authority to order refunds in the event of Company tariff violations, and we decline to do so here. It is also abundantly clear that any such strained construction would still be subordinate to the provisions of Virginia Code § 56-234 which ultimately guides and directs our decision in this case.

Finally, we note the discussion in the Company's petition and its Reply generated by our September 5, 2001, Order's comments with respect to the Company's potential application of Section 7.4 to the collection of gross receipts taxes.[9] The Staff in its October 26, 2001 Response correctly notes that

[1] As pointed out in the Staff's October 26, 2001 Response to the Company's Petition, the Company's principal witness, Robert E. Horner, stated that the Company was correct in its application of Rate Schedule LGS in this fashion. (See, Staff's Response pg. 3).

[2] Company's September 20, 2001, Petition for Reconsideration, pg. 5.

[3] The Company argues that Section 7.4 of its tariff imposes a legal, contractual obligation on Old Virginia Brick (the complaining customer in this case) and all other customers similarly situated, i.e., transportation customers under Rates Schedule TS1/TS2 receiving banking and balancing services. Thus, according to the company, "it [Old Virginia Brick] should not have expected to receive compensation for billing errors more than twelve months prior to March 24, 2000 [the date Old Virginia Brick complained to the Commission Staff about the billing practices that were the subject of this litigation]." See, Company Reply, pp. 3-4.

[4] *See*, Constitution of Virginia, Art. IX, § 1, and § 12.1-12 of the Code of Virginia.

[5] See also, *Chesapeake and Potomac Telephone Co. of Va. v. Bles*, 218 Va. 1010 (1978).

[6] The request for relief does not square with the language in Section 7.4, in any event, because the twelve-month "look back" period is triggered by a claim of billing error by the Company's customers to the Company, or *vice-verse*—not by a customer complaint to this Commission. This is corroborated by the last sentence of Section 7.4 that begins "[I]f the *parties* are unable to agree on the adjustment of any *claimed error....*" (emphasis added). The irrelevance of Section 7.4 insofar as making the Commission a player in billing error adjustments or, by extension, imposing limitations on the Commission's authority to craft appropriate remedies for tariff violations, is thus made clear.

[7] *Smokeless Fuel Company v. The Chesapeake and Ohio Railway Company*, 142 Va. 355, 371 (1925)

[8] *Id*, at 371.

[9] Commission's Final Order of September 5, 2001, pg. 17 and footnote 57.

our observations were *dictum*;[10] the Company introduced no evidence into the record with respect to its collection or non-collection of gross receipts taxes from transportation customers taking excess volumes under the banking and balancing provisions of the Company's TS1/TS2 tariff.

However, the Company in its Reply evidently misunderstood our comments concerning the gross receipts tax issue when it characterized them as "*holding* that the Company may collect any gross receipts taxes it failed to collect under rate Schedule TS1/TS2."[11] (emphasis added) To restate what we said in our September 5, 2001, Order, the Company's tariff (Original Sheet 165, No. 12) permits the Company to obtain payment for gross receipts taxes from its transportation customers receiving banking and balancing services. That is the plain language of the Company's tariff.

In sum, whether the Company has, or has not, collected gross receipts taxes from its transportation customers receiving banking and balancing services, *as a matter of fact,* is not part of the record before us, and, therefore, is not, before the Commission in this proceeding.[12] While we noted, *in dictum,* as part of our September 5, 2001 Order that Section 7.4 of the Company's tariff would limit Company to collect these taxes if such failure to do so was associated with billing error,[13] that issue is not presently before us for adjudication. However, as the Staff notes in its October 26, 2001 Response to the Company's petition,[14] to the extent that the Company might seek to set off uncollected gross receipts taxes against its refund liabilities resulting from the Commission's orders in this case, the question may ripen into one requiring this Commission's review.

Finally, we will by way of this Order, clarify and modify the third Ordering Paragraph in our September 5, 2001, Order to provide that the refunds ordered therein shall be made subject to the payment of interest thereon, as provided below. Additionally, the Fourth Ordering Paragraph our September 5, 2001, Order will be modified to keep the docket in this case open, pending the Company's completion of its refund obligations under these Orders.

Accordingly, IT IS ORDERED THAT:

(1) The relief requested by the Company's in its Petition for Reconsideration in this matter is hereby denied, in all respects.

(2) The Commission's September 5, 2001 Order in this matter is reinstated in all respects, except as modified herein, and no part thereof is further suspended.

(3) The Third Ordering Paragraph of our September 5, 2001 Order in this matter is amended to provide that the Company shall make all refunds required pursuant to such paragraph forthwith, with interest. Interest upon the ordered refunds shall be computed from the date payment of any customer's monthly bill containing overcharges was due until the date refunds are made, at an average prime rate for each calendar quarter. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one-hundredth of one percent of the prime rate values published in the Federal Reserve Bulletin, or in the Federal Reserve's Selected Interest Rates ("Selected Interest Rates") (Statistical Releases H.15), for the three months of the preceding calendar quarters. The interest required to be paid herein shall be compounded quarterly.

(4) The refunds ordered pursuant to paragraph (3) above, and in the Third Ordering Paragraph of our September 5, 2001 Order in this matter, may be accomplished by credits to the appropriate customer accounts for current customers (each such refund category being shown separately on each customer's bill). Refunds to former customers shall be made by check to the last known address of such customers when the refund amount is $1 or more. The Company may retain refunds owed to former customers when such refund amount is less than $1; however, the Company shall prepare and maintain a list detailing each of the former accounts for which refunds are less than $1, and in the event such former customers contact the Company and request refunds, such refunds shall be made promptly. All unclaimed refunds shall be handled in accordance with § 55-210.6:2 of the Code of Virginia.

(5) Within 60 days from the date of this Order, 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 refunds and accounts charged. Such itemization of costs shall include (i) computer costs, and (ii) personnel hours, associated salaries and other costs related to verifying and correcting the Company's refund methodology and developing any computer programs required therefor.

(6) The Company shall bear all costs of the refunding directed in this Order and in our Order of September 5, 2001, concerning this matter.

(7) The Fourth Ordering Paragraph in our September 5, 2001 Order in this matter is hereby modified to provide that (i) the docket in this matter shall remain open, pending the Company's completion of its refunding obligations ordered by this Commission, and (ii) this matter is continued until further order of the Commission.

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[10] Commission Staff's Response dated October 26, 2001, pp. 4-5.

[11] Company Reply of November 9, 2001, pg. 8.

[12] The Company takes, in any event, the novel view that to the extent the Company may have failed to collect any such gross receipts taxes, such a failure would have been part and parcel of the same intentional act by which it was unintentionally misapplying its tariffs resulting in the overcharges subject of this proceeding. Thus, the Company argues, if the Commission believes that the twelve-month limitation of liability period of Section 7.4 applies to any erroneous failure to collect gross receipts taxes, then it must also apply that same twelve-month limitation to any other refunds ordered in this case. (See, Company Reply of November 9, 2001, pp. 7-8). We do not believe that one follows from the other

[13] The Order provides that "[T]o the extent that the Company has omitted to obtain payment from its transportation customers for [gross receipts] taxes otherwise due under this tariff language, its tariff would, however, limit its ability to collect such taxes to *the twelve month period immediately preceding any billing statement allegedly in error.*" (emphasis added) September 5, 2001, Order, pg. 17.

[14] Staff's October 26, 2001 Response, pg. 5, footnote 11.

CASE NO. PUE000399
JANUARY 10, 2001

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 January 19, 1999, Bison Inc. damaged a fifty pair telephone service line operated by GTE South Incorporated located at or near Sherbrook Circle, Dale City, Virginia, while excavating;

(2) On or about November 15, 1999, APAC-Virginia, Inc., damaged a two inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near the intersection of Courthouse Road and Hull Street Road, Midlothian, Virginia, while excavating;

(3) On or about December 23, 1999, Commercial Concrete, Inc., damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 12160 Abington Hall Place, #101, Reston, Virginia, while excavating;

(4) On or about January 11, 2000, R. B. Hinkle Construction, Inc., damaged a six inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near 2395 Glen Echo Road, Herndon, Virginia, while excavating;

(5) On or about February 23, 2000, Forty Myer Construction Corporation damaged a two hundred pair telephone service line operated by GTE South Incorporated located at or near Lorton, Virginia, while excavating;

(6) On or about February 29, 2000, Krauss Construction Company of Virginia, Inc. damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 512 Fishermans Bend, Virginia Beach, Virginia, while excavating;

(7) On or about March 29, 2000, Contracting Enterprises, Inc., damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 10185 Atlee Station Road, Hanover, Virginia, while excavating; and

(8) For the incidents described in paragraphs (1) through (7) herein, NOCUTS, Inc. ("the Company"), failed to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $6,450 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $6,450 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. PUE000407
OCTOBER 1, 2001

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For approval of special rates pursuant to Virginia Code § 56-235.2

ORDER GRANTING MOTION FOR LEAVE TO WITHDRAW APPLICATION

On July 28, 2000, Washington Gas Light Company ("Washington Gas or "Company") filed with the State Corporation Commission ("Commission") an application for approval of special rates pursuant to § 56-235.2 of the Code of Virginia. The Company proposed an Area Development

Rate ("ADR") that would apply to all customers receiving natural gas service within a specified portion of the Company's service territory in Loudoun County.

Washington Gas stated in its application that the purpose of the proposed ADR is to provide the Company with a method to recover from customers in the ADR area the excess of the life cycle cost of facilities installed to provide natural gas service within the ADR area over the life cycle revenues for such service, other than by lump sum payment as provided under existing General Service Provision No. 14 of the Company's tariff.

On August 24, 2000, the Commission docketed Washington Gas' application, established a procedural schedule, and assigned a hearing examiner to conduct further proceedings in the matter. Hearings were convened at the Commission on November 8, 2000, and November 13, 2000. The hearing examiner issued his report on March 14, 2001. The Company and Commission Staff filed comments on the report on March 29, 2001.

On September 21, 2001, Washington Gas filed a Motion for Leave to Withdraw its Application. The Company cites a change in circumstances as the basis for its motion. Specifically, Washington Gas states that the pattern of development within the proposed ADR area has not evolved in the manner anticipated by the Company. In addition, Washington Gas states that real estate developers have responded more positively than anticipated by the Company to the payment of amounts required to offset the excess of life-cycle cost of facilities required to provide service over the life-cycle revenues generated from such service. Washington Gas states that the Commission Staff and the parties to the proceeding, Northern Virginia Electric Cooperative and Roanoke Gas Company, do not oppose withdrawal of the application.

NOW THE COMMISSION, upon consideration of Washington Gas' motion, is of the opinion and finds that the motion should be granted. The Commission makes no finding on the merits of Washington Gas' application.

Accordingly, IT IS ORDERED THAT:

(1) Washington Gas' September 21, 2001 Motion for Leave to Withdraw its Application is granted.

(2) This matter is hereby dismissed without prejudice 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. PUE000409
MARCH 2, 2001

APPLICATION OF
BROOKFIELD WATER COMPANY, INC.

For a certificate of public convenience and necessity to provide water service to the Brookfield subdivision

ORDER

On August 1, 2000, Brookfield Water Company, Inc. ("Brookfield" or the "Company"), filed an application with the State Corporation Commission ("Commission") pursuant to § 265.3 of the Utility Facilities Act, § 56-265.1 et seq. of the Code of Virginia, to obtain a certificate of public convenience and necessity to provide water service to the Brookfield subdivision in Botetourt County, Virginia. On October 13, 2000, Brookfield filed an amendment revising certain of its rates, charges, rules, and regulations for clarification purposes.

In its application as amended, Brookfield proposes to render its water bills in arrears on a bi-monthly basis at the following rates: a minimum charge of $20 for any portion of the first 4,000 gallons; and $3 per each 1,000 gallons thereafter. Brookfield proposes that the bi-monthly minimum service charge of $20 shall become effective when water service is connected to the lot, and that no bill shall be rendered for less than the minimum service charge, regardless of usage.

The Company proposes the following service connection charges for water service: $800 for a 3/4 inch service connection; and $800 plus cost to the Company greater than for a 3/4 inch connection for service connections over 3/4 inch. When service has been discontinued because of a violation of Brookfield's rules and regulations or for non-payment of any bill, the Company proposes a turn-on charge of $25.00. After initial meter installation, a $10.00 charge will be made for any meter turn-on or turn-off requested by the customer, except when related to changes of occupancy. If the meter is removed by the Company, a charge of $40.00 will be made for reinstallation and connection. The Company will not charge for meter testing where the meter has not been tested within the past two year period; if the meter has been tested within this period, the customer must pay the actual cost of the test, unless the meter is found to have an average error greater than 2%.

Brookfield proposes the following additional miscellaneous charges: a late payment charge of 1.5% per month; bad check charge of $6.00; and a customer deposit in an amount equal to no more than the customer's estimated bill for two months' water service usage.

On November 7, 2000, the Commission issued an Order Inviting Written Comments and Requests for Hearing which directed Brookfield to give notice of its application to customers and local officials in its service area, to provide interested persons with an opportunity to comment and request a hearing on the application, and to submit certain financial information to the Commission's Division of Public Utility Accounting. Our Order directed Commission Staff to review the Company's application and to submit a report presenting its findings and recommendations to the Commission.

No comments or requests for hearing were filed in this matter.

Commission Staff filed its Report on February 1, 2001, recommending that the Commission approve Brookfield's application for a certificate of public convenience and necessity pursuant to § 56-265.3 of the Utility Facilities Act, and the Company's proposed water rates and miscellaneous charges as filed. Staff did recommend, however, that the rates and charges be revisited after Brookfield files certain financial information, as required by our November 7, 2000, Order, on or before April 2, 2001.

NOW THE COMMISSION, having considered the application, the Commission Staff Report, and the applicable law, is of the opinion that the above captioned application should be approved. We find that it is in the public interest for Brookfield to provide water service to the Brookfield subdivision in Botetourt County, Virginia, and that the proposed rates, miscellaneous charges, and rules and regulations of service do not appear to be unjust and unreasonable and therefore should be approved. Following the submission of certain financial data as required by our November 7, 2000, Order, we will require Commission Staff to review the Company's rates and miscellaneous charges and to file a report detailing its findings and recommendations.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-265.3 of the Utility Facilities Act, Brookfield shall be granted a certificate of public convenience and necessity, Certificate No. 307, authorizing it to provide water service to the Brookfield subdivision in Botetourt County, Virginia.

(2) The Company's proposed rates, charges, and rules and regulations of service are hereby approved.

(3) Following the submission of certain financial data as required by our November 7, 2000, Order, Commission Staff shall review the Company's rates and miscellaneous charges and file a report detailing its findings and recommendations.

(4) This matter shall be continued for further orders of the Commission.

CASE NO. PUE000411
JUNE 7, 2001

PETITION OF
NORTHERN VIRGINIA ELECTRIC COOPERATIVE

For waiver from compliance with filing deadline

DISMISSAL ORDER

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 requested 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.

On August 23, 2000, the Commission issued an order in the above referenced matter granting a waiver to NOVEC from compliance with the 120-day deadline for the filing of a competitive natural gas service provider license application required by the Interim Rules. By subsequent orders, the Company was granted until June 4, 2001, to transfer its natural gas customers to America's Energy Alliance, Inc. ("Alliance"), an affiliated company and to file with the Clerk of the Commission notification that the planned transfer had been accomplished.

By letter from Counsel dated June 1, 2001, NOVEC represents that it worked with Columbia Gas of Virginia, Inc. and Washington Gas Light Company to transfer all existing customers to its affiliate, Alliance. NOVEC states that this transfer of customers took place during the months of March and April of 2001. NOVEC further represents that, to the best of its and Alliance's knowledge, the transition has been seamless to its customers.

NOW UPON CONSIDERATION of the Company's June 1, 2001, letter, the Commission is of the opinion and finds that NOVEC has complied with the Commission's orders entered in this case and this matter should be dismissed.

Accordingly, IT IS ORDERED THAT there being nothing further to come before the Commission in this matter, the case is hereby dismissed, and the papers filed herein placed in the file for ended causes.

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[1] Commonwealth, ex rel. State Corporation Commission, 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. PUE000435
AUGUST 16, 2001

APPLICATION OF
THE NEW POWER COMPANY

For a license to conduct business as an electric service provider and an aggregator in a retail access pilot program

ORDER GRANTING LICENSES

On July 3, 2001, The New Power Company ("New Power" or "Applicant") filed an application for licensure to conduct business as an electric service provider and an aggregator to residential and commercial customers in Virginia Electric and Power Company's ("Virginia Power"), retail access pilot program. Previously, by Order dated September 28, 2000, in the captioned proceeding, the Commission issued New Power License No. PG-4 to provide competitive gas service in Columbia Gas of Virginia's ("CGV"), and Washington Gas Light's ("WGL") retail access pilot programs. In addition, New Power was issued License No. PA-3 to act as an aggregator in CGV's and WGL's retail access pilot programs.

On July 12, 2001, the Commission issued its Order for Notice and Comment, docketing 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 New Power's application and present its findings in a Staff Report to be filed on or before August 7, 2001.

Applicant filed proof of publication of its notice on August 1, 2001. No comments from the public on New Power's application were received.

The Staff filed its Supplemental Report on August 7, 2001, concerning New Power's fitness to provide competitive electric service as well as aggregation services. In its Report, the Staff summarized New Power's proposal and evaluated its financial condition and technical fitness. Staff concluded that New Power satisfied the financial and technical fitness requirements for licensure as requested.

The Staff recommended that New Power's current aggregator license, PA-3 be amended to allow it to act as an aggregator in the pilot program of Virginia Power. Staff further recommended that New Power be granted a license for the provision of competitive electric service to residential and commercial customers in Virginia Power's pilot program.

New Power filed a response to Staff's Supplemental Report on August 10, 2001, in which it stated that it agreed with the conclusions of Staff's Report but wished to clarify one point. Applicant noted that although Staff was correct that it supplies natural gas in Indiana and Michigan, New Power is not required to be licensed in these States. Therefore, contrary to Staff's Report, New Power is not licensed in Indiana and Michigan.

NOW UPON CONSIDERATION of the application, Staff's Supplemental Report, and the Company's August 10, 2001, reply to the Staff's Supplemental Report, the Commission finds that New Power's application to provide electric and aggregation services should be granted.

Accordingly, IT IS ORDERED THAT:

(1) New Power's current aggregator license, License No. PA-3, is hereby amended to License No. PA-3A to allow New Power to also provide aggregation services to residential and commercial customers in the retail access pilot program of Virginia Power. 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) New Power is hereby granted License No. PE-13 to provide competitive electric service to residential and commercial customers in the retail access pilot program of Virginia Power. 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) The licenses granted pursuant to ordering paragraphs 1 and 2 shall expire upon termination of Virginia Power's pilot program, 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.

(4) Failure of New Power 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 that includes, 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) This case shall remain open for consideration of any subsequent amendments or modifications to these licenses.

CASE NO. PUE000462
JUNE 6, 2001

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 Act"). The Commission's Division of Energy Regulation ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents between March 8, 2000, and August 8, 2000, listed in Attachment A, involving Underground Technology, Incorporated ("the Company"), and alleges that:

(1) Underground Technology, Incorporated is a contract locator as that term is defined in § 56-265.15 of the Code of Virginia;

(2) During the aforementioned period the Company has violated the Act, by engaging in the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of §§ 56-265.19 A and D of the Code of Virginia.

(b) Failing on certain occasions to mark utility lines within the time prescribed in the Act, in violation of §§ 56-265.17 B and § 56-265.19 A and D of the Code of Virginia.

(c) Failing on certain occasions to report to the notification center that utility lines had been marked or they were not in conflict with the proposed excavation, in violation of §§ 56-265.19 A and D of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations presented to the Underground Utility Damage Prevention Advisory Committee on August 8, 2000, and November 7, 2000, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $118,500 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 $118,500 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. PUE000463
FEBRUARY 5, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CENTRAL LOCATING SERVICE, LTD.,
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 27, 2000, Orion Associates, Inc., damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 436 Mapleshore Drive, Chesapeake, Virginia, while excavating;

(2) On or about March 30, 2000, Wayjo, Inc., damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc. located at or near 100 Brook Road, York, Virginia, while excavating;

(3) On or about April 14, 2000, Atlantic Cable & Trench, Inc. damaged a three-quarter inch steel gas service line operated by Virginia Natural Gas, Inc., located at or near 1100 Leland Circle, Virginia Beach, Virginia, while excavating;

(4) On or about April 27, 2000, Atlantic Cable Service, Inc., damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc. located at or near 3771 Sherwood Place, Newport News, Virginia, while excavating;

(5) On or about May 4, 2000, Grafton Materials, Inc., damaged two one-half inch plastic gas service lines operated by Virginia Natural Gas, Inc., located at or near 915 and 917 Niblik Way, Newport News, Virginia, while excavating;

(6) On or about May 12, 2000, the City of Hampton damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 22 East Mellon Street, Hampton, Virginia, while excavating;

(7) On or about May 16, 2000, Henry S. Branscome, Inc., damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 1221 26th Street, Newport News, Virginia, while excavating;

(8) On or about May 17, 2000, Sydnor Hydro, Inc., damaged a two hundred pair telephone line operated by GTE South Incorporated located at or near the intersection of Route 3 and Route 637, White Stone, Virginia, while excavating;

(9) On or about May 25, 2000, the City of Virginia Beach damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near 1112 General Street, Virginia Beach, Virginia, while excavating;

(10) On or about June 15, 2000, Community Electric Cooperative damaged a cable television line operated by Falcon Cable Media located at or near Cypress Creek Parkway, Isle of Wight, Virginia, while excavating;

(11) For the incidents described in paragraphs (1) through (10) 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;

(12) On or about April 5, 2000, Innerview Ltd. notified the notification center of plans to excavate at or near Wilcox Avenue, Portsmouth, Virginia;

(13) On or about May 3, 2000, Ross and Sons Utility Contractor, Inc., notified the notification center of plans to excavate at or near Birchwood Court, Newport News, Virginia;

(14) On or about May 12, 2000, Linda Zink, homeowner, notified the notification center of plans to excavate at or near 5652 Myers Court, Virginia Beach, Virginia;

(15) On or about May 16, 2000, W. E. Curling, Inc., notified the notification center of plans to excavate at or near 568 Constance Road, Suffolk, Virginia;

(16) On or about June 7, 2000, Community Electric Cooperative notified the notification center of plans to excavate at or near 18786 Pope Station Road, Southampton, Virginia;

(17) On or about June 8, 2000, Community Electric Cooperative notified the notification center of plans to excavate at or near 15535 Strawberry Plains Road, Isle of Wight, Virginia;

(18) On or about June 15, 2000, Community Electric Cooperative notified the notification center of plans to excavate at or near Orbit Road, Isle of Wight, Virginia;

(19) On or about June 15, 2000, Community Electric Cooperative notified the notification center of plans to excavate at or near Scotts Factory Road, Isle of Wight, Virginia;

(20) For the incidents described in paragraphs (12) through (19) herein, the Company failed to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, no later than forty eight hours after receiving notice from the notification center, in violation of § 56-265.19 A of the Code of Virginia;

(21) On or about June 1, 2000, Community Electric Cooperative notified the notification center of plans to excavate at or near 14133 Bethany Church Road, Isle of Wight, Virginia;

(22) On or about June 2, 2000, Community Electric Cooperative notified the notification center of plans to excavate at or near Carol Bridge Road, Isle of Wight, Virginia;

(23) For the incidents described in paragraphs (21) and (22) 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;

(24) On or about June 14, 2000, John D. Lucey & Son notified the notification center of plans to excavate at or near 3436 Chesapeake Boulevard, Norfolk, Virginia;

(25) On or about June 14, 2000, John D. Lucey & Son notified the notification center of plans to excavate at or near 3446 Chesapeake Boulevard, Norfolk, Virginia;

(26) On or about June 14, 2000, John D. Lucey & Son notified the notification center of plans to excavate at or near 3454 Chesapeake Boulevard, Norfolk, Virginia;

(27) On or about June 14, 2000, John D. Lucey & Son notified the notification center of plans to excavate at or near 3624 Nottoway Street, Norfolk, Virginia;

(28) On or about June 30, 2000, Community Electric Cooperative notified the notification center of plans to excavate at or near Manning Road, Suffolk, Virginia;

(29) For the incidents described in paragraphs (24) through (28) 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

(30) 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 $23,100 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 $23,100 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. PUE000470
JULY 6, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
COLUMBIA GAS OF VIRGINIA, INC.,
Defendant

FINAL ORDER

The sole issue presented by this case and properly before this Commission is whether Columbia Gas of Virginia, Inc.'s ("Columbia Gas" or "the Company") practice of using a temperature compensation factor to calculate the gas consumption of its low-pressure residential customers is permitted by its filed tariff.

As summarized in the Hearing Examiner's Report in this matter,[1] on August 2, 2000, the Company notified the Commission's Division of Energy Regulation (the "Staff") that the Company had begun that day adjusting residential customer billings with a Gas Temperature Compensation Factor. As explained at the hearing in this matter by Staff Witness Cody Walker, such adjustments are designed to compensate for changes in gas density corresponding to ambient air temperature at customers' gas meters. As explained by Mr. Walker and the Company's witness, Robert Horner, mechanical gas meters incrementally over-measure gas at temperatures above 60 degrees and incrementally under-measure them at temperatures below 60 degrees.[2] Temperature compensation can be accomplished automatically through technologically advanced, temperature compensating meters currently provided to some, but not all, of the Company's residential customers. In this case, the Company sought to approximate the operation of temperature compensating meters in the measurement of gas consumption by customers with nontemperature compensating meters through the use of tables and formulas.

On August 3, 2000, the Staff notified the Company by letter that its review of the Company's filed tariff revealed no provision authorizing the calculation and imposition of a temperature compensation factor on low-pressure residential customers. The Staff requested the Company to discontinue the practice until the Company could demonstrate that it had authority in its filed tariff to apply such a factor.

By letter dated August 9, 2000, the Company responded that its review of its tariff confirmed that nothing in its tariff precluded the application of a temperature compensation factor to the accounts of its residential customers.

On August 23, 2000, the Staff filed a Motion Requesting Issuance of a Rule to Show Cause. The Staff requested that the Commission, pursuant to its authority under § 56-35 of the Code of Virginia, issue a Rule to Show Cause against the Company for it to show cause, if any, why it should not be held in violation of §§ 56-234, 56-236 and 56-237 of the Code of Virginia for failing to comply with its filed tariffs, and why, because of the Company's failure to cease such violations, the Commission should not impose fines and penalties pursuant to § 12.1-13 of the Code of Virginia and enjoin the Company from further violations of §§ 56-234, 56-236 and 56-237 of the Code of Virginia. The Staff further requested the issuance of a temporary injunction against the Company, upon notice and hearing, enjoining the Company from further engaging in the foregoing conduct pending the Commission's final determination in this matter. In support of its motion, the Staff argued that the Company's applicable tariff made no provision for the application of a temperature compensation factor to residential customers' bills.

The Commission issued the requested Rule to Show Cause (the "Rule") on August 25, 2000. The matter was assigned to Hearing Examiner Michael D. Thomas to determine whether the requested temporary injunction should be issued. In addition, the Commission scheduled a hearing for September 11, 2000, for the Company to show cause why it should not be enjoined from further violations of §§ 56-234, 56-236 and 56-237 of the Code of Virginia, and penalized pursuant to § 12.1-13 of the Code of Virginia. The Company was directed to file a responsive pleading to the Rule on or before September 5, 2000.

The Company filed its Response to the Rule on September 5, 2000. The Company denied that it failed to follow its tariff or was in violation of §§ 56-234, 56-236 and 56-237 of the Code of Virginia. The Company further stated that it had voluntarily terminated the imposition of the temperature compensation factor in question on August 29, 2000, pending resolution of this matter, but it reserved the right to recommence the practice in the absence of a Commission resolution of this matter.

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[1] Commonwealth of Virginia, ex. rel., State Corporation Commission v. Columbia Gas of Virginia, Inc., Case No. PUE000470, Report of Michael D. Thomas, Hearing Examiner, dated April 25, 2001.

[2] According to Mr. Walker, gas meters are typically calibrated to a standard temperature of 60 degrees. Since the actual density of gas flowing through such meters will expand or contract depending on ambient air temperatures, when the temperature of the flowing gas fluctuates incrementally above or below 60 degrees the meter may inaccurately record the amount of gas flowing through the meter. The Company has a formula, which it uses in conjunction with a table (called the Appalachian Table), to determine the temperature compensation adjustment it will make. The Appalachian Table is a table of unspecified origin that lists monthly average flowing gas temperatures for the Appalachian area. If the flowing gas temperature, as per the Appalachian Table, is less than 60 degrees the adjustment would be greater than one, and if the flowing gas temperature is more than 60 degrees the adjustment would be less than one. The customer's monthly gas consumption, as shown by the meter, is multiplied by the temperature compensation factor to arrive at the customer's ultimate consumption for which he is billed. (Tr. at 18-21)

On September 8, 2000, the Staff filed a Reply and a Motion Requesting Cancellation of Hearing. In the Motion, the Staff joined with the Company in requesting that the September 11, 2000, hearing be cancelled inasmuch as the Company had ceased the challenged practice, *pendente lite* (while concurrently reserving its right to advocate such practice relative to the ultimate disposition of this case). The request was granted by Commission Order dated September 8, 2000.

By Hearing Examiner's Ruling entered on November 20, 2000, this matter was set for hearing on February 15, 2001, and a procedural schedule was established for the filing of prefiled testimony and evidence with the Commission.

The hearing was convened as scheduled. Arlen K. Bolstad, Esquire, appeared on behalf of the Staff. Kodwo Ghartey-Tagoe, Esquire, and James S. Copenhaver, Esquire, appeared on behalf of the Company. The Staff presented the testimony of Cody D. Walker, Assistant Director of the Division of Energy Regulation who adopted his pre-filed direct and rebuttal testimonies at the hearing. The Company presented the testimony of Robert E. Horner, Regulatory Policy Manager for Columbia Gas of Virginia, Inc., who also adopted his pre-filed testimony at the hearing At the conclusion of the hearing, the parties were afforded an opportunity to file post-hearing briefs. The Company and the Staff filed post-hearing briefs on March 22, 2001. Thereafter the Hearing Examiner's report on this matter was filed on April 25, 2001. The Company, by its counsel, filed comments and exceptions to the Report on May 16, 2001.

Hearing Examiner Thomas found in his report that the Company's tariff does not permit the imposition of a temperature compensation factor on its low-pressure residential or commercial customers. Consequently, the Company's imposition of such a factor on its low-pressure residential customers constitutes a violation of §§ 56-236 and 56-237 of the Code of Virginia. Specifically, the Hearing Examiner found that the Company violated § 56-236 of the Code of Virginia by failing to file with the Commission as part of its rate schedules copies of all rules and regulations that in any manner affect the rates charged or to be charged by the Company. He also found that the Company violated § 56-237 of the Code of Virginia by failing to provide thirty days' notice to the Commission of a change in its rates, tolls, charges, rules or regulations.[3]

Incidental to the above findings, Mr. Thomas noted that during the Company's most recent rate case, the Staff adjusted the Company's billing determinants to reflect the application of a temperature compensation factor to low-pressure *commercial* customers. The Commission subsequently approved the Company's total revenue requirement, which was based in part on these billing determinants. However, the Hearing Examiner emphasized, after the Commission issued its final order in the case, the Company failed to amend its tariff to reflect the Company's authority to make temperature compensation adjustments to low-pressure commercial customer accounts. Consequently, Mr. Thomas concluded that inasmuch as the tariff establishes the contractual relationship between the Company and its customers for the provision of gas service, the Company has had no legal basis in its tariff for applying a temperature compensation factor to its low-pressure commercial customers. As the Hearing Examiner noted:

> [A]lthough the Company and the Staff may have reached an agreement concerning the application of a temperature compensation factor to low-pressure commercial customers, which the Commission approved, unless and until the Company amends its tariff, the Company's low-pressure commercial customers are not contractually obligated to pay the additional gas charges that result from the application of the temperature compensation factor.[4]

We note, however, that Mr. Thomas's findings are silent on the question of Company refunds in the case of such low-pressure commercial customers.

Mr. Thomas also found that although from August 2, 2000 through August 29, 2000, the Company included a temperature factor on its low-pressure residential customers' gas bills, none of the residential customers suffered any harm therefrom. As manifest in the record, the imposition of the temperature compensation factor during August 2000 resulted in a bill credit for the Company's customers (presumably because flowing gas temperatures during that period were above 60 degrees).[5] However, the record shows from the testimony of Mr. Walker (Tr. 22-30) and the cross examination of Mr. Horner (Tr. At 60-62), that had the Company continued to apply the factor, the Company would have netted approximately $800,000 annually in non-gas revenue not authorized under the revenue requirement established in the Company's 1998 rate case. It was also undisputed that any such overearnings (if so determined to be, by this Commission) could not be refunded to these residential customers since the company's rates were not then (nor are they currently) subject to refund.

In summary, the Hearing Examiner recommended that this Commission: (i) adopt the findings and recommendations contained in his Report; (ii) direct the Company to amend its tariff within thirty days of the final order in this case clarifying that the Company may impose a temperature compensation factor on its low-pressure commercial customers; (iii) enjoin the Company from future conduct that constitutes a violation of §§ 56-236 and 56-237 of the Code of Virginia; and (iv) pass the papers herein to the file for ended causes.

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 the findings and recommendations set forth in the Hearing Examiner's Report except as otherwise provided below.

The Company's tariff, Second Revised Sheet No. 359, § 2.2(a), provides, in language applicable to both low-pressure residential and commercial customers, as follows:

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[3] Hearing Examiner Thomas did, however, determine that there was insufficient evidence to support a finding that the Company violated § 56-234 of the Code of Virginia by failing to provide reasonably adequate service and facilities at reasonable and just rates.

[4] Report of Michael D. Thomas, Hearing Examiner, dated April 25, 2001, pg. 10.

[5] Id. at 10.

Low Pressure Accounts

The Quantity of Gas Determined by Meter Reading

> Except as otherwise indicated in an applicable schedule, the quantity of gas delivered to each Customer shall be ascertained by the readings of the meter furnished by the Company. The Company will read the meter once each month. As to any Customer whose meter is unable to be read in a month, the consumption for the month shall be determined by calculation on the basis of the Customer's previous usage considering factors such as variations in weather, number of days in the period, the trend in seasonal usage, etc., in order to provide as nearly accurate a bill as possible without actually reading the meter.

Ex. CW-1, Attachment 2.

As noted by the Hearing Examiner, the positions of the parties are fairly straightforward. The Company argues that nothing in the Company's tariff precludes its application of a temperature compensation factor to it residential customers' accounts; that it does not seek to change its tariff; that it is applying its tariff as it was filed; and that, since the Company's last rate case when the Commission addressed temperature compensation for low-pressure commercial customers covered by the same tariff provision, it has consistently applied its tariff.

The Company argues that while the language of its tariff does not explicitly mention the application of a temperature compensation factor, it is broad enough to allow the Company's use of such a factor. Significantly, the Company asserts that if the language of the tariff is broad enough to permit the application of a temperature compensation factor to low-pressure commercial customers, then it supports the application of a temperature compensation factor to low-pressure residential customers. [6] Finally, the Company contends that, in using a temperature compensation factor, it is merely trying to "ascertain" the actual quantity of gas delivered to each of its residential customers. (Columbia's Post-Hearing Brief at 6-10).

The Staff, on the other hand, argues that the Company's tariff is a model of clarity; that the tariff makes no provision for the application of a temperature compensation factor to low-pressure residential customers; that following the Company's interpretation of the tariff would allow a gas company to add any charge to a customer's bill as long as the charge was tied to an actual gas meter reading; and that the additional $800,000 in annual non-gas revenues produced by the temperature compensation factor constitutes an unauthorized rate increase for the Company. (Staff's Post-Hearing Brief at 7-11).

We agree with the Hearing Examiner's assessment that the plain and unambiguous language of the tariff does not permit the Company to adjust its low-pressure residential customers' gas bills with a temperature compensation factor.[7] As the Hearing Examiner stated:

> [T]he tariff states: "the quantity of gas delivered to each customer shall be ascertained by the readings of the meter furnished by the Company." The clear import of this language is that the customer is responsible for paying for the quantity of gas delivered by the Company as shown by his gas meter reading. Nowhere does it state in the tariff that a temperature compensation factor shall be applied to the gas meter reading. The application of a temperature compensation factor produces a different result for gas consumption than what is actually recorded on the customer's meter. The plain language of the tariff does not support the further adjustment of the customer's gas meter reading for billing purposes.[8]

Moreover, and as the Hearing Examiner pointedly emphasized, it is the tariff that establishes the basis of contractual relationships between regulated companies such as Columbia Gas and their customers. Consequently, the tariff reading as it does, the Company had no legal basis for applying temperature compensation to low-pressure residential accounts.

We specifically reject the Company's view and assertion that it may apply temperature compensation factors to its low-pressure residential accounts because no language in the tariff precludes or prohibits it. The Company has cited no legal authority for this proposition either in its post-hearing brief or in its comments and exceptions filed on May 16, 2001. Moreover, such a contention is firmly contradicted by the letter and spirit of §§ 56-236 and 56-237 declaring the policy of this Commonwealth that regulated utilities' rates, terms and conditions of service must be expressed in their tariffs.

Inasmuch as we have made clear in this Order our construction of the language in the Company's tariff and its application to the Company's customers, we will not enjoin the Company from future application of a temperature compensation factor to low-pressure residential customers under the current tariff language. In so saying, we express our confidence in the Company's commitment to comply with the spirit and letter of this Order, thereby making such an injunction unnecessary.

Finally, we conclude that the issue of applying a temperature compensation factor to the Company's low-pressure *commercial* customers is not before us in this proceeding. This issue was neither the subject of any complaint in this proceeding, nor otherwise put at issue herein. Accordingly, we reach no decision with respect thereto.

Accordingly, IT IS ORDERED THAT:

(1) The recommendations set forth in the Hearing Examiner's April 25, 2001 report are hereby adopted as they relate to low-pressure residential customers except with respect to his recommendation that the Company be enjoined from future conduct that constitutes a violation of §§ 56-236 and 56-237 of the Code of Virginia.

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[6] Comments and Exceptions of Columbia Gas of Virginia, Inc., dated May 16. 2001, pg. 5.

[7] Report of Michael D. Thomas, Hearing Examiner, dated April 25, 2001, pg. 10.

[8] Id. at 10.

(2) The issue of the application of a temperature compensation factor to the Company's low-pressure commercial customers was not before the Commission.

(3) The papers herein are passed to the file for ended causes.

CASE NO. PUE000474
MARCH 7, 2001

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For approval of a plan for implementing retail supply choice

ORDER GRANTING APPLICATION

On September 11, 2000, Washington Gas Light Company ("WGL" or "Company") applied for approval of a proposed plan for implementing retail supply choice pursuant to § 56-235.8 of the Code of Virginia. WGL states that it seeks to provide natural gas retail supply choice to all of its customers in Virginia, including those served by its Shenandoah Gas Division, over a two-year period.

On October 24, 2000, the Commission entered an Order for Notice, Comment or Request for Hearing wherein we directed the Company to give notice of its application, and provide the public an opportunity to file, on or before December 13, 2000, comments and requests for hearing on the proposed plan. On January 10, 2001, the Commission issued an Amending Order extending the period for consideration of the Company's application to March 9, 2001, as permitted by the statute.

In response to the notice of the application, comments were filed with the Clerk of the Commission by Roanoke Gas Company ("Roanoke Gas") and by the Division of Consumer Counsel, Office of the Attorney General ("Consumer Counsel"). Roanoke Gas provided no specific comments relative to this plan, but requested that it be given the authority to offer comments on issues affecting other natural gas distribution companies as they may arise during the course of this proceeding.

Consumer Counsel addressed several issues relating to the proposed plan. Specifically, Consumer Counsel expressed concern about two components of the proposed gas supply realignment adjustment ("GSRA"): (1) that by assessing the GSRA to all firm service customers, non-participating customers will be adversely affected; and (2) the methodology for calculating the GSRA is unclear and should be defined so that stranded costs arising from pipeline capacity are determined not as the average cost of all pipeline capacity providers, but rather on a pipeline by pipeline basis.

On December 15, 2000, Staff filed its Report in this matter. In its Report, the Staff commented on several components of the Company's plan. The specific items addressed by Staff were: (1) implementation schedule -- the phase-in of Shenandoah division customers, and the implementation of the GSRA; (2) refund element of the GSRA; (3) supplier fees and charges -- equalization charge, balancing charges and balancing penalties; (4) codes of conduct; and (5) general tariff provisions.

Implementation schedule: Staff recommends that either all of WGL's Shenandoah Division residential customers be eligible for participation in retail choice beginning April 1, 2001, or that WGL shift the phase-in of the remaining one-half of Shenandoah Division's residential customers concurrent with WGL's second group of residential customers on January 1, 2002. Staff observed that permitting all of Shenandoah's customers to participate in retail choice effective April 1, 2001, would eliminate the need to determine the eligibility of any residential customers during the enrollment process.

Refund element of the GSRA: Staff recommends that during the first year of operation under the retail choice plan, the Company track supplier refunds associated with pipeline capacity contracts and propose a methodology for allocating such refunds to both their full service customers and to those participating in the retail choice program.

Supplier fees and charges (equalization charge, balancing charge and balancing penalties): Staff recommends that the Company clarify the language of proposed Rate Schedule No. 9 to specify both the basis for, and derivation of, the proposed equalization charge for both Washington Gas and the Shenandoah Division. Next, Staff recommends that the Company provide for monthly reconciliation of the imbalance account in the balancing charge provision of the proposed Rate Schedule 9. Finally, Staff recommends that the Company impose the same penalties for Rate Schedule No. 9 as are imposed by Rate Schedule No. 7. Staff observed that the proposed penalties in Rate Schedule No. 9 exceed those penalties currently imposed on interruptible customers receiving service under Rate Schedule No. 7.

Codes of conduct: Staff recommends that if the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs should be revised in the future for application to permanent retail supply choice programs, the Company should modify its tariffs to comply with such revisions.

General tariff provisions: Staff recommends that the current two-page retail rate summary be expanded to include retail rates billed for Schedules 1A, 2A, and 3A and to incorporate the proposed GSRA factor for each firm service class.

Staff further recommends that WGL clarify language in the availability section of Schedules 1A, 2A, and 3A to make plain what circumstances would render a customer ineligible for Delivery Service solely as a result of a changed location when retail supply is being implemented on a system-wide basis. In addition, if there are other conditions that would render the customer ineligible, those conditions should be cited in this section.

Staff recommends that WGL distribute lists of eligible customers to interested suppliers in a "zip plus four" format.

Staff recommends that WGL establish a uniform penalty in all cases where a supplier is unable to provide adequate proof of enrollment, regardless of the means of enrollment (either via telephone or internet).

Staff recommends that the Company delete several requirements in Rate Schedule No. 9 pertaining to supplier's responsibility to cooperate with the customer. Staff observed that these provisions are duplicative of requirements already contained in the licensure provisions of the Interim Rules, 20 VAC 5-311-50.

Finally, Staff recommends that the reference to a 48-hour grace period for delivering the DRV stated in the "responsibility for Gas Delivery" section of Rate Schedule No. 9 should be deleted.

Overall, Staff found that the proposed plan, as modified by Staff, should not adversely affect the quality, safety or reliability of the natural gas service provided by WGL, nor should it affect the provision of adequate service to the utility's customers. Furthermore, the Staff found that the proposed phase-in could be accomplished over a 12-month period without impact on the Company's operations.

On February 9, 2001, WGL filed comments on the Staff Report and on Consumer Counsel's comments. The filing contained three sets of proposed revised tariff pages for WGL as follows: (1) proposed revised tariff pages to implement a Gas Supply Realignment Adjustment ("GSRA") provision to recover certain "nonmitigable costs associated with the provision of retail supply choice," effective September 28, 2000; (2) proposed revised tariff pages to begin the phase-in of retail supply choice on a permanent basis for all customers of WGL, effective January 1, 2001;[1] and (3) proposed revised tariff pages to implement daily balancing on the WGL system, effective April 1, 2001. The Shenandoah Division, which does not have an on-going retail access pilot program, proposed to begin the phase-in of retail supply choice on a permanent basis for all customers effective April 1, 2001.[2] At the same time, the Shenandoah Division proposed to implement a GSRA and daily balancing.

The Company has agreed to the majority of the Staff comments about its proposed plan and has revised its plan in response to Staff's specific recommendations. The only exception to Staff's recommendations made by the Company occurs in the recommendation that the Company apply the same penalties in Rate Schedule No. 9 and Schedule No. 7. The Company maintains that its exposure is not the same under the two schedules and that Schedule 7 failures relate to one customer, while Schedule 9 relates to a marketer's entire customer base.

The Commission agrees with the Company's rationale for applying different penalties to Rate Schedule Nos. 7 and 9. There does exist a greater potential for harm to the Company's operations due to supplier/customer noncompliance. The Commission will continue to monitor this situation.

WGL has agreed to the Consumer Counsel's recommendation to establish a limit on the GSRA surcharge applicable to residential firm sales customers of the Company and the Shenandoah Division similar to the "cap" utilized for its residential customers in Maryland. The Company has provided proposed revised tariff pages of WGL and the Shenandoah Division reflecting this charge.

NOW THE COMMISSION, upon consideration of the application and comments thereto, the Staff Report and the comments thereto, and the applicable law, is of the opinion and finds that WGL's request for approval of a proposed plan for implementing retail supply choice, revised to incorporate Staff's recommendations except those pertaining to penalties for failure to deliver, is reasonable and should be granted. We therefore will approve the amended retail choice plan proposed by WGL and the Shenandoah Division, as reflected in the proposed revised tariff pages included in Attachments 1 and 2 to WGL's Motion to File Response.

Accordingly, IT IS ORDERED THAT:

(1) The Company's application for approval of a proposed plan for implementing natural gas retail supply choice to all of its customers in Virginia, including those served by its Shenandoah Gas Division, over a two-year period, 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.

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[1] Under the schedule proposed by WGL for phase-in of the retail choice plan, one-half of residential customers and all commercial and industrial and group metered apartment customers would be eligible to participate in the retail choice plan effective January 1, 2001, with the remaining one-half of the Company's residential customers eligible to participate effective January 1, 2002.

[2] Under the schedule proposed by the Shenandoah Division for phase-in of the retail choice plan, one-half of residential customers and all commercial and industrial and group metered apartment customers would be eligible to participate in the retail choice plan, effective April 1, 2001, with the remaining one-half of the Company's residential customers eligible to participate effective April 1, 2002.

CASE NO. PUE000480
JULY 17, 2001

APPLICATION OF
ONLINECHOICE.COM, INC.

For a license to conduct business as an aggregator in electric and natural gas retail access pilot programs

ORDER REVOKING LICENSE

On September 29, 2000, OnlineChoice.com, Inc. ("OnlineChoice" or "Company"), completed an application for licensure to conduct business as an aggregator 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").

By Commission Order dated November 28, 2000, the Commission granted OnlineChoice License No. PA-8 to provide aggregation services in the said pilots.

By letter dated June 29, 2001, counsel for OnlineChoice notified the Commission that the Company has filed for relief under Chapter 7 of the Bankruptcy Code. According to the June 29, 2001, letter, OnlineChoice's business operations were terminated on April 30, 2001, and its assets will be liquidated.

NOW UPON CONSIDERATION of the Company's June 29, 2001, letter, in which it notified the Commission of its bankruptcy petition, the Commission is of the opinion and finds that the Company's license should be revoked. Accordingly,

IT IS ORDERED THAT:

(1) OnlineChoice's license to provide aggregation services, License No. PA-8 is hereby revoked.

(2) There appearing nothing further to be done in this matter, this case is hereby dismissed.

CASE NO. PUE000481
MAY 4, 200

APPLICATION OF
POWERTRUST.COM, INC.

For license to conduct business as an aggregator

ORDER REVOKING LICENSE

On October 19, 2000, PowerTrust.com, Inc. ("PowerTrust.com" or "Company"), completed an application for a license to conduct business as an aggregator in the natural gas retail access pilot programs of Washington Gas Light Company ("WGL") and Columbia Gas of Virginia, Inc. ("CGV").

By Commission Order dated November 30, 2000, the Commission granted PowerTrust.com license No. PA-10 to provide aggregation services to residential and commercial customers in conjunction with the retail access pilot programs of WGL and CGV.

By letter filed April 26, 2001, PowerTrust.com surrendered its license to provide aggregation services in the WGL and CGV pilots.

NOW UPON CONSIDERATION of the Company's voluntary surrender of license No. PA-10, the Commission is of the opinion and finds that the Company's offer to surrender its license should be accepted. Accordingly,

IT IS ORDERED THAT:

(1) PowerTrust.com's license to provide aggregation services, license No. PA-10, is hereby revoked.

(2) There appearing nothing further to be done in this matter, this matter is hereby dismissed.

CASE NO. PUE000483
MAY 10, 2001

APPLICATION OF
AGF DIRECT GAS SALES & SERVICING, INC.

For a license to conduct business as a competitive service provider in natural gas retail access pilot programs

DISMISSAL ORDER

By letter filed with the Clerk of the Commission on September 26, 2000, AGF Direct Gas Sales & Servicing, Inc. ("AGF" or the "Company"), filed a motion for extension of time in which to file an application for licensure pursuant to 20 VAC 5-311-50 A of the Commission's Interim Rules' Governing Electric and Natural Gas Retail Access Pilot Programs ("Interim Rules"). This letter requested a sixty (60) day extension for filing the application for licensure as a competitive service provider based upon organizational changes within the Company.

On October 18, 2000, the Commission granted the extension of the deadline to the extent that AGF required sixty (60) days to file its application for a license as a competitive service provider. The Company was required to file with the Commission on or before November 27, 2000.

As of May 4, 2001, the Company had failed to file a licensure application with the Commission. It is the Commission's understanding that AGF has ceased operations in the Commonwealth and serves no customers as a competitive service provider.

Accordingly, IT IS ORDERED THAT, this matter be dismissed. Should AGF again commence business as a competitive service provider in the Commonwealth, the Company shall be required to comply with all requirements of the Interim Rules and with any final rules governing retail access as they are subsequently implemented.

CASE NO. PUE000484
FEBRUARY 5, 2001

APPLICATION OF
BGE COMMERCIAL BUILDING SYSTEMS, INC.

For a license to conduct business as a competitive service provider in a natural gas retail access pilot program

ORDER GRANTING LICENSE

On December 21, 2000, BGE Commercial Building Systems, Inc. ("BGE Commercial" 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 program of Washington Gas Light Company ("WGL").

On January 3, 2001, the Commission issued its Order for Notice and Comment, 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 BGE Commercial's application and present its findings in a Staff Report to be filed on or before January 26, 2001.

The Company filed proof of publication of its notice on January 23, 2001. No comments from the public on BGE Commercial's application were received.

The Staff filed its Report on January 26, 2001, concerning BGE Commercial's fitness to provide competitive natural gas service. Staff discussed BGE Commercial's request for 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"), 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, BGE Commercial filed financial statements of its parent company, BGE Home Products & Services, Inc. ("BGE Home"). BGE Commercial also filed an inter-company guaranty by BGE Home, and a credit report issued by Dun & Bradstreet. Staff recommended that the waiver be granted as requested and stated that the alternate financial information filed by the Company, together with its experience as a supplier in WGL's pilot program, serve as sufficient evidence of financial responsibility.

Staff concluded that BGE Commercial satisfies the financial and technical fitness requirements for licensure, and Staff recommended that a license be granted to BGE Commercial for the provision of natural gas service to commercial and industrial customers in the WGL pilot program.

BGE Commercial filed a brief response to the Staff Report supporting Staff's conclusions.

NOW UPON CONSIDERATION of the application, the Staff Report, representation by the Company and the applicable law, the Commission finds that the Company'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) BGE Commercial Building Systems, Inc., hereby is granted license No. PG-17 to provide competitive natural gas service to commercial and industrial customers in conjunction with WGL's retail access pilot. 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) As provided by the Interim Rules, 20 VAC 5-311-60 A, BGE Commercial 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.

(3) This license shall expire upon termination of the WGL 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.

(4) Failure of BGE Commercial 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. PUE000485
JUNE 26, 2001

PETITION OF
CITY OF NORFOLK

For declaratory judgment

ORDER GRANTING MOTION FOR VOLUNTARY DISMISSAL

On September 26, 2000, the City of Norfolk ("Norfolk" or "Petitioner") filed a petition for declaratory judgment with the State Corporation Commission ("Commission"). In its petition, Norfolk requested that the Commission declare that the City of Virginia Beach, Virginia ("Virginia Beach") is

precluded from filing a petition to take by condemnation proceedings any property belonging to Norfolk unless and until Virginia Beach, pursuant to § 25-233 of the Code of Virginia, first seeks and obtains the Commission's approval to initiate such proceedings.

On October 10, 2000, we issued an Order Inviting Response and Request for Hearing. On October 24, 2000, Virginia Beach filed a Motion to Dismiss and Answer. On November 3, 2000, Norfolk filed a Response to Virginia Beach's Motion which requested oral argument be scheduled on its Petition. On November 16, 2000, Virginia Beach filed a Motion for Leave to File a Reply Memorandum and a Reply Memorandum in support of its Motion. Virginia Beach also requested an opportunity for oral argument on its Motion. Both parties subsequently filed additional pleadings.

On January 23, 2001, the Commission issued an Order Granting Oral Argument scheduling a hearing for February 6, 2001. On January 26, 2001, Norfolk and Virginia filed a joint motion for continuance of the February 6, 2001, hearing, and on January 30, 2001, we issued an Order Granting Motion rescheduling the hearing for March 22, 2001. Norfolk and Virginia then, on February 16, 2001, filed a joint motion for continuance of the hearing scheduled for March 22, 2001. The motion stated that Norfolk and Virginia Beach had resolved the disputes between them, subject to the closing of the sale of the subject property in this matter, and moved the Commission to continue the hearing generally. We continued the hearing generally and left the matter open for further orders of the Commission on February 22, 2001.

On June 15, 2001, Norfolk filed a Motion for Dismissal of Proceeding stating that it was moving to withdraw its petition and dismiss this proceeding based on an agreement entered into between Virginia Beach and Norfolk as to the condemnation of certain property of Norfolk.

NOW THE COMMISSION, upon consideration of Norfolk's motion, is of the opinion and finds that the motion should be granted without prejudice. In dismissing this proceeding we make no finding on the merits of Norfolk's petition.

Accordingly, IT IS ORDERED THAT:

(1) Norfolk's June 15, 2001, motion is granted.

(2) This matter is hereby dismissed without prejudice from the Commission's docket of active proceedings, and the papers filed herein shall be placed in the Commission's file for ended causes.

Commissioner Moore did not participate in this matter.

CASE NO. PUE000486
FEBRUARY 20, 2001

APPLICATION OF
TITAN ENERGY OF CHESAPEAKE, INC.

For a license to conduct business as a competitive service provider in natural gas retail access pilot programs

ORDER GRANTING LICENSE

On January 11, 2001, Titan Energy of Chesapeake, Inc. ("Titan" 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 January 19, 2001, the Commission issued its Order for Notice and Comment, 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 Titan's application and present its findings in a Staff Report to be filed on or before February 12, 2001.

The Company filed proof of publication of its notice on February 6, 2001. No comments from the public on Titan's application were received.

The Staff filed its Report on February 12, 2001, concerning Titan's fitness to provide competitive natural gas service. Staff discussed Titan's request for 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"), 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, Titan filed financial statements of its immediate parent company, AES Power Direct and its ultimate parent, AES Corporation. Titan also filed a letter from AES Power Direct confirming that AES Power Direct will be responsible for any obligation incurred by Titan as a competitive service provider in the Commonwealth of Virginia. Staff recommended that the waiver be granted as requested and stated that the alternate financial information filed by the Company, together with its experience as a supplier in WGL's pilot program, serve as sufficient evidence of financial responsibility.

Staff concluded that Titan satisfies the financial and technical fitness requirements for licensure, and Staff recommended that a license be granted to Titan for the provision of natural gas service to commercial, residential, and industrial customers in the WGL and CGV pilot programs.

Titan did not file a response to the Staff Report.

NOW UPON CONSIDERATION of the application, the Staff Report, representation by the Company and the applicable law, the Commission finds that the Company's application to provide competitive natural gas service should be granted. We will also grant the waiver of our requiring audited financial statements. Accordingly,

IT IS ORDERED THAT:

(1) Titan Energy of Chesapeake, Inc., hereby is granted license No. PG-18 to provide competitive natural gas service to commercial, residential, and industrial customers in conjunction with the WGL and CGV retail access pilots. 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) As provided by the Interim Rules, 20 VAC 5-311-60 A, Titan 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.

(3) This license shall expire upon termination of the WGL and CGV 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 Titan 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. PUE000547
FEBRUARY 12, 2001

APPLICATION OF
SOUTHERN ENERGY POTOMAC RIVER, LLC

For a certificate of public convenience and necessity: Potomac River Station

ORDER ISSUING CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY

On September 25, 2000, Potomac Electric Power Company ("PEPCO") and Mirant Potomac River, LLC, formerly Southern Energy Potomac River, LLC ("Mirant Potomac River"),[1] 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 petitioned for 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. Mirant Potomac River sought authorization to purchase the assets and lease the land. In conjunction with the transfer, PEPCO applied, pursuant to the Utility Facilities Act, §§ 56-265.1 through 56-265.9 of the Code of Virginia, to amend its certificate of public convenience and necessity to reflect the sale of the generating facilities. Mirant Potomac River applied for a certificate of public convenience and necessity authorizing the acquisition and operation of the generating facilities.

By Order Granting Application and Petition of November 30, 2000, the Commission granted the requested authority. On February 2, 2001, PEPCO and Mirant Potomac River filed a report of the transaction approved by the Commission's order of November 30, 2000. According to the report, the closing took place on December 22, 2000. Upon consideration of the report, the Commission finds that the appropriate certificates of public convenience and necessity should be issued.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the Utility Facilities Act, §§ 56-265.1 through 56-265.9 of the Code of Virginia, PEPCO is issued the following certificate of public convenience and necessity:

> Certificate No. ET-1b which authorizes Potomac Electric Power Company under the Utility Facilities Act to operate presently constructed transmission lines and facilities in the City of Alexandria and the County of Arlington, all as shown on the detailed maps designated Sheets 2 and 3 and attached to the Arlington/Fairfax County map and as authorized in Case No. PUE000547; Certificate No. ET-1b will cancel Certificate No. ET-1a issued to Potomac Electric Power Company October 2, 1987.

(2) The Commission's Division of Energy Regulation will send a copy of the certificate issued in (1) with maps attached to Gail D. Jaspen, Esquire, Reed Smith Hazel & Thomas LLP, 901 East Byrd Street, Suite 1700, Richmond, Virginia 23219-4069.

(3) Pursuant to the Utility Facilities Act, §§ 56-265.1 through 56-265.9 of the Code of Virginia, Mirant Potomac River is issued the following certificate of public convenience and necessity authorizing the acquisition and operation of the facilities identified in Attachments A and B of Order Granting Application and Petition of November 30, 2000 entered in Case Nos. PUE000547 and PUA000078:

> Certificate No. ET-160 which authorizes Mirant Potomac River, LLC under the Utility Facilities Act to operate presently constructed generation facilities in the City of Alexandria and the County of Arlington, all as shown on the detailed map designated as Sheet 1 of 1 and attached to the Arlington/Fairfax County map and as authorized in Case No. PUE000547.

[1] The change in name was filed and accepted by the Clerk of the Commission on February 7, 2001.

(4) The Commission's Division of Energy Regulation will send a copy of the certificate issued in (3) with maps attached to Louis R. Monacell, Esquire, Christian & Barton, L.L.P., 909 East Main Street, Suite 1200, Richmond, Virginia 23219-3095.

(5) This case is dismissed from the Commission's docket.

CASE NO. PUE000547
FEBRUARY 20, 2001

APPLICATION OF
SOUTHERN ENERGY POTOMAC RIVER, LLC

For a certificate of public convenience and necessity: Potomac River Station

CORRECTING ORDER

By Order Issuing Certificates of Public Convenience and Necessity of February 12, 2001, the Commission issued certificates to Potomac Electric Power Company and Mirant Potomac River, LLC, formerly Southern Energy Potomac River, LLC. On the second page of that order, the closing date for the transaction should have been stated as December 19, 2000.

Accordingly, IT IS ORDERED THAT the Order Issuing Certificates of Public Convenience and Necessity of February 12, 2001, be corrected as noted above.

CASE NO. PUE000565
JANUARY 11, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CENTRAL LOCATING SERVICE, LTD.,
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 6, 2000, Franklin Mechanical Contractors, Inc., damaged a one hundred pair telephone service line operated by GTE South Incorporated located at or near Buckhorn Road, Windsor, Virginia, while excavating;

(2) On or about May 1, 2000, the City of Chesapeake damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 1553 Pine Grove Lane, Chesapeake, Virginia, while excavating;

(3) On or about May 19, 2000, Tri-State Utilities Co. damaged a two inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near 1471 Pine Grove Lane, Chesapeake, Virginia, while excavating;

(4) On or about May 23, 2000, W. R. Hall, Inc., damaged a three-quarter inch steel gas service line operated by Virginia Natural Gas, Inc., located at or near 501 General Gage Road, Virginia Beach, Virginia, while excavating;

(5) On or about May 30, 2000, Eastern Technical Communications, Inc., damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc. located at or near 3752 Sherwood Place, Newport News, Virginia, while excavating;

(6) On or about May 31, 2000, Hamilton Contractors, Inc., damaged a one and one-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 101 Saint Andrews Drive, James City County, Virginia, while excavating;

(7) On or about June 1, 2000, Hudgins Contracting Corporation damaged a four inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near the intersection of Parchment Boulevard and Haymaker Place, Newport News, Virginia, while excavating;

(8) On or about June 7, 2000, E. G. Middleton, Inc., damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 5233 Providence Road, Virginia Beach, Virginia, while excavating;

(9) On or about June 8, 2000, Virginia Electric and Power Company damaged a one hundred pair telephone service line operated by GTE South Incorporated located at or near Route 634, Alliance Road, Surry, Virginia, while excavating;

(10) On or about June 12, 2000, Hamilton Contractors, Inc., damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 1206 Orville Avenue, Chesapeake, Virginia, while excavating;

(11) On or about June 12, 2000, Directional Boring, L.L.C., damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near 1265 Tree Fern Drive, Virginia Beach, Virginia, while excavating;

(12) On or about June 14, 2000, Atlantic Cable & Trench, Inc. damaged a four inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near 528 Providence Road, Chesapeake, Virginia, while excavating;

(13) On or about June 16, 2000, Virginia Electric and Power Company damaged a one and one-quarter inch steel gas service line operated by Virginia Natural Gas, Inc., located at or near 2430 Azalea Garden Road, Norfolk, Virginia, while excavating;

(14) On or about June 19, 2000, T. A. Sheets Mechanical General Contractor, Inc., damaged a two inch steel gas main line operated by Virginia Natural Gas, Inc., located at or near 1945 East Ocean View Avenue, Norfolk, Virginia, while excavating;

(15) On or about June 20, 2000, the City of Suffolk damaged a four inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near 210 Locust Street, Suffolk, Virginia, while excavating;

(16) On or about June 20, 2000, Vico Construction Corporation damaged a one and one-quarter inch steel gas service line operated by Virginia Natural Gas, Inc., located at or near 1215 Little Bay Avenue, Norfolk, Virginia, while excavating;

(17) On or about June 21, 2000, Wilkins & Associates, Inc., damaged a one and one-quarter inch steel gas service line operated by Virginia Natural Gas, Inc., located at or near 701 Berkley Avenue, Norfolk, Virginia, while excavating;

(18) On or about June 27, 2000, Wilkins & Associates, Inc., damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near 5620 Wesleyan Drive, Virginia Beach, Virginia, while excavating;

(19) On or about June 28, 2000, Hamilton Contractors, Inc., damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 111 Barrett Drive, Suffolk, Virginia, while excavating;

(20) On or about June 28, 2000, Directional Boring, L.L.C., damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 2100 Sherbrooke Circle, Virginia Beach, Virginia, while excavating;

(21) On or about July 13, 2000, First South Utility Construction, Inc., damaged a twenty five pair telephone service line operated by GTE South Incorporated located at or near 3700 Colonial Trail, Surry, Virginia, while excavating;

(22) On or about July 10, 2000, the City of Virginia Beach damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 1225 Graylyn Road, Virginia Beach, Virginia, while excavating;

(23) On or about July 12, 2000, First South Utility Construction, Inc., damaged a twenty eight pair main telephone line operated by GTE South Incorporated located at or near the intersection of Holly Bush Road and Colonial Trail West, Surry, Virginia, while excavating;

(24) On or about July 17, 2000, A & W Contracting Corporation damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc. located at or near 2416 Shoreway Lane, Virginia Beach, Virginia, while excavating;

(25) On or about July 18, 2000, Precon Construction Company damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 5219 Powhatan Avenue, Norfolk, Virginia, while excavating;

(26) On or about July 18, 2000, Anne Marie Sherman, homeowner, damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 5557 Quarterpath Gate, Virginia Beach, Virginia, while excavating;

(27) On or about July 18, 2000, First South Utility Construction, Inc., damaged a fifty pair main telephone line operated by GTE South Incorporated located at or near Colonial Trail, Surry, Virginia, while excavating;

(28) On or about July 19, 2000, Precon Construction Company damaged a two inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 4601 Powhatan Avenue, Norfolk, Virginia, while excavating;

(29) On or about July 19, 2000, the City of Chesapeake damaged a three-quarter inch steel gas service line operated by Virginia Natural Gas, Inc., located at or near 4009 3rd Street, Chesapeake, Virginia, while excavating;

(30) On or about July 21, 2000, Southern Fencing damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 605 San Pedro Drive, Chesapeake, Virginia, while excavating;

(31) On or about August 1, 2000, Innerview, Ltd., damaged a four inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near 522 Darden Avenue, Suffolk, Virginia, while excavating;

(32) On or about August 4, 2000, Lucas Construction damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near the intersection of Kensington Boulevard and Squire Reach, Suffolk, Virginia, while excavating;

(33) On or about August 7, 2000, M. L. P. Concepts damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near 1805 Mountainside Drive, Suffolk, Virginia, while excavating;

(34) For the incidents described in paragraphs (1) through (33) 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;

(35) On or about June 12, 2000, Henry S. Branscome, Inc., notified the notification center of plans to excavate at or near the intersection of 26th Avenue and Chestnut Avenue, Newport News, Virginia;

(36) On or about June 12, 2000, R & P Lucas Underground Utilities, Inc., notified the notification center of plans to excavate at or near Harborton Road, Pungoteague, Virginia;

(37) On or about June 16, 2000, R & P Lucas Underground Utilities, Inc., notified the notification center of plans to excavate at or near Bobtown Road, Bobtown, Virginia;

(38) On or about June 16, 2000, R & P Lucas Underground Utilities, Inc., notified the notification center of plans to excavate at or near Harmontown Road, Johnsontown, Virginia;

(39) On or about June 16, 2000, R & P Lucas Underground Utilities, Inc., notified the notification center of plans to excavate at or near the intersection of Boston Road and Pennyville Road, Pennyville, Virginia;

(40) On or about June 16, 2000, R & P Lucas Underground Utilities, Inc., notified the notification center of plans to excavate at or near Hacks Neck Road, Harborton, Virginia;

(41) On or about June 16, 2000, R & P Lucas Underground Utilities, Inc., notified the notification center of plans to excavate at or near Hacks Neck Road, Hacks Neck, Virginia;

(42) On or about June 27, 2000, Prince Telecom, Inc., notified the notification center of plans to excavate at or near 1727 Rueger Street, Virginia Beach, Virginia;

(43) On or about June 29, 2000, Triple H Contracting Co. notified the notification center of plans to excavate at or near Route 3, King George, Virginia;

(44) On or about July 5, 2000, The Richardson-Wayland Electric Corporation notified the notification center of plans to excavate at or near the intersection of Route 337 and Route 642, Suffolk, Virginia;

(45) On or about July 14, 2000, Raines Boring and Drilling, Inc., notified the notification center of plans to excavate at or near Constance Road, Suffolk, Virginia;

(46) For the incidents described in paragraphs (35) through (45) 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;

(47) On or about June 1, 2000, W. E. Curling, Inc., damaged a twelve strand fiber telephone line operated by GTE South Incorporated located at or near 3985 Military Highway, Chesapeake, Virginia, while excavating;

(48) On or about June 23, 2000, Stewart Construction Company notified the notification center of plans to excavate at or near the intersection of Proctors Bridge Road and Browns Avenue, Ivor, Virginia;

(49) On or about July 7, 2000, Stewart Construction Company notified the notification center of plans to excavate at or near the intersection of Proctors Bridge Road and Browns Avenue, Ivor, Virginia;

(50) For the incidents described in paragraphs (47) through (49) 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;

(51) 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;

(52) On or about August 10, 2000, Suburban Grading & Utilities, Inc., damaged a two thousand four hundred pair main telephone line operated by GTE South Incorporated located at or near the intersection of Kempsville Road and Rainbow Road, Chesapeake, Virginia, while excavating;

(53) For the incident described in paragraph (52) 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; and

(54) 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 $49,550 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 $49,550 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. PUE000574
APRIL 18, 2001

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 GRANTING LICENSES

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 that have been approved by this Commission, 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") and 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, docketing 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 proposed 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 would satisfy 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 the Applicant filed 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.

On December 4, 2000, the Commission issued an Order in which it found that Old Mill Power was not a qualified applicant solely because it had not yet filed a bond or letter of credit. In that Order, we deferred any further action in the matter until we received an acceptable form of security from the Applicant.

On April 5, 2001, Old Mill Power filed an irrevocable standby letter of credit in favor of the Virginia State Corporation Commission in the amount of $13,000. That letter of credit expires on January 31, 2002.

NOW UPON CONSIDERATION of the application, the Staff Report, and Old Mill's April 5, 2001, letter of credit, the Commission finds that Old Mill Power's application to provide electric, natural gas, and aggregation services should be granted, subject to the conditions set forth below. Accordingly,

IT IS ORDERED THAT:

(1) Old Mill Power Company is hereby granted license No. PE-12 to provide competitive electricity supply service to residential, commercial and industrial customers in conjunction with the retail access pilot programs of Virginia Power, AEP-VA, and REC through the earlier of the expiration of the applicable pilot or January 31, 2002, the expiration date of the irrevocable letter of credit. This license to act as a competitive service provider is further 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) Old Mill Power Company is hereby granted license No. PG-13 to provide competitive natural gas supply service to residential, commercial and industrial customers in conjunction with the retail access pilot programs of WGL and CGV through the earlier of the expiration of the applicable pilot or January 31, 2002, the expiration date of the letter of credit. 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) Old Mill Power Company is hereby granted license No. PA-11 to provide aggregation services to residential, commercial and industrial customers in conjunction with the retail access pilot programs of WGL, CGV, Virginia Power, AEP-VA, and REC through the earlier of the expiration of the applicable pilot or January 31, 2002, the expiration date of the letter of credit. 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, or the expiration date of the letter of credit, whichever is earlier, 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) The issuance of the licenses granted herein is subject to the maintenance of the letter of credit in the amount of $13,000.

(6) Failure of Old Mill Power to provide a substitute letter of credit prior to the expiration of the letter of credit originally filed should Old Mill Power wish to extend its licenses, or 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 that includes, 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.

(7) This case shall remain open for consideration of any subsequent amendments or modifications to these licenses.

CASE NO. PUE000576
MAY 4, 2001

APPLICATION OF
POWERTRUST ENERGY SERVICES, INC.

For licenses to conduct business as an aggregator and a natural gas competitive service provider

ORDER REVOKING LICENSES

On October 19, 2000, PowerTrust Energy Services, Inc. ("PowerTrust Energy" or "Company"), completed an application for a license to conduct business as a competitive service provider and aggregator in natural gas retail access pilot programs of Washington Gas Light Company ("WGL") and Columbia Gas of Virginia, Inc. ("CGV").

By Commission Order dated November 30, 2000, the Commission granted PowerTrust Energy 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. In addition, we granted PowerTrust Energy 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.

By letter dated April 4, 2001, WGL notified the Commission that PowerTrust Energy was withdrawing from WGL's retail access pilot program, and therefore, all of PowerTrust Energy's customers were being returned to WGL's regulated service. By letter filed April 26, 2001, PowerTrust Energy surrendered its license to provide aggregation and natural gas services in the WGL and CGV pilots.

NOW UPON CONSIDERATION of the Company's voluntary surrender of license Nos. PG-12 and PA-9, the Commission is of the opinion and finds that the Company's offer to surrender its licenses should be accepted. Accordingly,

IT IS ORDERED THAT:

(1) PowerTrust Energy's license to provide competitive natural gas service, license No. PG-12, is hereby revoked.

(2) PowerTrust Energy's license to provide aggregation services, license No. PA-9, is hereby revoked.

(3) There appearing nothing further to be done in this matter, this matter is hereby dismissed.

CASE NO. PUE000583
DECEMBER 18, 2001

APPLICATION OF
CENTRAL VIRGINIA ELECTRIC COOPERATIVE

For a general increase in rates

FINAL ORDER

Central Virginia Electric Cooperative ("CVEC" or the "Cooperative") has filed with the Commission an application for a general increase in rates under § 56-582 A 3 of the Virginia Electric Utility Restructuring Act, Chapter 23 (§ 56-576 et seq.) of Title 56 of the Code of Virginia ("the Act"), which authorizes the establishment of capped rates from January 1, 2001, to July 1, 2007. The Cooperative proposed capped rates using a projected 2007 cost of service. Pursuant to § 56-582 B(iv) of the Code of Virginia, the Cooperative proposes to discount the capped distribution rate each year between 2001 and 2007 to match the cost of service. The discount percentage would be computed using a target Time Interest Earned Ratio ("TIER") based on estimated interest and operating expenses through 2007. In addition, CVEC proposed changes in its charges and terms and conditions of service.

CVEC also filed for approval of its plan for functional separation ("Plan") as required by the Act. The Act requires that the Commission complete its review of proposed plans of separation by January 1, 2002, and that transition to competition be implemented according to a timeline established by the Commission. Pursuant to an Order issued on March 30, 2001, in Case No. PUE000740, the Commission established January 1, 2004, as the deadline for CVEC and other electric cooperatives to provide full retail access for their customers.

The Commission promulgated rules[1] for functional separation as required by the Act. These Rules require the Cooperative to file a Plan that includes a cost of service study separating the Virginia jurisdictional operations into functions: generation, transmission, and distribution, subdivided by class and specifically identifying the costs associated with metering and billing. The Rules also require that the Plan include proposed unbundled rates, tariffs, and terms and conditions for service. Requests for waiver from the required submission of documents under the various sections of the Rules are also permitted.

As required by the Functional Separation Regulations, 20 VAC 5-202-40 B 8, CVEC filed its proposed unbundled rates, terms, and conditions as part of the functional separation application. The Cooperative also addressed default service provided pursuant to § 56-585 E of the Code of Virginia.

Before the Commission is the Report of Howard P. Anderson, Jr., Hearing Examiner, filed August 22, 2001 (hereinafter the "Report"). Examiner Anderson recommended that the Commission accept a stipulation of fact filed by CVEC and the Commission Staff and grant the application.

In response to the Report, CVEC filed on September 12, 2001, comments on one aspect of the Report. Examiner Anderson recommended that CVEC refund with interest any amount collected through the interim rates and charges to all classes of customers. CVEC had advocated before the examiner and now before the Commission that no refund be made to members served under the Cooperative's Rate Schedule A, Farm and Home Service. According to CVEC, the difference between the Schedule A Minimum Charges in effect, on an interim basis, from January 1, 2001, and the Minimum Charges proposed in the stipulation would not exceed approximately $60,800 for the entire class as of June 2001, while the cost of making the refund would exceed $50,000. The stipulation did not address the refund issue.

CVEC made two arguments for not making the refund. First, the cost of the refund to its member-customers would probably exceed the amount refunded. Further, the Minimum Charges in effect on an interim basis were supported by cost-of-service studies accepted by the Staff. No refund should, in CVEC's view, be required when the interim rates were within the same range of reasonableness as the Minimum Charges accepted for purposes of the stipulation.

The Commission has considered the record made in this proceeding, the Report, and CVEC's comments on the Report. We will adopt the Examiner's recommendation to accept the joint stipulation. According to the Report, the stipulation was a fair and just resolution of the issues identified in the application and the testimony and exhibits, and we find that the record supports such a finding.

Since it is not a member of a power supply cooperative, CVEC opted to use the unique discounting mechanism for capped rates provided by § 56-582 B (iv) of the Code. Discounting requires estimation of future costs of providing distribution services and customer growth, among other variables. To implement the discount mechanism, future interest expenses and interest coverage must also be estimated so that the Cooperative remains on a sound financial footing. Of equal importance is crafting the discount mechanism to assure that member-customers pay no more than is necessary to assure financial soundness. The record shows that the Staff and the Cooperative investigated these issues, and the stipulation is a reasonable resolution of the issues. In particular, the procedure for annual Staff review of the development of the discount factor should provide for fair and expeditious adjustment of rates.

In addition to accepting the stipulation, the Examiner also recommended that CVEC make refunds to all customers, which would include those served under Schedule A, Farm and Home Service. Examiner Anderson noted that the expense of any refund could approach the amount of the refund. Section 56-582 of the Code of Virginia, the same provision of law that authorized CVEC to file rates that took effect without suspension, requires that such rates be "subject to refund with interest. . .." The rates we find just and reasonable are below the rates filed by CVEC and a refund is necessary. The Commission will adopt the Examiner's recommendation, and we direct a refund to all classes of customers.

With regard to functional separation, we find that generation and transmission costs should be tracked prospectively by the Cooperative in order to ensure accurate functional allocations in any future proceedings before the Commission. We also direct the CVEC to begin tracking the incremental costs associated with billing and collection costs, as well as the activities that give rise to the customer service and legal and regulatory costs.

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[1] Commission's Regulations Governing the Functional Separation of Incumbent Electric Utilities under the Virginia Electric Utility Restructuring Act ("Rules"), 20 VAC 5-202-10 et seq., adopted in Case No. PUA000029.

CVEC, through its Power Cost Adjustment Rider ("PCAR"), flows through to consumers costs or credits reflecting changes in a number of components of generation, including fuel, purchase power, and load management cost and credits. Like other cooperatives' fuel factors, the PCAR fluctuates monthly. The impact of the monthly PCAR adjustment in relation to the determination of the market price for generation and the wires charge (should CVEC ever request such a charge) may impact the development of competition. However, because it is not necessary that we resolve this issue prior to January 1, 2002, we will defer our consideration of it until next year. In the interim, we direct the Staff to (i) consult with CVEC, the other electric cooperatives, and any other interested parties on this issue and (ii) submit a written recommendation to the Commission on or before March 1, 2002, on whether we should implement an annual fuel factor adjustment or PCAR for the cooperatives in lieu of the current fluctuating monthly charge.

Accordingly, the Commission finds as follows:

(1) The use of a test year ending December 31, 1999, with adjustment to rate base and rate base sensitive items to May 31, 2001, and the Staff's methodology to adjust for the rate period from 2001 through 2007 are proper and comply with the requirements of the Act.

(2) CVEC's total operating revenues for the Virginia jurisdiction projected for 2001, after adjustments, are $33,066,043, and total operating revenues for the Virginia jurisdiction projected for 2007, after adjustments, are $42,343,584.

(3) CVEC's total operating expenses for the Virginia jurisdiction projected for 2001, after adjustments, are $29,359,071, and total operating expenses for the Virginia jurisdiction projected for 2007, after adjustments, are $40,883,299.

(4) CVEC's operating margins for the Virginia jurisdiction projected for 2001, after all adjustments, are $3,706,972, and $1,460,285 projected for 2007.

(5) CVEC's total margins for the Virginia jurisdiction projected for 2001, after all adjustments, are $946,267, and $(1,800,039) projected for 2007.

(6) CVEC's total rate base for the Virginia jurisdiction projected for 2001, after all adjustments is $72,146,689, and $87,789,074 projected for 2007.

(7) CVEC's TIER for the Virginia jurisdiction projected for 2001 is 1.32, and 0.48 projected for 2007.

(8) Use of a TIER range of 1.75 to 2.25 for annual review and modification of rates to maintain margins is reasonable and supported by the record. CVEC's capped rates should be discounted, as found in finding paragraph (11) below, to afford CVEC an opportunity to achieve the midpoint, a TIER of 2.0.

(9) CVEC's projected additional revenue requirement and total revenue requirement for the Virginia jurisdiction for 2001 are $2,018,409 and $35,084,452, respectively and for the year 2007, as projected, are $5,269,536 and $47,613,120, respectively, to achieve a TIER of 2.0.

(10) CVEC's total projected Virginia jurisdiction revenue requirement for the year 2007 of $47,613,120 should be the basis for determining the Cooperative's "capped rates" in accordance with the Act and the basis for functionally unbundled retail rates.

(11) The proposed adjustment mechanism to calculate a discount from the capped rates for the years 2001 through 2007 is reasonable and should be implemented.

(12) Application of a discount of 6.72% to CVEC's 2007 capped rates to develop rates and charges for service provided on and after January 1, 2001, is reasonable and will produce sufficient additional revenues to provide CVEC an opportunity to achieve a TIER of 2.0.

(13) To implement the adjustment mechanism found to be reasonable in finding paragraph (11), CVEC should file with the Commission by April 1, 2002, and by April 1 of each year thereafter through 2007, a financial status statement that is based on information for the preceding calendar year and meets the requirements that follow:

(a) The financial status statement shall begin with total Cooperative per books information and remove non-jurisdictional business and generation business. Generation business should be removed based on the functional separation methodology included in the Stipulation, Company Ex. 1, as corrected at the July 10, 2001 hearing (hereinafter "the Corrected Stipulation"), Attachments C and D.

(b) Only those adjustments necessary to reflect the Cooperative's financial information on a regulatory accounting basis should be made. Such regulatory accounting adjustments shall include, but are not limited to, unbilled revenue; annualization of changes to the base-rate discount; storm damage; post-retirement benefits other than pensions; material out-of-period costs; and material non-recurring costs.

(c) Transition costs incurred by the Cooperative to comply with requirements of the Act shall be included in per books expenses in the financial status statement. Including transition costs shall not cause a decrease in the discount rate applied to capped rates.

(d) The financial information shall be evaluated by the Commission to determine whether the Cooperative's earnings are within a TIER range of 1.75 to 2.25. The discount from the capped rates, if any, will be calculated.

(14) The unbundled retail rates, by customer class, in the Corrected Stipulation, Attachment E1, are reasonable and should be approved.

(15) CVEC should recover payment of load management credits through its Power Cost Adjustment Rider ("PCAR"). The PCAR should recover or credit the difference between actual monthly purchased power costs and the projected purchased power costs for 2007. Certain other generation expenses are not subject to recovery in the PCAR. Attachment G to the Corrected Stipulation details in the column headed "Subject to PCA Recovery" the accounts included in the PCAR. Other accounts are detailed in the column headed "Subject to Gen. Rate Cap." The Power Cost Adjustment Rider as set out in the Corrected Stipulation, Attachment F, reflects the methodology in Attachment G. It is reasonable and should be approved.

(16) The recommendations of Staff witness Abbott for modifications to the Cooperative's terms and conditions for service set out in Ex. GLA-8 at 25-32 are reasonable and should be implemented.

(17) CVEC should refund, with interest, to all customers all amounts we find excessive.

Accordingly, IT IS ORDERED THAT:

(1) As provided by the Act and related provisions of Title 56 of the Code of Virginia, CVEC's application for a general increase in rates is granted to the extent discussed in this Order and is otherwise denied.

(2) CVEC's application for approval of a functional separation plan pursuant to the Act is granted and the plan is approved to the extent discussed in this Order and is otherwise denied.

(3) On or before December 28, 2001, CVEC shall file with the Commission's Division of Energy Regulation revised schedules of rates and charges and terms and conditions conforming to the Commission's findings in this Order. The revised terms and conditions shall include a description of the mechanism for developing the discount from the capped rates. The revised rates and charges and terms and conditions shall bear an effective date of January 1, 2001, and be effective for service provided on and after January 1, 2001.

(4) On or before March 1, 2002, CVEC shall recalculate, using the rates and charges prescribed by this Order and effective on January 1, 2001, each bill it rendered to all customers based, in whole or in part, on the rates and charges that took effect, on an interim basis and subject to refund, on January 1, 2001. Where application of the prescribed rates results in a reduced bill, CVEC shall refund, with interest, as directed below, the difference.

(5) Interest on 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. Interest shall be 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 bank prime loan" rates published in the *Federal Reserve Bulletin* or in "Selected Interest Rates", Federal Reserve Statistical Release H.15 (519), for the three months preceding the first month of the calendar quarter.

(6) The refunds directed in ordering paragraph (4) may be credited to current customers' accounts (each refund category shall be shown separately on each customer's bill). Refunds to former customers of $1.00 or more shall be made by check mailed to the last known address. CVEC 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.

(7) CVEC may retain refunds of less than $1.00, which are due former customers. CVEC shall maintain a record of former customers for which the refund is less than $1.00, and such refunds shall be made promptly upon request. All unclaimed refunds shall be subject to § 55-210.6:2 of the Code of Virginia.

(8) On or before May 20, 2002, CVEC shall file with the Commission's Division of Energy Regulation a report showing that all refunds have been made pursuant to this Order and detailing the costs of the refund and accounts charged. Costs shall include, inter alia, computer costs, and the personnel hours, associated salaries and costs for verifying and correcting the refunds directed in this Order.

(9) On or before March 1, 2002, the Staff shall submit a written recommendation to the Commission on whether we should transition to an annual fuel factor adjustment for the cooperatives from the current fluctuating monthly fuel charge, and if so, how such a transition should occur.

(10) CVEC shall provide tariffs and terms and conditions of service to the Division of Energy Regulation that conform to this Order and all applicable Commission Rules and Regulations one hundred fifty (150) days prior to its implementation of retail choice.

(11) This case is closed and dismissed from the Commission's docket.

CASE NO. PUE000584
JULY 31, 2001

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of a Functional Separation Plan under the Virginia Electric Utility Restructuring Act

ORDER APPROVING TARIFF ON INTERIM BASIS

On July 20, 2001, Virginia Electric and Power Company d/b/a Dominion Virginia Power ("Dominion Virginia Power" or "the Company") filed revised tariffs with the State Corporation Commission ("Commission") pursuant to the final order in Case No. PUE010013 adopting Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules"). These tariffs included unbundled rates and supplier tariffs governing retail access to electric generation. One of the revised tariffs filed on July 20, 2001, entitled "Competitive Service Provider Coordination Tariff" contains an effective date of August 1, 2001. The remaining revised tariffs contain an effective date of January 1, 2002.

Because the Commission must review and approve retail access tariffs, including unbundled rates and supplier tariffs, as part of Dominion Virginia Power's functional unbundling process, we believe it appropriate to consider this revised tariff filing as part of the functional separation proceeding currently before the Commission in Case No. PUE000584.

NOW THE COMMISSION, upon consideration of Dominion Virginia Power's filing, and the applicable law, is of the opinion that the Company's revised tariff filing should be considered as part of Case No. PUE000584. Also, because the rates, terms and conditions contained in this tariff

will be reviewed as part of the functional separation proceeding, we will permit the Competitive Service Provider Coordination Tariff to go into effect on an interim basis with the rates, terms and conditions subject to refund and/or modification. Accordingly,

IT IS THEREFORE ORDER THAT:

(1) The revised tariffs filed by Dominion Virginia Power on July 20, 2001, pursuant to the final order in Case No. PUE010013 adopting the Retail Access Rules, shall be made part of the record in the Company's functional separation proceeding, Case No. PUE000584.

(2) Dominion Virginia Power's Competitive Service Provider Coordination Tariff is approved for implementation on an interim basis, subject to refund and/or modification of the rates, terms and conditions contained in the tariff, effective August 1, 2001.

(3) Dominion Virginia Power shall promptly furnish a copy of its Competitive Service Provide Coordination Tariff to any person requesting a copy. Requests should be directed to Karen L. Bell, Senior Counsel, Dominion Virginia Power, P.O. Box 26532, Richmond, Virginia 23261.

CASE NO. PUE000584
DECEMBER 18, 2001

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of a Functional Separation Plan under the Virginia Electric Utility Restructuring Act

ORDER ON FUNCTIONAL SEPARATION

Executive Summary

Pursuant to requirements of the Virginia Electric Utility Restructuring Act ("Restructuring Act" or "Act"), Virginia Electric and Power Company ("Virginia Power" or "Company") filed, on November 1, 2000, a plan ("Plan") for the separation of its distribution, transmission and generation functions. It proposed to accomplish this goal by creation of an affiliated company, to be called Dominion Generation, to which Virginia Power would transfer all of its electric generating plants, all contracts for the purchase of electricity generated by others, all contracts for the purchase of fuel for electric generation and all personnel needed to manage and operate the plants and contracts.

The book value of the assets proposed to be transferred exceeded $6.7 billion, while the market value of these assets has not been determined. Although Virginia Power proposed this transfer of billions of dollars of assets, it proposed not to transfer any of its outstanding debt associated with and secured by these assets. Instead, the Company proposed to enter a contract with Dominion Generation in the future in which Dominion Generation would undertake payment responsibility, but not legal ownership of or liability for, an undefined portion of the outstanding debt obligation.

Electricity produced by the generating plants proposed for transfer would no longer be subject to regulation by the Commonwealth of Virginia or its designated agencies, but would instead fall within the jurisdiction of the Federal Energy Regulatory Commission. Virginia Power proposed that the plants be operated as exempt wholesale generators. Such entities make sales of power only in the wholesale market, which is subject to federal regulation only, by operation of the Federal Power Act.

During the course of the proceedings, the Company made 13 separate filings supplementing or amending the Plan it proposed on November 1, 2000. The application and original Plan were noticed to the public and a number of interested parties filed protests and participated in the case. Over the course of nine days in October, 2001, the matter was heard by the Commission. Additional revisions to the Plan were offered during and after the hearing.

This Order denies approval of the Company's proposed Plan at this time and instead directs Virginia Power to separate its generation, distribution and transmission functions through creation of divisions within the Company to manage and operate each function.

As set forth at length in this Order, we find the Plan to be vague, lacking in sufficient detail and adequate explanation of many contingencies, and would leave too many critical details to be worked out in future filings. The allocation of payment on the billions of dollars of debt mentioned above is one such detail. Further, the source and cost of power needed by Virginia Power to meet its future capped rate and default service obligations on a reliable basis was not sufficiently assured.

As found herein, the Plan proposed by Virginia Power would impose unacceptable risks on the utility's customers by reducing or eliminating the effects of many consumer protection measures incorporated into the Restructuring Act. The Plan would transfer jurisdiction over critical matters from Virginia to federal authority; would remove from Virginia Power billions of dollars of assets with which its financial debts are collateralized; would impede the development of an effectively competitive market for electric generation, as envisioned by the Restructuring Act; and fails to provide any discernible consumer benefits. Accordingly, the Plan is now rejected.

The Order does not foreclose, in any manner, further consideration of the corporate reorganization and asset transfers proposed by the Plan at such time that needed market structures, including regional transmission organizations, have been established and conditions in the competitive market for retail electric generation service in Virginia merit. Denial of the Plan is required at this time precisely to enable these latter developments to occur.

Application and Procedural History

On November 1, 2000, Virginia Power filed with the Virginia State Corporation Commission ("the Commission") an application pursuant to Virginia Code § 56-590 B of the Restructuring Act. The application sought approval of a Plan for the functional separation of the Company's generation, transmission, and distribution functions as required by the Act.

On December 12, 2000, the Company supplemented its application by filing its functionally unbundled cost of service study and tariffs as part of what it characterized as its "Phase II" filing.

Under the Plan, the Company proposed to separate its operations structurally by transferring $6.7 billion in generation assets[1] to an affiliate, Dominion Generation Corporation ("Dominion Generation"), that the Company would create. Dominion Generation would be an entity known as an "exempt wholesale generator" ("EWG"), engaged exclusively in the sale of electricity in the wholesale market. Its sale of electric power in that market would be regulated by the Federal Energy Regulatory Commission ("FERC") and not by the Commission.[2] The Company proposed to transfer to Dominion Generation the Company's rights and obligations under its non-utility generation contracts, together with all its other rights and obligations related to generation operations.

Under the Plan, Virginia Power would distribute the stock of Dominion Generation to Dominion Resources, Inc., which is Virginia Power's parent company, in what the Company termed a "tax-free spin-off." Virginia Power would retain its transmission and distribution assets and operations, doing these businesses under the name "Dominion Virginia Power." The Plan required approval by the Commission pursuant to the Restructuring Act and also under the provisions of the Utility Affiliates Act[3] and the Utility Transfers Act.[4]

According to the application, Virginia Power currently had approximately $3.8 billion in outstanding long-term debt. The Company stated that essentially all of its assets are subject to liens of its mortgage bond indenture. The Company has covenant obligations in that indenture and other financings. In contrast to the transfer of Virginia Power's generation assets to Dominion Generation, Virginia Power's existing debt would not be transferred, but would remain the obligation of Virginia Electric and Power Company, under its new trade name, Dominion Virginia Power. The Company proposed to reallocate payment responsibility for this debt between Dominion Virginia Power and Dominion Generation. In order to reallocate debt and to transfer the generation business out of Virginia Power, the Company stated that it would undertake debt restructuring actions at some time subsequent to the transfer. These actions might include market-based purchases of debt obligations, defeasance, alternative security, and trustee or bondholder consents.[5]

According to the Company's Plan, Virginia Power would be part of Dominion's delivery business, which includes electric transmission operations, customer service and metering, and gas and electric distribution operations in Virginia, North Carolina, Ohio, Pennsylvania, and West Virginia. The Company's Plan further proposed that after the functional separation, Virginia Power would continue to impose and collect a fuel factor for recovery of

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[1] This is the approximate book value calculated by Virginia Power as of December 31, 1999, based on the Company's proposed methodology. The actual amount transferred would be based on book values at the date of transfer and the allocation methodologies approved by the Commission. The Company's book generation asset values are detailed in the Plan's Appendix C. The market value of the plants is apparently unknown to Virginia Power, according to testimony from several of its witnesses.

[2] Under § 201 (b) of the Federal Power Act (16 U.S.C. § 824), the Federal Energy Regulatory Commission ("FERC") has exclusive jurisdiction over the sale of electric power in the wholesale market.

[3] Chapter 4 (§ 56-76 et seq.) of Title 56 of the Code of Virginia.

[4] Chapter 5 (§ 56-88 et seq.) of Title 56 of the Code of Virginia.

[5] According to the Company, the debt payment allocations would be performed with the assistance of outside investment bankers with the objectives that: (i) Dominion Resources maintain its current BBB+/Baa1 credit rating, (ii) Virginia Electric and Power Company doing business as "Dominion Virginia Power" maintain credit ratings as strong or stronger than the current A-/A3 senior unsecured rating it currently enjoys doing business as Virginia Power, and (iii) Dominion Generation achieve an investment grade credit rating. According to the Company, credit ratings would depend not only on the degree of financial leverage of the various entities, but also on measures of cash flow coverage. The extent of the debt realignment would therefore be significantly affected by the level of unbundled rates received by each of the entities, as well as the operational expenses of each. For these reasons, the Company states in its filings that it is currently not possible to predict the level of debt at each of the entities, nor the precise form that the debt would take. Thus, the Company asserts, until such time as the Commission has approved the Plan, much of the financial restructuring would remain indeterminable, except in broad general terms.

After determination of the unbundled rates in this case, and before any restructuring activity, the Company stated that it would engage outside parties to undertake an analysis of the revenues associated with the unbundled rates, and the operational expenses of the entities, for the purpose of credit rating agency analysis and review. To the extent necessary, and insofar as practicable, the Company stated that it would adjust the capital structures of the entities so as to achieve its ratings targets.

With respect to the obligations of the Company other than taxable debt, such as tax-exempt financing and preferred stock, the Company has stated in this filing its plan to effect the transfer of these, or replacement obligations, to Dominion Generation, either by assumption or issuance of refunding obligations as part of the overall reallocation of debt obligations. The proceeds from any new issuances would be used to rebalance debt loads by paying down obligations of Virginia Power, including any required call premiums.

The Company stated that if it is unable to proceed with its proposed restructuring plan as detailed in its application, it may propose an alternate approach: transferring the transmission and distribution assets out of Virginia Power, rather than the generation assets. In that case, which, the Application stated, would involve a revision of the Plan (including, according to the Company, shifting "incumbent electric utility status" under the Restructuring Act to a new entity created to hold the transmission and distribution businesses), a subsequent exchange offering would be made with the goal of achieving ratings objectives similar to those outlined above.

fuel purchase expense, would collect nuclear decommissioning funding costs (pursuant to the Company's Nuclear Decommissioning Funding Plan)[6] and would also collect wires charges[7] from retail customers; under the Plan, all three of these collections would be paid over to Dominion Generation.

Under the Plan, Virginia Power would be the "incumbent electric utility" under the Act, with attendant responsibilities associated with that designation.[8] Virginia Power would be responsible for providing retail customers with capped rate service until July 1, 2007,[9] and default service under the Act, if it is designated a default service provider pursuant to § 56-585.

The Company's proposed Plan provides further that Dominion Generation would supply Virginia Power with electric power during and after the capped rate period pursuant to a power purchase agreement ("PPA") between the two entities.[10] Upon expiration of the capped rate period, prices for any power purchased by Virginia Power from Dominion Generation under the PPA for the Company's default service customers will be at "prevailing market prices."[11] According to the Company, the PPA would ensure the availability of generation assets or their equivalent for services to Dominion Virginia Power's retail customers.[12]

The proposed PPA's pricing provisions for default service at "prevailing market prices" after July 1, 2007, were not consistent with the provisions of Senate Bill 1420 ("SB 1420") passed by the 2001 Session of the Virginia General Assembly. SB 1420 amended § 56-585 of the Restructuring Act, requiring that default service provided by incumbent electric utilities after July 1, 2007, be priced with reference to competitive regional electricity markets.[13] Subsequently, the Company's Plan was amended to reflect the changes this legislation made to the Restructuring Act, including those that change the pricing of generation default service provided by incumbent utilities on and after July 1, 2007.

For use on and after January 1, 2002, Virginia Power's functional separation Plan proposed an index-based fuel cost recovery mechanism that would forecast generation by fuel types and use projected fuel price indices. This new fuel factor proposal provided for a true-up, or reconciliation of forecasted fuel prices with historical prices, as represented in selected fuel indices. The Company's actual fuel expenditures would not figure in the calculations. Any under-recovery or over-recovery balance would be carried forward to the next fuel period. This process would continue until the fuel factor terminates at the end of capped rate service.[14] As noted, the fuel cost collections would be paid over to Dominion Generation.

As required by the Commission's functional separation rules, the Company proposed in its Plan to unbundle its rates to reflect the separation of its generation business. The Company's proposed unbundled tariffs, rates, and terms and conditions of service were included in its December 12, 2000, filing. The unbundled rates were based on a functionally unbundled cost of service study for the twelve-month period ending December 31, 1999.

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[6] The proposal for Virginia Power to collect decommissioning funds from its ratepayers is discussed on pp. 20-22 of the Plan; the proposed Agent Agreement between Virginia Power and Dominion Generation is contained in the Plan's Appendix D. Virginia Power's Virginia jurisdictional ratepayers collectively pay $29 million annually toward the Company's nuclear decommissioning trust fund as set forth in the Company's Phase II filing in this proceeding, Volume 1 of 4, Appendix A, Schedule 4, page 1.

[7] The Company's proposed accounting for the wires charges collected from ratepayers is discussed on pp. 22-23 of the Plan.

[8] As discussed below, as the incumbent electric utility under the Restructuring Act, Virginia Power would be solely responsible for the statutory obligation to provide capped rate service under § 56-582 and default service under § 56-585 for those customers who cannot or who choose not to shop for competitive generation suppliers.

[9] Capped rate service can be terminated on and after July 1, 2004, in an incumbent electric utility's service territory if the Commission, upon application of an incumbent, pursuant to § 56-582 C of the Act, finds that there is an effectively competitive market for generation services within the utility's service territory.

[10] The PPA, as proposed, would not have obligated Dominion Generation to use output from the units transferred from Virginia Power to meet Virginia Power's customers' electricity needs. The output of the transferred plants could instead be sold entirely into the wholesale market and Virginia Power supplied by Dominion Generation through the latter's purchase of power from other suppliers in the market. Through testimony from the last witness in the hearing, Dominion Energy Chief Executive Officer Thomas F. Farrell III, Virginia Power proposed changes to the PPA to ensure delivery of power to Virginia Power customers from these units, if necessary.

[11] Specifically, the Company states that ". . . Dominion Generation will be compensated at rates consistent with prevailing market prices for service provided to Dominion Virginia Power necessary for it to meet any assigned default service role for customers who still need a transitional safety net. Virginia Power's rates for default service would be subject to Commission review to ensure they are fairly compensatory and reflect prudently procured energy costs." Plan, pp. 33-34.

[12] The proposed PPA was described in the Plan on pp. 28-36, and was included in the Plan's Appendix E.

[13] Senate Bill 1420's revisions to § 56-585 further provide that in the event the Commission is unable to identify competitive regional electricity markets where competition is an effective regulator of rates, then the Commission is required to establish default service generation rates by "setting rates that would approximate those likely to be produced in a competitive regional electricity market."

[14] The proposed fuel cost recovery mechanism is described on pp. 23-28 of the Plan. A supplemental filing concerning the Company's proposed fuel factor methodology was filed with the Commission on November 29, 2000. Fuel factor recoveries include the cost of assessments made by the federal government for (i) permanent disposal of spent fuel and, (ii) the decommissioning and decontamination of government owned nuclear facilities. The Company advised in its 2000 Fuel Factor proceeding (Case No. PUE000585), that for calendar year 1999, the Company expensed approximately $25.5 million for both of these items on a Virginia jurisdictional basis. This figure is in addition to the $29 million annually recovered from Virginia Power customers toward the decommissioning of the Company's own nuclear units referred to in footnote No. 6, supra.

In its application, Virginia Power proposed a "minimum stay" period of twelve consecutive months for those of its customers who switch to competitive suppliers, but then return to capped rate service.[15] According to the Company, while its customers do have a statutory right of return under the Restructuring Act,[16] a minimum stay period is necessary to prevent inappropriate supplier "gaming" of the market.[17]

On page 41 of its Plan, the Company has also requested waivers of certain requirements within the Commission's functional separation rules. The waivers requested concern the following filings required by these rules: (i) jurisdictional breakdown of the cost of service studies, (ii) proposed systems of account for Dominion Generation, and (iii) estimates of costs to unbundle the Company.[18]

In a separate filing dated November 29, 2000, the Company furnished updated data for its proposed fuel factor methodology. The Company's December 12, 2000, filing included: (i) a cost of service study, (ii) unbundled rates, and (iii) proposed terms and conditions of service. The Company's December 12 filing also requested a waiver of the requirement that its cost of service study be subdivided by class costs for metering and billing.[19]

As noted earlier, Dominion Generation planned to own and operate the generating assets transferred to it by Virginia Power as an exempt wholesale generator, or EWG, not subject to regulation by the Commission. The federal Public Utility Holding Company Act of 1935 ("PUHCA") requires a State Commission to make certain findings in conjunction with any such request. PUHCA also serves to prohibit power purchase contracts between affiliated entities in the absence of certain additional findings by a State Commission. Virginia Power has asked in its Plan that the Commission make such findings, which are discussed in further detail below.

The Company states that the proposed legal separation of the generation operations from the transmission and distribution operations complies with the Act, and specifically § 56-590 of the Code of Virginia. The accounts and employees of the two operations will be separated.[20] Virginia Power further asserts that its Plan (i) provides safeguards against cross-subsidies between regulated and unregulated entities,[21] and (ii) ensures that its generation assets or their equivalent remain available for electric service during the capped rate period and any period during which Virginia Power serves as a default supplier. Finally, Virginia Power asserts that the proposed functional separation of its regulated and unregulated business activities, its proposed internal controls, and the terms and conditions of the PPA will prevent anti-competitive behavior or self-dealing and discriminatory behavior toward non-affiliated units.

Virginia Power stated that its Plan was consistent with the intent of the Virginia General Assembly reflected in the Act and would ensure that the Company's high standards for reliable electric service will be maintained. Moreover, the Company states that "Virginia Power's provision of adequate, reliable and safe service, at just and reasonable rates, will not be impaired or jeopardized by the Commission's approval of the Plan."[22] The Company stated that the generation, transmission, and distribution assets will continue to be operated by the same personnel and according to the same standards that have allowed Virginia Power to achieve high levels of safety and reliability.

Thus, the Company requested approval of the Plan, including: (i) the proposed transfer of its generation assets and operations; (ii) the Nuclear Decommissioning Funding Plan; (iii) the fuel cost recovery mechanism; (iv) the proposed form of the PPA; (v) findings required by the Public Utility Holding Company Act, 15 U.S.C.A. §§ 79 to 79z-6 (1997); and (vi) any other approvals required under §§ 56-76 to 56-87, 56-88 to 56-92, 56-582 E, and 56-590 B of the Code of Virginia.

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[15] Virginia Power's "Phase II" filing, filed December 12, 2000, Volume 4 of 4, Appendix F (Unbundled Rate Schedules), pp. 2 and 3.

[16] § 56-582 D.

[17] By Order entered in a subsequent rulemaking proceeding, Case No. PUE010296, the Commission has concluded that incumbents may require customers voluntarily returning to capped rate service from a competitive supplier to remain on capped rate service for a 12 month period, if the customer's annual peak demand is 500 kW or greater. No other minimum stay is allowed at this time.

[18] The Company provided no explanation in its application for the waiver request concerning the requirement (under the Commission's functional separation rules) that the Company file cost of service studies reflecting total company and total Virginia operations, and separating total Virginia operations into Virginia jurisdictional operations and Virginia non-jurisdictional operations (20 VAC 5-202-40 B 7). However, the Commission was later advised by the Commission Staff that the Company desired to furnish a cost of service study separating its operations into the following four categories corresponding to the methodology it has employed in prior rate proceedings: Virginia jurisdictional, Virginia nonjurisdictional, FERC, and North Carolina. The other two waivers correspond to 20 VAC 5-202 40 B 6 e (proposed system of accounts for any affected, affiliated generation company), and 20 VAC 5-202-40 (estimates of the cost of functional separation, and an explanation of how these costs will be shared by proposed functionally separate entities). With respect to the waiver requested concerning Dominion Generation's system of accounts, the Company simply stated that the same had not yet been developed (Company's November 1, 2000, filing, pg. 41).

[19] The waiver was requested in the Company's December 12, 2000, filing in Volume 1, pg. 4 thereof. The requirement to subdivide class costs for metering and billing services within the Company's cost of service study is established under 20 VAC 5-202-40 B 7 c of the Commission's functional separation rules. The Company proposed that this information not be required until the Virginia General Assembly acts on the Commission's draft plan for competitive metering and billing services. That draft plan was presented to the General Assembly's Legislative Transition Task Force in December 2000; the plan's principal recommendations for competitive billing were incorporated into Senate Bill 1420 ("SB 1420") passed by the 2001 Session of the General Assembly. SB 1420 also established competitive metering as part of Virginia's restructuring implementation—an element not present in the Commission's Plan which had proposed that competitive metering receive further study and consideration. Thus, the Virginia General Assembly has acted on these issues.

[20] The account balance allocation methodology proposed to accomplish this is described on pp. 15-20 of the Plan; the proposed unbundled balance sheet is included in Schedule C.

[21] The proposed internal controls for avoiding cross-subsidies and anti-competitive behavior are set forth in the Plan's Appendix B.

[22] Plan, pg. 40.

On February 22, 2001, we entered our Order for Notice and Hearing, which set out many of the details of the Company's proposed plan of functional unbundling, established a procedural schedule for the receipt of testimony and exhibits from the Company, the Commission Staff ("Staff") and interested parties, established a hearing date, and directed Virginia Power to publish notice of its application in newspapers throughout the state.

Our Order of February 22, 2001, also disposed of requests by the Company for waivers of various provisions of the filing rules and established a procedure for dealing with the Company's request for protection of confidential materials.[23] Finally, the Order directed the Staff to convene a prehearing conference of the parties on or before June 22, 2001, and thereafter as the Staff and parties might find desirable, to explore the possibility of narrowing the case through stipulation or settlement of particular issues. We directed the Staff to file a letter advising us of the progress of these discussions on or before July 31, 2001.

On June 22, 2001, Virginia Power filed its "Motion for Status Conference," requesting the Commission to "convene a status conference before the Commission *in camera* for a report on negotiations" among the parties. The Company asserted in its Motion that it had sought to provide assurances through a proposal regarding its PPA that the FERC would not alter the pricing requirements of the contract. Virginia Power expressed an opinion that "resolution of this issue is necessary before any progress can be made in settling and/or narrowing this and a number of other issues in this docket."

Several parties responded and objected to the Motion and in its reply Virginia Power asked that we hold its request for this *in camera* conference in abeyance. Instead, the Company requested that it be allowed to file a separate letter on or before July 31, 2001, giving the Company's perspective on the progress of the settlement conferences.

On July 19, 2001, we entered an Order in which we denied the Company's request for the *in camera* conference, but permitted Virginia Power, and all other parties, to file letter reports on the results of the discussions, cautioning all participants not to reveal the particulars of any discussion, or any confidences that might have been disclosed during the meetings. Several parties and the Staff submitted letters on or about July 31, 2001, advising us of the progress of the settlement discussions. Most letters expressed some optimism that resolution of particular issues could be reached in order that the scope of the public hearing might be narrowed to some degree.[24]

This matter was brought on for hearing before the Commission on October 10-12, 15-17, and 22-24, 2001. Appearances were entered by James C. Roberts, Esquire, Edward L. Flippen, Esquire, Karen L. Bell, Esquire, Kodwo Ghartey-Tagoe, Esquire, and James C. Dimitri, Esquire, for the Company; John F. Dudley, Esquire, and Judith W. Jagdmann, Esquire, for the Office of the Attorney General, Division of Consumer Counsel; Edward L. Petrini, Esquire, for the Virginia Committee for Fair Utility Rates; John W. Montgomery, Esquire, for the Virginia Citizen Consumer Counsel; Thomas B. Nicholson, Esquire, for the New Power Company; Urchie B. Ellis, Esquire, for himself; George D. Cannon, Esquire, and John L. Sachs, Esquire, for Cogentrix Energy, Inc.; Robert M. Gillespie, Esquire, and Peter E. Broadbent, Jr., Esquire, for the Virginia Cable Telecommunications Association; Thomas W. Kinnane, Esquire, for AES New Energy; Patrick A. O'Hare, Esquire, for the Virginia Coalition for Fair Competition; Frann G. Francis, Esquire, and Timothy B. Hyland, Esquire, for the Apartment and Office Building Association; Donald R. Hayes, Esquire, for Washington Gas Light Company; Michael E. Kaufmann, Esquire, for Chaparral (Virginia) Inc.; Kenneth G. Hurwitz, Esquire, and Francis Albert Taylor, Esquire, for Virginia Independent Power Producers, Inc.; James S. Copenhaver, Esquire, for Columbia Gas of Virginia, Inc.; and William H. Chambliss, Esquire, Arlen K. Bolstad, Esquire, and Rebecca W. Hartz, Esquire, for the Commission Staff.

The nine days of hearing in this matter produced a record transcript approximately 2000 pages in length, comprising the testimony of 27 individuals, some of whom provided both direct and rebuttal testimony. The Commission received 92 hearing exhibits, which included the pre-filed testimonies of the witnesses, comprising additional thousands of pages of questions, answers and testimonial exhibits. Video tapes of the debates in the Virginia House of Delegates and Virginia Senate regarding the amendments to Senate Bill 1420 enacted by the 2001 Session of the Virginia General Assembly, were also received into evidence, have been reviewed and considered by us in our deliberations.

On and about November 9, 2001, several parties filed post-hearing briefs, addressing the issues raised by the application and responding to various questions posed by the Commission at the conclusion of the hearing.

The Applicable Law

As noted, this application was filed pursuant to the requirements of the Restructuring Act and the Utility Transfers Act. Further, the Commission was asked to make specific findings pursuant to two sections of PUHCA.

Section 56-590 of the Restructuring Act principally governs our review of this Application. Pursuant to this provision, incumbent electric utilities were required to file with us, on or before January 1, 2001, their plan to effect the separation of their generation, transmission and distribution functions. The plan of separation may be accomplished through the creation of affiliates or through such other means as the Commission finds acceptable.

Under § 56-590 B 3, the Commission is authorized to impose conditions upon an applicant's plan for functional separation as the public interest requires. These conditions may include such measures as requiring the incumbent's generating facilities to remain available for provision of generation service during the capped rate or default service periods. We may also permit the utility at its discretion, but with our approval should it meet the public interest, to provide instead the "equivalent" of such facilities for these services. Another potential condition named in this subsection would purport to allow us to prevent any recipient of divested generation facilities from disposing of such facilities absent our further approval. The conditions set out in § 56-590 B 3 are not meant to be exhaustive, but illustrative of measures that might be taken in furtherance of the purposes of the Act and to protect the public interest.

Section 56-590 B 5 requires the Commission, in exercising its authority under the Act and § 56-90, the Utility Transfers Act, to consider the potential effects of any transfer of facilities on (i) the rates and reliability of capped rate and default generation service, and (ii) the development of the

[23] Our "Order Granting Confidential Treatment," establishing protocols for dealing with such material, was entered on June 6, 2001, and clarified by subsequent order dated June 12, 2001, in this docket.

[24] The Commission entered a number of other procedural orders in this matter resolving particular evidentiary or other questions. These orders may all be referenced on the Commission's website at the following address: http://www.state.va.us/scc/caseinfo/pue/e000584.htm.

competitive market for retail generation services in the Commonwealth. In addition, a separate section, § 56-596 A, requires that we take into consideration in all relevant proceedings under the Act, the goals of advancement of competition and economic development in the Commonwealth.

The Utility Transfers Act, Code § 56-88 et seq., establishes the manner in which a public utility may acquire or dispose of utility facilities. The Company's proposed transfer of its generation assets to Dominion Generation would require us to consider the requirements established in this portion of the Code. Section 56-90 requires that petitions be filed in a particular form and to "clearly summarize the object in view, the proposed procedure and the terms and conditions thereof." We may approve a transfer petition, "[i]f and when the Commission, with or without a hearing, shall be satisfied that adequate service to the public at just and reasonable rates will not be impaired or jeopardized by granting the prayer of the petition[.]"

In addition to these particular provisions, many other sections of the Restructuring Act and other parts of Title 56 of the Code affect the Company's application and will be discussed as needed throughout the remainder of this Order.

Two sections of PUHCA, a federal law, also bear discussion at this point. As noted earlier, Dominion Generation planned to own and operate the generating assets transferred to it by Virginia Power as an exempt wholesale generator, or EWG, not subject to regulation by the Commission. An EWG's generation assets are denominated "eligible facilities." Under 15 U.S.C.A. § 79z-5a(c) (1997) of PUHCA, as a prerequisite to the designation of these facilities as "eligible facilities," this Commission must determine that such treatment (i) will benefit consumers, (ii) is in the public interest, and (iii) does not violate State law.[25]

The Company also asked for additional Commission findings under PUHCA, related to the proposed wholesale PPA between Virginia Power and Dominion Generation. Because the two entities would be affiliates, PUHCA prohibits Virginia Power and Dominion Generation from entering into a wholesale power purchase agreement unless this Commission finds that it has sufficient regulatory authority, resources, and access to books and records of Virginia Power and any relevant associate, affiliate, or subsidiary company to exercise its duties under 15 U.S.C.A. § 79z-5a(k)(2) (1997). Those duties, imposed upon the Commission by federal law, require the Commission to determine that the proposed transaction: (i) will benefit consumers; (ii) does not violate any state law (including where applicable, least cost planning); (iii) would not provide Dominion Generation any unfair competitive advantage by virtue of its affiliation or association with Virginia Power; and (iv) is in the public interest.[26]

The Transition to Competition

The Restructuring Act is a marked departure from the traditional manner in which electric public utility service has both been provided and regulated in Virginia. No longer will the traditional utilities retain the unfettered right and obligation to provide electric service to every customer within their service territories. No longer will customers be able to look to agencies of the state to determine the fair, just and reasonable rates for this service. Multiple market participants may offer to serve each customer; the hope is that enough sellers will emerge so that their offers, in competition against each other, will improve upon or at least maintain prices at the fair, just and reasonable levels that this Commission has striven to set over the years within the statutory framework provided by the General Assembly.

As the proponents of Senate Bill 1420 depicted in floor debates in the Virginia House of Delegates and the Virginia Senate, the new rights and responsibilities set out in the Act and our new role in overseeing the establishment of competition in the market for electricity are all in transition.

The Virginia General Assembly was well aware of the difficulties encountered in California by that state's attempt to create market structures for the delivery of electric service and pointedly included in the Act mechanisms intended to avert such results for the Commonwealth. While the California problems are perhaps the most extreme, the benefits of competition have not yet been truly realized in any state that has restructured its electricity industry. The most efficient and effective configuration for a restructured market to ensure reliable supply of electricity has not emerged. The correct balance of market forces and regulation to protect consumers, the environment, and the former utilities themselves, has yet to be determined. Answers to these and many other difficult economic and technical problems will become clearer, if not fully resolved, during Virginia's transition period.

We are in the beginning of a measured transition from regulation to competition that may run until July 1, 2007. Proponents of the legislation pointedly cited this transition period, which provides the opportunity to make any needed legal or regulatory adjustments by the General Assembly and this Commission in response to changes in circumstance, as the primary insurance against a California-type outcome for electric restructuring in the Commonwealth.

During the transition, customers are protected from volatility in the marketplace by the capped rates fixed by § 56-582. Likewise, the incumbent utilities have this same period in which to recover the cost of investments they made to serve the public in the era in which they had no possibility of loss of customers to competition. Utilities will accomplish this cost recovery through the capped rates payments of their customers and, to the extent necessary, through additional payments by customers that shop, in the form of a wires charge, pursuant to Code § 56-583. This charge is designed, during the transition, to represent the difference between the market price for electricity and the incumbent's unbundled cost of generation, when the latter is higher than market. Wires charges will be collected during the period of capped rates, which will last until July 1, 2007, unless the utility requests an earlier termination after January 1, 2004, and we find that an effectively competitive market for generation exists in the utility's service territory, pursuant to Code § 56-582 C.

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[25] As noted by the Company on pp. 4 and 5 of its Plan, an EWG must be directly (or indirectly through an affiliate as defined in 15 U.S.C.A. § 79b(a)(11)(B) (1997)) and exclusively engaged in the business of owning and/or operating "eligible facilities" and selling electric energy at wholesale. 15 U.S.C.A. § 79z-5a (a)(1). An "eligible facility" is a facility used exclusively for the generation of electricity for sale at wholesale or used for the generation of electricity and leased to one or more public utility companies. 15 U.S.C.A. § 79z-5a(a)(2) (1997).

Moreover, because the generating facilities to be transferred to Dominion Generation were in the rate base of Virginia Power on the date that section 32 of PUHCA, 15 U.S.C.A. § 79z-5a (1997) was originally enacted (October 24, 1992), these generating facilities cannot be considered "eligible facilities" for EWG purposes unless the Virginia State Corporation Commission and the North Carolina Utilities Commission each make a specific determination that allowing the facilities to be deemed eligible facilities (1) will benefit consumers, (2) is in the public interest, and (3) does not violate State law. 15 U.S.C.A. § 79z-5a(c) (1997).

[26] 15 U.S.C.A. § 79z-5a(k)(2)(A) (1997).

In this period, it is hoped that alternative providers of generation services will arise within and outside the Commonwealth to create a supply of reliable, reasonably priced electricity; that regional transmission organizations[27] ("RTOs") will be formed, allowing competitive suppliers to have nondiscriminatory access to the electric transmission grid in order to deliver competitive electricity to customers; that marketers will develop strategies for providing competitive services to customers; and that alternative suppliers of metering, billing and other ancillary services come forth to offer new and innovative ways of providing these functions.

Our role during this period will be to implement the Act and any modifications found appropriate by the General Assembly to ensure that the existing incumbents, like Virginia Power, take no undue advantage of their position as former monopoly suppliers to unfairly restrict the development of all of these new markets. We are mandated, in several portions of the Act, to enact rules, establish fair allocation of costs, review applications by utilities with respect to joining or forming RTOs, and take other necessary steps to ensure that the incumbent does not employ market power to raise or maintain prices for electric services above those that the competitive market working properly would otherwise set.

The Restructuring Act requires that our consideration and approval of functional separation for incumbents be concluded on or before December 31, 2001, and the Company urged in its application and subsequent prosecution of this matter a speedy review and approval of its Plan. We note, however, that the Company only recently filed an action before the North Carolina Utilities Commission seeking that agency's approval of the plant divestitures sought here, and Company witnesses acknowledged in our hearing that the proposed Plan could not be implemented until at least the end of the third quarter of 2002, and very likely by year's end.

Beginning on January 1, 2002, customers in the former service territories of American Electric Power-Virginia, The Potomac Edison Company, Delmarva Power & Light Company, and in one-third of the service territory of Virginia Power will have the opportunity to shop for alternative sources of electric supply.[28] Another third of Virginia Power's customers will be free to shop on September 1, 2002, with the last third of the Company's market, which is by far the largest in the Commonwealth, opening up to competition January 1, 2003. The Company convinced us in earlier proceedings that the size of its market and the physical steps it would need to undertake to enable competitors to interconnect with its system and to provide accurate customer metering and billing required a transition period to choice in its territory. In Case No. PUE000740,[29] we established for Virginia Power this one-year schedule for the phased introduction of customer choice therein.

In anticipation of the opening of the Virginia market for electricity supply, we have received and processed licensing applications from a number of companies interested in participating and competing for customers. To date, we have licensed 11 competitive electric service providers, pursuant to Code § 56-587. With the entry of this order, and similar orders in cases filed by all the other incumbent investor-owned utilities and electric cooperatives, we will determine and establish the unbundled cost of the generation component of these incumbent's rates. These costs will mark, for many electric customers, the "price to compare." When the wires charge may be imposed, calculation of the "price to compare" is more difficult. Essentially, competitors must be able to better the market price we are required under Code § 56-583 to establish. In either case, potential competitive suppliers will have the target price they must, in most instances, beat in order to entice customers to take service from them instead of continuing to take generation supply from the incumbents.

Because Virginia's electric rates are, on average, relatively low-cost, inroads into this market may take some time to develop. An additional impediment in the immediate future is the current status of the RTOs. The Federal Power Act reserves federal authority, specifically to the FERC, over all interstate transmission of electricity and all wholesale sales of power. The FERC has undertaken several faltering steps to stimulate the development of these organizations.

In Order No. 888, the FERC required each electric utility subject to its jurisdiction to file open access transmission tariffs, establishing rates for transmission services for potential competitors of the utilities. In its Order No. 2000, the FERC has taken the comparatively simple concept of open access tariffs a step further and provided that utilities forming or joining an RTO could be granted certain pricing advantages and more expeditious merger approvals when requested.

More recently, in an order issued November 20, 2001,[30] the FERC announced a new method by which it would determine whether a wholesale power supplier has generation or transmission market power and the steps it would take in response to any finding of market power. Sales of power into an RTO that already has FERC-approved market monitoring and mitigation would be exempt from application of the new test and mitigation measures announced in the order.

Thus, the federal concept first was that transmission systems should become open access carriers of all suppliers' power. The concept now is that management and/or ownership of the transmission systems themselves should ideally be turned over by the utilities to independent entities to ensure that they not be used in a discriminatory manner to thwart development of competitive wholesale power markets. In furtherance of this policy, new tests are being developed to safeguard against the exercise of market power and to remedy any abuses.

Because it lacks clear-cut authority to mandate the formation or configuration of RTOs, the FERC's undertaking has been marked by significant federal policy shifts and is still in its nascent stage. Therefore, our consideration of applications by Virginia's incumbent utilities with respect to RTO

[27] Designated in the Act as "regional transmission entities." We will in this Order employ the acronym for the term "regional transmission organization" as used by the FERC, since that agency is overseeing the development nationally of these structures.

[28] In Case No. PUE000740, we established this schedule for the phase-in of competition, as provided in Code § 56-577. In this case, we determined that the electric cooperatives, operating largely in rural territories, and Old Dominion Power, operating in the far western counties of the Commonwealth, should have the entire two-year period permitted by the Act to ready themselves for the onset of competition.

[29] Commonwealth of Virginia ex rel. State Corporation Commission Ex parte: In the matter concerning a draft plan for phase-in of retail electric competition, (Order of March 30, 2001).

[30] AEP Power Marketing, Inc., AEP Service Corporation, CSW Power Marketing, Inc., CSW Energy Services, Inc. and Central and South West Services, Inc., Docket Nos. ER96-2495-015, ER97-4143-003, ER97-1238-010, ER98-2075-009, and ER98-542-005; Entergy Services, Inc., Docket No. ER91-569-009, and Southern Company Energy Marketing, Inc., Docket No. ER97-4166-008, Order on Triennial Market Power Updates and Announcing New, Interim Generation Market Power Screen and Mitigation Policy.

establishment has been sidetracked for the moment. We must await more definitive federal action before we can move further on the applications pending before us that seek the transfer of utility transmission assets to the RTOs. Consequently, one of the market structures that the Restructuring Act deemed critical to the full development of an effectively competitive market is not yet in place.

In this regard, we note that Virginia Power, along with American Electric Power (and other utilities from the Midwest and Upper Plains states), have chosen to attempt to create an entirely new organization, called the Alliance Regional Transmission Organization ("Alliance") as opposed to joining an organization in existence prior to FERC's Order 2000. The establishment of a new entity is almost necessarily a more difficult and time-consuming undertaking than merely signing up with one currently operating, and the Alliance has not proved the exception to the rule. The FERC has entered several orders over the course of the past year approving various portions of the proposed Alliance, but requiring modification or additional development of many critical remaining aspects. Further direction from the FERC is anticipated later this month or perhaps early next year.

The Consequences, Risks, and Uncertainties of Legal Separation

Virginia Power's proposed plan of legal separation of its entire generation function, capability and assets to Dominion Generation will extinguish the regulatory and legislative oversight of the Commonwealth of Virginia with regard to these generation assets at the very beginning of the transition described above, long before the competitive market can be developed, or the pace and vigor of the development can even be guessed.

Dominion Generation would operate as an exempt wholesale generator, and all sales of its power would be made in the wholesale market. The Federal Power Act preempts state regulation of wholesale sales. The expressed intentions of the Virginia General Assembly to carefully monitor and manage the transition to competition would be dashed. Instead, the same federal agency that stood by during the power crisis in California would be in charge of seeing that these generating units were used in a manner that protects the interests of the citizens of the Commonwealth and ensures the development of fair competition.

The number of parties participating in this proceeding, and the range of interests represented, truly indicate the overarching importance of this matter. No party to this proceeding, including the Company, asserted or even suggested that federal oversight of the development of the competitive market for local electric service is a desirable outcome for Virginia.

Virginia Power's case contended that reassurances it proposed against interference by the FERC, through contractual legal mechanisms, equaled protections that are available under the Act. The Company concluded that these measures were necessary because of the jurisdictional transfer caused by legal separation. The proposed PPA, for example, contained provisions that if approved by the FERC would preserve the pricing mechanisms designed into Code § 56-585, with regard to default service. Without legal separation, of course, jurisdiction remains with the state and the Code provision remains in full force. The benevolence of the federal agency as to pricing need not be put to the test.

The Company went on to stipulate that, should the FERC ever modify the pricing provisions in the contract between itself and Dominion Generation, then Dominion Generation would cease supplying wholesale power to Virginia Power. Instead, Dominion Generation would provide power directly to end use customers, thereby re-creating the retail sales relationship so that state jurisdiction over this service might be reestablished. Without legal separation, of course, power will be provided to end use customers directly by Virginia Power.

Given the evidence and the law, we conclude that we cannot approve legal separation at this time. This conclusion has been recommended to us by a spectrum of interests: consumer representatives, including the Office of the Attorney General's Division of Consumer Counsel and the Virginia Citizens Consumer Counsel; commercial and industrial consumers, including the Virginia Committee for Fair Utility Rates and the Apartment and Office Building Association; an individual residential customer; and a variety of potential competitors that may seek to establish themselves as suppliers in the new Virginia market, including AES New Energy, The New Power Company and Cogentrix.

In reaching this conclusion now, we do not in any way foreclose approval of the proposed asset transfers in the future, when conditions are such that the public interest in safe, reliable electric service will not be jeopardized by the transfers.

The Act says that by the end of this year we must approve a plan for each incumbent to separate its component functions. Virginia Power contended that the Act expressed a preference for legal separation, as opposed to divisional separation. The Virginia Coalition, but not the Company itself, contended that the Act permitted a unilateral decision by the utility which form of separation to undertake. The remaining parties could detect neither the preference posited by the Company, nor the prescriptive language discerned only by the Virginia Coalition in the words of the statute. Nor do we. Code § 56-590 B 2 states that separation "may be accomplished through the creation of affiliates, or through such other means as may be acceptable to the Commission."

Even if we believed that the foregoing wording indicated a preference for legal separation, we could not approve the Plan as proposed, because of the effects it would cause, mostly deleterious, on the public interest. The Plan does not constitute a means of separation "acceptable to the Commission." This is our conclusion based upon thorough consideration of the record described above.

The Plan proposed by Virginia Power is not acceptable to the Commission because the contemplated transfer of the generation assets unacceptably and irrevocably deprives the Commonwealth of Virginia of authority over physical assets critical to the delivery of vital public services. It introduces unacceptable additional risks into the transition period, which will be difficult enough as is. It provides no discernable, measurable public benefits, although it may be tremendously beneficial to the Company itself, but this is by no means a certainty. Recent events in the energy markets indicate that legal separation may pose risks for shareholders of Virginia Power's parent, Dominion Resources, Inc., given the desire by the Company to exploit its generation resources to better engage in an array of trading activities. While this is a matter for which Dominion management is responsible, it is nonetheless an outcome that its Plan will facilitate and we must consider it as a potential consequence.

The Company contends that its Plan will (i) facilitate and encourage the development of wholesale and retail generation; (ii) protect Virginia's consumers; (iii) benefit Virginia's consumers; and (iv) allow Dominion Generation to compete effectively with others. We cannot approve the Plan, however, because we find that it will create too much uncertainty, too much risk, and provides too little benefits, if any.

The uncertainty attending the Company's case was evident in the many changes it made to its proposal up to, during and after the hearing. Substantial proffers were made during the rebuttal testimony during the last days of the hearing itself. Nor did they cease with the closing of the record: the Company's brief contained additional revised proposals regarding the Stipulation it offered.

Although we appreciate the Company's attempt to address parties' concerns with and criticisms of its proposals, the constant shifting made it difficult to ascertain just what its Plan entailed, from day to day. Further, the Plan could possibly turn completely on its head even if we were to approve it. Virginia Power disclosed, relatively in passing, that should the credit rating agencies fail to endorse the financial transactions planned for the divestiture of the generation, its distribution and transmission assets might instead be divested to an entirely new company while "Virginia Power" would retain ownership of all generation assets. In this eventuality, the Company intends that the new distribution and transmission entity would somehow acquire the status, under the Act, of an "incumbent electric utility."[31] We find no support for that result in the Act, however, because it defines an incumbent electric utility as each electric utility that, prior to July 1, 1999, supplied electric energy to retail customers located in an exclusive service territory established by the Commission. Any newly created distribution company simply would not qualify without further amendment to the Restructuring Act.

Other examples of the uncertainties in the Plan include the ongoing modifications to the PPA and the Assumption and Assignment ("A&A") agreement,[32] in which responsibility for payment of Virginia Power's debt would be divided between Virginia Power and Dominion Generation in some as yet undefined proportions. Virginia Power would remain legally obligated on all its existing debt, a sum that runs to billions of dollars, despite the transfer of all of the generating assets, and their accompanying value to Dominion Generation. The Company admitted that it would need to undertake further actions to assure the financial markets and establish the creditworthiness of the new Dominion Generation and new Dominion Virginia Power. The outcome of these financial dealings would provide the capital structures of the proposed entities, and largely determine the rates available to them for their future financings. The Company asks us to approve its Plan, but deal with problems arising from these further required steps in later proceedings. This we cannot do.

Further uncertainties surround the PPA. The PPA is a contract for the wholesale sale of power between Virginia Power and Dominion Generation and as such would fall under the exclusive jurisdiction of the FERC. The Company simply could not assure that the FERC will not interfere with or change the PPA, although it proffered provisions with which it hoped to persuade us that the PPA is the "equivalent" of the utility's generation assets and that would remedy any federal modifications or intrusions in an iron-clad manner.

A Company witness, discussing the PPA, stated that it was drafted in such manner that if the FERC once approved the contract, it would be "precluded" from making further modifications to it except under the rigorous Mobile-Sierra standard.[33] This standard requires a showing of something akin to extraordinary circumstances of compelling public interest necessity before a contract can be modified. Even this standard can be met. Events in California and recently in Texas have certainly produced extraordinary circumstances that would seem to justify federal contract revision. If legal separation occurs, the contractual terms are simply no longer solely a state matter. The General Assembly's expressed intent that the Restructuring Act is a "work in progress" would no longer apply to power produced and supplied by these Virginia Power generating assets. Responsibility for the "work in progress" would be delegated northward, across the Potomac.

The FERC has vacillated on pricing -- permitting or denying market-based rates under a variety of circumstances, taking this step and that to stimulate wholesale competition and RTO formation, imposing or removing price caps of varying levels in response to market conditions -- and it is difficult to predict the tack it will take next month or next year or the year after, or with changes in federal administrations. Complete assurances over the reliability of supply and pricing for capped rate and default services can only be attained if legal separation is denied at this time, without prejudice to reconsideration as the market develops and conditions in Virginia warrant.

The Utility Affiliates Act, Chapter 4 of Title 56 of the Code of Virginia, provides that no contract or arrangement for the furnishing of services between a utility and its affiliate is valid, absent approval from the Commission. The Virginia Supreme Court has said that an important aspect of the public interest is assurance that an affiliated company of a regulated company does not receive unjust benefits, to the detriment of the utility's customers.[34] While Dominion Generation and Virginia Power would be affiliated interests, the FPA limits the Commission's authority under the Affiliate Act with respect to future changes to the PPA. Code § 56-80 of the Affiliates Act provides that the Commission maintain "continuing supervisory control over the terms and conditions" of affiliate agreements. This section states in part:

> Every order of the Commission approving any such contract or arrangement shall be expressly conditioned upon the reserved power of the Commission to revise and amend the terms and conditions thereof, if, when and as necessary to protect and promote the public interest. (Emphasis added.)

With legal separation, any such revision or amendment of the PPA necessary to protect and promote the public interest would be subject to FERC approval.[35] This important protection of the Utility Affiliates Act would, like other protections, be made subject to federal review and approval.

While the parties may disagree as to the extent, there seems little question, based on responses to our specific inquiries at the end of the case, that the protections designed into the Act would be less secure under legal, than under divisional, separation. Other examples further demonstrate the point.

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[31] This possibility was mentioned in Paragraph No. 32 of the Application and was said there to "involve a revision of the Plan." We presume, had we approved the Plan and this revision was necessary, the Company would have sought our further express approval before acting upon it.

[32] See, for example, Exh. TFF-76, which offered notable modifications to the A&A agreement. The Company offered a "set-off" mechanism, whereby in the event of a default by Dominion Generation under the A&A agreement, Virginia Power could withhold payments it owed Dominion Generation under the PPA.

[33] The doctrine is named for the two cases in which it was formulated: United Gas Pipe Line Co. V. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Comm. V. Sierra Pacific Power Co., 350 U.S. 348 (1956).

[34] Roanoke Gas Company v. Commonwealth, 217 Va. 850; 234 S.E.2d 302 (1977).

[35] See e.g., Post-Hearing Brief of Virginia Electric and Power Co., Appendix B at p. 8.

Although Virginia Power offered to stipulate that we could obligate Dominion Generation to be a default generation supplier under the Act, there is serious question as to our ability to do that. The Company even acknowledges such, stating at page 13 of its brief that "the distributor [is] the only entity that can be required to provide default service." (Emphasis added.) Dominion Generation would not be a distributor as that term is defined in the Act, which sets out a specific procedure we must follow in order to designate anyone other than the distributor as a default service provider.[36] Again, statutory changes would be required to allow this Plan contingency to be implemented.

Another statutory mechanism whose effectiveness would be doubtful is the condition identified in § 56-590 B 3(iii) that would permit us to restrict transferees of generating assets from making further sales, transfers or disposals of the assets they receive. Dominion Resources, Inc., through its subsidiaries, is currently competing in the wholesale energy markets and engaging in various trading activities. These activities are not regulated by the Commission as public service functions, nor should they necessarily be. We have no regulatory authority with regard to Dominion Generation or its immediate corporate parent, Dominion Generation Holdings.[37] We have no authority over the non-utility activities in which the ultimate corporate parent, Dominion Resources, Inc., is involved. We have no control over the capital structures of any of these entities, or the business dealings they undertake. Energy trading and other similar activities may have led to the recent downfall of Enron Corp. If the plants are transferred to Dominion Generation and should losses occur within the non-regulated side of the enterprise, our restrictions on further transfers may be meaningless. Liens may be placed on the generation plants, or the assets may fall into the control of a bankruptcy court and a disposal of them occur, without regard to any limiting condition on disposal we might have imposed under Code § 56-590 B 3(iii). This circumstance may be very unlikely to occur, but little more than a month ago it would have been thought impossible to occur to a company with a market value much larger than Dominion Resources, Inc. The fall of Enron Corp. has narrowed the scope of the impossible.

The Commonwealth will better be served at this time, in the event of a business failure among the unregulated entities, if Virginia Power, a separate corporation, retains the assets (and not just the debt as the Plan would provide) and personnel needed to supply reliable power to Virginians, during the transition to a competitive market, which is still a "work in progress."

The consumer protections designed into the Act at Code §§ 56-578 F and G -- authorizing us to take steps to encourage expansion of the transmission system and to combat market power abuses -- will also retain their greatest vitality under divisional separation, since the Commission will not be preempted by federal law from acting under these sections; legal separation entails federal preemption.

It appears that much of the Company's case has been to try to reproduce and substitute by contract, stipulation or other non-statutory means, consumer and business protections now found in the Act that are clearly applicable to functional separation by division, so that these state law protections would extend to legal separation, despite the preemptive effect of the transfer of jurisdiction from state to federal authority. Though appreciative of this effort, we find it falls short of the mark. Both the Restructuring Act, and the findings we must make under PUHCA before approving these generation transfers, require that we consider the public interest and, under PUHCA, require an affirmative demonstration of consumer benefits before approving such transfers. In this, Virginia Power's case is lacking. The Company has not made an adequate showing of the public benefits of its proposed Plan, and the remaining participants have fully demonstrated the risks to consumers inherent in it.

The Plan also calls into question other key provisions of Virginia law. Virginia Power proposed, for example, to continue to maintain fuel factor recovery of its fuel expense although it would no longer be a "utility which purchases fuel for the generation of electricity" and thus would arguably be outside the scope of Code § 56-249.6. Also under the Plan, Virginia Power would continue to collect a wires charge, intending to pass this collection on to Dominion Generation. The Act makes this arrangement questionable, in that the incumbent electric utility (Virginia Power) would not have stranded costs with respect to generation, although Dominion Generation might find itself in that situation. Dominion Generation is not and does not intend to be a utility, however.

The Plan raises far more questions than it answers. In so doing, it imparts unacceptable risks on Virginia citizens and businesses that depend on Virginia Power to supply the power for vital commercial, industrial and domestic needs. At this point in the development of the competitive market, there is no market, wholesale or retail, adequately developed to be a reliable substitute for Virginia Power's output. Even if there was a robust market, full of suppliers ready to compete for generation business in Virginia, there is no RTO in place to ensure that power can be transmitted at fair and non-discriminatory prices to the Commonwealth. Lastly, were both of these necessary conditions for effective competition met, and unquestionably they have not been met, there would still be the uncertainty of federal regulatory oversight to be accommodated. Will FERC permit extraordinary prices to be charged by wholesalers in Virginia, or will it impose price caps, if needed? Will it be proactive or laissez-faire? Over time, we believe it will be possible to resolve these questions, but now the situation is too volatile for us to justify abandoning the Commonwealth's oversight role.

Asserted Benefits of Plan

Virginia Power posited that legal separation of its functions would be beneficial to competition. First, approval of its Plan, the Company opined, would "send a message" that it no longer enjoyed any special regulatory protection and that the Commonwealth was now "open for business." In its view, Dominion Virginia Power, the distribution company resulting from the divestiture would act as a disinterested market facilitator, and have no particular regard for ensuring the success of Dominion Generation.

It was asserted by the Applicant that legal separation would allow Dominion Generation to be a stronger competitor, able to concentrate on the generation business, no longer "disadvantaged" by the distractions of meeting the obligations of a distribution public service company.

Next, upon legal separation, the generation business believed that it would no longer be subjected to the limiting effects of the FERC Code of Conduct, which, the Company asserted, prohibited it from operating its generation assets and those owned by other Dominion Resources, Inc.'s subsidiaries in a unified manner. Although the testimony was never quite precise on this point, it was apparent that the Company regarded some aspects of this federal regulation as an unnecessary intrusion into, and disadvantage for, its business operations.

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[36] Code §§ 56-585 A and B.

[37] The role of the Legislative Transition Task Force with respect to these generation units, pursuant to Code § 56-595 C, would also be eliminated.

Finally, Virginia Power presented evidence intended to demonstrate that its financing costs would be reduced if it could divest its generation business to Dominion Generation. Company witnesses estimated, based on conversations with unnamed persons in the financial community, that it might realize savings of as much as $250 million over the course of the ensuing decade.

Virginia Power argued that its Plan would benefit both consumers and potential competitors. We will examine each of these putative benefits below.

First, it was apparent from the hearing that few, if any, received the "message" the Company intended. A wide range of parties, representing residential and small business consumers (Division of Consumer Counsel; VCCC), industrial and commercial customers (the Committee; AOBA), potential competitors (Cogentrix; AES New Energy; the New Power Company), and an individual consumer (Mr. Ellis) who undertook the significant burden to participate fully in this matter as a Protestant, all opposed the Plan.

We note further that the message sent by the Company was a conflicting one. On the one hand, as noted, Virginia Power argued that legal separation would relieve it of what it viewed as significant disadvantages, i.e., the FERC Code of Conduct limitations, the distractions of the distribution business to the generation business, and financing costs. On the other hand, however, the Company argued that failure to approve legal separation would lead competitors to believe that Virginia Power was regulatorily "protected." No party gave any indication of having received, or at least accepted, this message.

The message that legal separation would enable Dominion Virginia Power to act as a disinterested market facilitator was similarly received. Most parties urged the rejection of the Plan on the grounds that it would benefit not competition, but only Dominion Resources, Inc. On this point, we find Staff witness Dr. Richard S. Bower's testimony particularly cogent: legal separation does not change the unity of interest that both Dominion Generation and Virginia Power have in the success of their joint parent, Dominion Resources, Inc. This is both as it is and as it ought to be. Corporations exist to make profits for their shareholders and all corporate subsidiaries have a fiduciary responsibility to the shareholders of their parent. We find no credence in the Company's contrary and conflicting argument on this point.

We do not find any reason to believe that legal separation will tangibly improve Company operations by relieving the "distractions" of operating distribution and generation businesses in the same corporation. Virginia Power's distribution operations, according to its evidence, operate at 99.976% of maximum reliability; there is little room for improvement here. The same personnel who have effectively operated its generation plants would continue to do so upon their transfer to Dominion Generation. We find no evidence that generation efficiency has been impaired in any way by integrated utility operations.

We further find that the limitations putatively imposed by the FERC Code of Conduct are not a sufficient reason to approve legal separation. Virginia Power witnesses asserted that these regulations prohibited joint operation of and communication between the owners of the regulated and unregulated generation assets. The Staff brief pointed out that the primary function of the Code of Conduct is to limit contacts and joint operation of generation and transmission operations, to ensure that potential competitors have the same access to transmission as do the utilities' generation plants.

The Company has not sought from the FERC a waiver of any operational limitation that might exist in its regulations. These waivers have been granted by the FERC when it finds that captive customers of the utility will not be harmed by the grant of the relief. The FERC has already granted one utility operating in Virginia, Delmarva Power & Light Company, a waiver on the basis that the capped rate provisions of the Restructuring Act adequately protect that utility's customers. This Commission registered no opposition to this request for waiver.

Given that the Act provides that same protection to Virginia Power's customers, and that the Company has repeatedly stated an intent never to act in a manner that would harm its customers, we find little reason to believe that it will not be able to obtain from the FERC any waiver necessary and in the public interest.

Finally, we are not persuaded that there is any financing "penalty" that will be imposed on Virginia Power unless we approve its Plan of legal separation. The Company's testimony on this point comprised conversations that Company witness James Carney had with fixed income professionals. The Company stated that continued joint ownership of generation and distribution assets might raise the cost of the distribution function's borrowings by virtue of the generation function's additional riskiness. The Company also reported that it did not expect that its near-term credit ratings would change under either legal or divisional separation. Additionally, the testimony of Staff witness L. Thomas Oliver presented actual examples of utility financing where no such "risk premium" was imposed by the financial markets.

While under the Company's worst case scenario the claimed risk premium may be substantial, it would have small impact on average customer bills. Staff witness Glenn Watkins calculated that it amounted to only 19 cents per month per average residential customer bill. Just as capped rates have enabled the Company to retain all savings that may have resulted from the several interest rate cuts of the past year, its customers could not see any "risk premium" increase in their rates, if it materialized at all, until after the end of the capped rate period. We are not convinced, however, that the market would impose any significant financing premium on the Company's distribution operations if divisionally and not legally separated.

If we were to approve the Plan, Dominion Generation would attain several substantial advantages over any other possible competitor. It would receive utility plant worth billions of dollars unencumbered by any debt. It would be able to finance further acquisitions at investment grade ratings, which are not available to many competitive generators. By virtue of the PPA, it would have an exclusive contract with what would be the largest customer (Virginia Power) in the Commonwealth for at least 5 years. No other potential competitor could offer power to the largest customer in Virginia during this vital time period. Under the Plan, a primary component of its expense, fuel, would be recovered for it by Virginia Power from distribution customers, which also intends to recover and pay over the wires charge from any customer taking service from a competitor.[38]

These are advantages that may reasonably be regarded as insurmountable by other potential suppliers. The competitive market in Virginia will not be advanced by providing the largest player with all these advantages.

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[38] Because we do not herein approve the plan of legal separation, we need not and do not make findings with respect to the availability to Dominion Generation of either the fuel factor or the wires charge.

The Company responds that while these arrangements may provide them with competitive advantages, such arrangements are required by the Act and customers need not be troubled because they are protected by the anti-market power provisions in the Act. Even if the Company is correct that the cited portions of the Restructuring Act will protect customers, competition will not be so protected. Those proposing to compete on a fair and equal basis in Virginia, as the Act envisions, could not do so. We are specifically charged by Code § 56-596 A to take into consideration the goal of "advancement of competition" in this proceeding. We find that legal separation will at this time impede, not advance, that goal.

Advantages of Divisional Separation

One of the principal advantages of the divisional separation that we approve in this Order is that it will not require much in the way of change for the Company. Virginia Power acknowledged that its operations are largely functionally arranged within the present corporate structure. Company witnesses could think of little of anything that would have to be changed to functionally separate by division. There will be fewer uncertainties for customers stemming from divisional separation. Virginia Power witnesses Robert Rigsby and James O'Hanlon attested that their divisions (distribution and power supply, respectively) were already operating at high degrees of effectiveness, and that the same personnel would be expected to continue to produce such results if the Company was legally separated. Customers expect and should obtain the same quality and reliability of service as they have historically received.

As this Order has demonstrated at some length, the protections of the Restructuring Act retain their fullest strength if legal separation is denied and divisional separation approved. We find this is a significant advantage to divisional separation compared to legal separation at this time. The protections enacted by the legislature, and the ability of the legislature to continue to oversee this work in progress and make appropriate adjustments, remain most viable and flexible if functional separation by division is approved. There is much less risk of federal regulatory action inconsistent with either the spirit or letter of the Act, since the federal presence over Virginia utility assets and operations will not burgeon, as it would if the generation assets were qualified as EWGs, subject to exclusive federal jurisdiction.

We find that the generation assets owned or controlled by Virginia Power that now serve Virginia customers should continue primarily to serve the customers in the Company's retail service territory, and only capacity and energy not needed for customers in the Commonwealth may be used to supply the wholesale market. We order this condition upon the plan of functional separation by division that we approve in this Order. This step is necessary to ensure continued reliability of service and adequacy of supply during the transition to competition. We intend to review this condition periodically and will modify or abate it when conditions no longer require its imposition. We do not intend to impound any of the value of the Company's assets or inhibit its ability to compete in the wholesale power market, but our first responsibility is to ensure that reliable electric service is not jeopardized or imperiled. Further, our action here does not limit or restrict the Company's affiliates from continuing their current activities in wholesale energy markets.

Functional separation by division preserves for Virginia Power, which is the incumbent electric utility under the Act and responsible for providing capped rate generation service to its customers and which will be the default service provider unless we designate otherwise, an assured supply of power. Under the default service pricing mechanism enacted by the 2001 session of the Virginia General Assembly, Virginia Power will receive competitive market rates for all of this power after the end of the capped rate period. It will receive a market rate for all power supplied to default customers, and will be free to sell all power not used by default customers in the open market.

During the capped rate period, Virginia Power will recover its unbundled cost of service rates (which includes an allowance for a fair return on its investment) for its generation. It will be able to market any power not needed because customers purchase energy from others and receive market rates from such sales. Also, during this period, any customer that ceases to buy generation services from the Company and takes service from a supplier, will pay a wires charge to the Company designed to equal the difference in the market price of power and Virginia Power's unbundled generation rate. Thus, Virginia Power should be made no less than whole for the cost of its power production during the capped rate period.

We believe that the full protections of the Act are needed, pending the advent of an effectively competitive market that can impose pricing discipline on all participants. This effective marketplace is the goal of the Restructuring Act. It is appropriate that the General Assembly has included mechanisms in the Act to protect customers while the marketplace develops. But, because we find that the Plan is likely to hinder, and not advance, competition, the presence of these mechanisms, even if we found they would remain effective with legal separation, cannot justify approval of the Plan.

Findings

We cannot find that Virginia Power's plan of legal separation is in the public interest; will provide benefits to customers; or, will advance or promote competition. We find that the Plan, if approved, would provide unfair competitive advantages to Dominion Generation. We find that approval of the Plan could negatively impact reliability of service as shown herein. We further find that approval of the Plan could negatively impact rates for service because the federal agency cannot be guaranteed to implement the requirements of default pricing established in the Act.

We find that Virginia Power's assets should, at this time, continue in the ownership of the Company, and operate in a division functionally separate from transmission and distribution operations. We find, and so order pursuant to Code § 56-590 B 3, as a necessary condition to our approval of the plan of functional separation, that Virginia Power's generation assets shall be made available for electric service during the capped rate period and during any period in which Virginia Power serves as a default provider. We reject the Company's proffer of the PPA as the equivalent of its generation assets as incompatible with the public interest, as demonstrated herein.[39] We find that Virginia Power should continue to make purchases of power from the wholesale market when economically advantageous to do so. Finally, we find that any remaining capacity and energy available after capped rate and default service needs are met may be marketed by the Company as its interests dictate subject to the requirements of the fuel factor.

Rate Issues

There were few issues concerning unbundled rates for generation, transmission and distribution services, notwithstanding the length of the proceeding. Testimony of Company witnesses Brian Cassada and Andrew Evans disclosed the Company's acceptance of, respectively, all Staff proposed accounting adjustments, and most such modifications to the filed cost of service and unbundled rates. We will approve rates that recover the revenue requirements contained in Staff witness Glenn A. Watkins' Exhibit GAW-5 and designed in compliance with the rate designs agreed upon between the Staff

[39] Code § 56-590 B 4.

and Company as noted by both in the hearing. The rates shall also embody the agreement expressed in Exh. VP-92 as to the appropriate treatment of the difference between Virginia jurisdictional transmission rates and those contained in the FERC Open Access Transmission Tariff. The Company shall also modify its proposed Terms and Conditions of Service consistent with our findings in Case No. PUE010296.[40]

In connection with the Company's proposed Competitive Service Provider Coordination Tariffs ("CSP Tariffs"), Competitive Service Provider Agreement and Trading Partner Agreement, all of the proposals as revised in Exhibit DFK-35 are accepted, as discussed in detail below. The Company shall make changes to its Aggregator Agreement to conform with these findings as well. In its Exhibit DFK-35, the Company agreed, among other things, to withdraw its consolidated billing fee, its CSP and Aggregator registration renewal fee, and its CPI escalator.

Section 56-582 of the Act, which establishes the parameters for capped rates, states that capped rates shall "include rates for new services where, subsequent to January 1, 2001, rate applications for such services are filed by incumbent electric utilities with the Commission" and are thereafter approved by the Commission. The instant application, to the extent that it requests the approval of fees for new services, falls within the meaning of this provision. Accordingly, we will permit the proposed fees included in Schedule 1 to Exhibit DFK-35 to be imposed and collected by Virginia Power, except for the proposed fees for competitive service provider registration and customer switching, which we do not find to be "new services" provided by the Company within the meaning of the Act. There will certainly be additional costs of doing business in the new choice environment, but like most other cost increases[41] they are not recoverable because of the capped rate limitation of the Act. When the Company is eligible to file its next distribution rate case, and we are free to examine both increasing and decreasing Company expenses, we will be able to consider the recovery of these costs.

Consistent with the order entered today in the functional separation case of Appalachian Power Company, d/b/a, American Electric Power-Virginia, Case No. PUE010011, Virginia Power may offer interval metering at the rates proposed in its Tariffs, Terms & Conditions, Section X, to any customer that requests such service. The language in Section X of the Company's proposed Terms & Conditions of Service providing that interval metering not be available to customer groups eligible to receive the service from a competitor shall be removed. We will deal with eligibility requirements in the context of our rulemaking proceeding for competitive metering.

Section 6.73 of the CSP Tariff shall be revised to reflect that the Company may suspend or terminate certain provisions of its CSP Coordination Services, based upon changes in the law, only with Commission approval.

We approve the Company's proposed tariff and CSP Agreement language included throughout Exhibit DFK-35 regarding limitation of liability. We find the language similar in intent to existing limitation clauses, which are designed to provide protection for assets devoted to the public service, as the transmission and distribution assets unquestionably will continue to be, notwithstanding the "deregulation" of generation.

The Staff offered alternative proposals for the treatment of metering costs; one option assigned the costs to the distribution function and the other allocated the costs among the distribution, transmission, and generation functions. We concur with the Staff that there are practical difficulties at this time in allocating these costs and the rates approved herein reflect the assignment of these costs to the distribution function alone.

The Staff recommended that the Company conduct annual compliance audits to ensure that its internal controls are adequate and effective. In its post-hearing brief, the Company agreed to file a plan to ensure compliance with its proposed internal controls within 30 days of the Commission's Final Order and to conduct an annual internal compliance audit to ensure that internal controls are adequate and effective. Accordingly, we will direct the Company to submit, on or before May 1 of each calendar year until ordered otherwise, the results of said audit to the Division of Public Utility Accounting. Any proposed changes to the internal controls should similarly be submitted to the Division of Public Utility Accounting.

During the hearing Company witness Cassada agreed to continue to work with Staff to review the appropriateness of the assignment of shared employees and assets presented by the Company, and develop joint recommendations if modifications appear needed.

Lastly, the Staff requested that generation related regulatory assets be included in the Company's generation records, which we find appropriate.

Accordingly, IT IS HEREBY ORDERED THAT:

(1) The Plan of functional separation proposed by Virginia Power herein is denied.

(2) The utility asset transfers proposed herein are denied.

(3) The Company shall instead operate under a plan of functional separation by division and shall submit to the Commission's Division of Energy Regulation and Public Utility Accounting any information requested to demonstrate compliance with this Ordering Paragraph.

(4) The Company's unbundled rates for service, as discussed herein, are approved.

(5) The Company's proposed fees for new services and its proposed terms and conditions of service are approved, subject to the modifications and limitations set out herein.

(6) The Company shall file with the Division of Energy Regulation, the rates ordered herein on or before January 1, 2002.

(7) As a condition to functional separation by division, Virginia Power shall make its generation assets, including the Mt. Storm generating plant, available for electric service during the capped rate period and any period in which it is designated to provide default service.

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[40] Commonwealth ex rel. State Corporation Commission, Ex parte: In the matter of establishing rules and regulations pursuant to the Virginia Electric Utility Restructuring Act, Final Order (October 9, 2001).

[41] Other than the adjustments permitted for tax changes, fuel expense, and financial distress under Code § 56-582 B.

(8) The Company's proffer of the Purchase Power Agreement as the equivalent of Virginia Power's generation assets is rejected as incompatible with the public interest as discussed herein.

(9) Net generation related regulatory assets and related amortization expense shall be assigned to the generation function and if booked shall be reflected in that function.

(10) Within 30 days of the date of this Order, Virginia Power shall submit to the Division of Public Utility Accounting a plan to ensure compliance with its proposed internal controls.

(11) On or before May 1 of each calendar year until ordered otherwise, Virginia Power shall submit to the Division of Public Utility Accounting the results of its annual audit of its internal controls, and shall as well submit any proposed changes to these controls to the Division of Public Utility Accounting.

(12) Virginia Power and the Staff shall together continue to review and consult to determine the appropriate assignment of shared assets and employees.

(13) The Commission Staff shall, as necessary, conduct audits and reviews of the Company books, records, and work papers and conduct meetings to ensure compliance with § 56-590 of the Code of Virginia and the regulations put forth by the Commission in Case No. PUA00029.

(14) This matter is dismissed.

Morrison, Commissioner, concurring:

The majority concludes that the Restructuring Act does not indicate a preference that functional separation be accomplished by the creation of a legally separate affiliate corporation to own the generation assets of the Applicant. The legislative record introduced causes me more uncertainty on this point than is reflected in the majority opinion; yet I cannot find sufficient support in the record to compel a contrary conclusion. It is the considerable concern I have as to the intentions of the General Assembly regarding the matter of the form of functional separation that causes me to write separately.

The evidence of record, including the rebuttal testimony of Company witness Paul E. Hilton, establishes that during the consideration of Senate Bill 1420 and House Bill 2744, some members of the House Committee considering the bills discussed the then-ongoing crisis in California. Efforts to moderate the deregulatory process by delaying by one year the date for functional separation were defeated resoundingly in the Committee. Thereafter, during the floor debate on SB 1420 in the House of Delegates, concerns were expressed by some members about federal preemption of Virginia jurisdiction by the operation of the Federal Power Act if legal separation were approved. Nevertheless, the bill passed the House by a wide majority.

The primary function of that bill, however, was to alter the method of setting the prices for default service. Nothing in the bill spoke directly to the question of federal preemption, and thus it is a poor vehicle upon which to come to the conclusion that the intention of the majority of the members is that we should cede the Commonwealth's authority over these generation assets to the federal government.

During the course of the House debate, certain members speaking in support of the bill gave assurances that this Commission could delay functional separation; however, we can find no such authority. Section 56-577 provides authority for us to delay or accelerate the implementation of any of the provisions of that Section, but functional separation is not among them, it being required by January 1, 2002 in § 56-590.

It is not the function of this Commission to enact public policy in the Commonwealth; it is the function of this Commission to execute the policies of the General Assembly as faithfully as we are able to follow them. If the General Assembly finds that the Commonwealth should cede the oversight of the generation assets to the federal government, it would be immensely helpful to articulate that policy by statute, and we will proceed as directed.

Further, if the Legislature should ordain that a corporate or legal separation akin to the Plan is desirable, but that some mechanism attach as a condition in order to retract the resultant ceding of jurisdiction, then a carefully considered and crafted contingency statute is needed. Virginia Power's offered stipulation that we could obligate Dominion Generation to be a default retail supplier under the Act is an example of an attempted mechanism to attach a "lifeline" with which to reel back state jurisdiction from the FERC.

As the majority opinion points out, provisions in the Restructuring Act do not seem to legally accommodate the reverse role of Dominion Generation selling to customers at retail. Important provisions of the Plan, including the fuel factor, the wires charge, and the question of appointment of a default provider all seem inconsistent with the Act to some extent. These are among a number of questions about the Plan, including its stipulation, that make it difficult to fit within the Restructuring Act as presently constituted.

It became clear during the course of the hearing that legal separation as proposed by Virginia Power could not take place until the third quarter of next year, and that is likely quite optimistic.

I believe consideration of any future application would be greatly assisted by further consideration by the General Assembly of the ramifications of legal separation, particularly the loss of State authority. The Company's contention regarding the intent of the Legislature would be less difficult to accept if these consequences were squarely debated and clear direction, together with a carefully considered and defined plan for re-establishment of Virginia's authority in the event of necessity, is given us by that body.

With these additional comments I concur with this order.

CASE NO. PUE000657
JANUARY 17, 2001

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"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents between April 26, 2000, and October 2, 2000, listed in Attachment A, involving All Clear Locating Services, Inc. ("the Company" or "the Defendant"), and alleges that:

(1) The Company is a contract locator as that term is defined in § 56-265.15 of the Code of Virginia;

(2) During the aforementioned period the Company has violated the Act, by the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A and D of the Code of Virginia.

(b) Failing on certain occasions to mark within the time prescribed in the Act, in violation of § 56-265.19 A and D of the Code of Virginia.

(c) Failing on certain occasions to report to the notification center that lines had been marked or they were not in conflict with the proposed excavation, in violation of § 56-265.19 A, B, and D of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations presented to the State Corporation Commission's Underground Utility Damage Prevention Advisory Committee on November 7, 2000, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $27,850 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $27,850 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. PUE000658
MAY 17, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CENTRAL LOCATING SERVICE, LTD.,
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 Act"). The Commission's Division of Energy Regulation ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents between April 11, 2000, and September 15, 2000, listed in Attachment A, involving Central Locating Service, Ltd. ("the Company"), and alleges that:

(1) Central Locating Service, Ltd., is a contract locator as that term is defined in § 56-265.15 of the Code of Virginia;

(2) During the aforementioned period the Company has violated the Act, by engaging in the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A and D of the Code of Virginia.

(b) Failing on certain occasions to mark utility lines within the time prescribed in the Act, in violation of § 56-265.17 B and § 56-265.19 A and D of the Code of Virginia.

(c) Failing on certain occasions to report to the notification center that utility lines had been marked or they were not in conflict with the proposed excavation, in violation of § 56-265.19 A, B, and D of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations presented to the Underground Utility Damage Prevention Advisory Committee on November 7, 2000, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $66,900 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

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 $66,900 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE000659
MAY 17, 2001

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 Act"). The Commission's Division of Energy Regulation ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents between April 21, 2000, and September 6, 2000, listed in Attachment A, involving Utiliquest, LLC ("the Company"), and alleges that:

(1) Utiliquest, LLC, is a contract locator as that term is defined in § 56-265.15 of the Code of Virginia;

(2) During the aforementioned period the Company violated the Act, by engaging in the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A and D of the Code of Virginia.

(b) Failing on certain occasions to mark the utility lines within the time prescribed in the Act, in violation of § 56-265.17 B and § 56-265.19 A and D of the Code of Virginia.

(c) Failing on certain occasions to report to the notification center that utility lines had been marked or they were not in conflict with the proposed excavation, in violation of § 56-265.19 A, B, and D of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations presented to the Underground Utility Damage Prevention Advisory Committee on November 7, 2000, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $122,800 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $122,800 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. PUE000662
JUNE 28, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting rules governing the manner of installing underground utility lines

ORDER ADOPTING RULES

This Order promulgates rules for the enforcement of § 56-257 of the Code of Virginia. The 2000 General Assembly amended § 56-257 of the Code of Virginia effective July 1, 2001, to provide that an "operator",[1] as defined in § 56-265.15, having the right to install underground utility lines, as defined in § 56-265.15, "except interstate gas pipelines subject to regulation by the U.S. Department of Transportation, shall install such underground lines in accordance with accepted industry standards". See 2000 Va. Acts ch. 779. Section 56-257 of the Code of Virginia, as amended, defines "accepted industry standards" to include, as applicable, standards established by the National Electric Safety Code, the Commission's pipeline safety regulations, the Department of Health's waterworks regulations (12 VAC 5-590-10 et seq.), and the Utility Industry Coalition of Virginia. It also directs the State Corporation Commission ("Commission") to promulgate any rules or regulations necessary to enforce the provisions of the statute as to those operators that do not comply with accepted industry standards when installing underground utility lines.[2]

Section 56-257 of the Code of Virginia, as amended, expressly prohibits the Commission from ordering action by, or imposing penalties on, any county, city, or town. Instead, it requires the Commission to inform counties, cities, and towns of alleged violations of accepted industry standards or regulations adopted under the statute, and provides that, at the request of the locality, the Commission may suggest corrective action.

In an effort to identify issues relative to the enforcement of § 56-257, Staff met with a number of stakeholders on September 20, 2000. Based on the issues raised during that meeting as well as the need for enforcement procedures, the Staff developed proposed "Rules for the Enforcement of § 56-257 of the Code of Virginia" ("Rules").

On November 30, 2000, the Commission entered an Order that: (i) docketed the proceeding, (ii) directed the Division of Information Resources to publish notice of the Staff's proposed Rules on two occasions in newspapers of general circulation throughout the Commonwealth, (iii) invited interested parties to comment or request a hearing on the proposed Rules set out as Attachment 1 to the November 30 Order, (iv) required that the Order, together with the proposed Rules be forwarded for publication in the Virginia Register of Regulations, and (v) directed the Division of Information Resources to file with the Clerk of the Commission the proof of the publication required by the Order.

On January 25, 2001, the Division of Information Resources filed its proof of the publication of notice required by the November 30, 2000, Order Prescribing Notice and Inviting Comments.

In response to the November 30, 2000, Order, 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, Southside Electric Cooperative, Inc., and the Virginia Maryland & Delaware Association of Electric Cooperatives ("the Cooperatives") jointly filed comments. Arlington County ("Arlington"); Cox Virginia Telecom, Inc. ("Cox"); Virginia Telecommunications Industry Association ("VTIA"); Appalachian Power Company ("AEP-VA"); Delmarva Power & Light Company ("Delmarva"); Fairfax County Water Authority ("Fairfax County"); and Roanoke Gas Company ("Roanoke") also filed comments. Columbia Gas of Virginia, Inc. ("Columbia"); Washington Gas Light Company ("WGL"); and Virginia Natural Gas, Inc. ("VNG") (hereafter collectively referred to as "the gas Companies") jointly filed comments. None of the parties filing comments requested a hearing on the Rules, although several requested leave to participate in a hearing if one was convened.

On February 23, 2001, the Commission entered an Order that directed its Staff to file a report on these comments on or before April 20, 2001. The Order also invited interested parties of record to file on or before May 10, 2001, further comments in reply to, together with any request for hearing on, any recommendations or further revisions to the Rules set out in the Staff's report.

On April 19, 2001, the Commission granted the Staff's request to extend the due date for filing the Staff's report to May 3, 2001, and authorized interested parties of record to file further comments in response to the report or to request a hearing on the same by May 17, 2001.

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[1] Section 56-265.15 of the Code of Virginia defines "operator" to mean "any person who owns, furnishes or transports materials or services by means of a utility line."

[2] "Utility line" for purposes of § 56-257 of the Code of Virginia has the same meaning as in § 56-265.15, i.e.,

> any item of public or private property which is buried or placed below ground or submerged for use in connection with the storage or conveyance of water, sewage, telecommunications, electric energy, cable television, oil, petroleum products, gas, or other substances, and includes but is not limited to pipes, sewers, combination storm/sanitary sewer systems, conduits, cables, valves, lines, wires, manholes, attachments, and those portions of poles below ground. . . .

On May 3, 2001, the Staff filed its report in this matter. In its report, the Staff summarized and analyzed the comments filed in this matter, and proposed further revisions to the Rules.

On May 17, 2001, the Cooperatives, AEP-VA, the gas Companies, and Cox each filed further comments in response to the Staff's report. None of these parties requested a hearing on the Staff's report, although several of those commenting requested leave to participate if the Commission determined to convene a hearing.

The Virginia Cable Telecommunications Association ("Cable Association" or "VCTA") filed a "Motion to Accept Comments in Response to the Staff Report", together with its comments. In support of its Motion, the Cable Association noted that while it did not file initial comments in response to the November 30, 2000, Order, it was interested in the proposed Rules, had reviewed the Staff report, and generally supported the report's recommendations. The VCTA alleged that no other party was likely to be prejudiced by its comments and contended that receiving its comments would not cause the Commission to delay the consideration of the proposed Rules or to implement those Rules by July 1, 2001. The Cable Association did not request a hearing, but asked that if a hearing was scheduled, it be permitted to participate in the hearing.

NOW, upon consideration of the initial comments filed herein, the Motion filed by the Cable Association, the Staff report, and the comments filed in response to that report, the Commission is of the opinion and finds that the Cable Association's motion should be granted and that its comments should be accepted for filing in this proceeding. In addition, we find that no request for hearing was made, and therefore no ore tenus hearing should be convened in this matter. Further, we find that the attached Rules for the enforcement of § 56-257 of the Code of Virginia should be adopted, effective July 1, 2001. A complete set of these Rules is appended to this Order as Attachment A.

In adopting these Rules, we have carefully considered the pleadings and comments of the participants in this proceeding. The substance 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 the Rules that received extensive comment.[3] The reference to the rule numbers set out in the discussion below refers to the rule numbers as they appear in Appendix 2 to the May 3, 2001, Staff report. Finally, minor revisions to the Rules have also been made to prepare them for publication in the Virginia Register of Regulations.

Rule 30 - Installation of Utility Lines

Rule 30 requires that all operators, except interstate gas pipelines subject to regulation by the United States Department of Transportation, install their underground utility lines in accordance with the applicable standards set forth in § 56-257 of the Code of Virginia in effect at the time of installation. This Rule also provides that if there is a conflict among any of the standards, the most stringent standard shall be applied, unless the conflict can otherwise be resolved without violating an applicable law or a regulation. Rule 30 concludes by providing that the rule's reference to the standards set out in § 56-257 does not change or extend the standard's application, but will make the standards subject to enforcement as set forth in Part III of Chapter 325 of the Rules.

Cox comments that proposed Rule 30 is susceptible to multiple interpretations. It contends that the Rule, as presently drafted, could be interpreted to mean that telecommunications companies might be expected to adhere to the Department of Health's waterworks regulations. The Cable Association supports Cox's comments, observing that in its view, the Rules would gain clarity by specifying that the standards to be applied are those that pertain to the type of utility performing the installation.

As Staff noted in its May 3, 2001, report, the industry standards referenced in § 56-257 of the Code of Virginia, as amended, already specify the purpose and scope of the standards. Further, as amended, § 56-257 B of the Code of Virginia directs the Commission to enforce the directives found in § 56-257 A "as to those operators that do not comply with such accepted industry standards."[4] It does not authorize the Commission to create new standards or to amend existing ones.

The gas Companies comment that the most stringent standard language in Rule 30 may be inconsistent with the legislative intent for § 56-257, and that this portion of the Rule would render meaningless the standards adopted by the Utility Industry Coalition of Virginia ("UIC"). Among other things, they contend that the Staff proposal fails to offer guidance on the standard to be applied when industry standards appear to conflict. They observe that the unintended effect of applying the most stringent standard may be to exacerbate the challenges faced by operators in areas of the state with many underground utility lines and structures.

On occasion, the standards referenced in § 56-257 of the Code of Virginia may conflict. In our view, Rule 30 appropriately provides guidance to operators by positing "the most stringent" standard, e.g., in the case of separation standards, the standard providing the greatest level of separation between underground utility lines, as an acceptable means by which an operator may resolve conflicts between standards.

The language in Rule 30 further provides that the most stringent standard shall be applied "unless the conflict can otherwise be resolved without violating applicable law or regulation". AEP-VA proposed this language at page 4 of its January 22, 2001, Comments. As AEP-VA notes

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[3] For ease of reference, the designation "20 VAC 5-325" 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 30", it should be understood that this refers to 20 VAC 5-325-30.

[4] Section 56-257 A of the Code of Virginia, as amended, provides that

> [e]very operator, as defined in § 56-265.15, having the right to install underground utility lines, as defined in § 56-265.15, except interstate gas pipelines subject to regulation by the U.S. Department of Transportation, shall install such underground utility lines in accordance with accepted industry standards. Such standards shall include, as applicable, standards established by the National Electric Safety Code, the Commission's pipeline safety regulations, the Department of Health's waterworks regulations (12 VAC 5-590-10 et seq.), and standards established by the Utility Industry Coalition of Virginia.

> . . . while there may be certain situations where conflicts between different standards simply cannot be resolved, except by applying the more stringent standard, this will not always necessarily be the case. The standards that are being adopted include a certain degree of flexibility, and the particular facts presented in a situation may present opportunities for complying with all applicable requirements without always having to apply the most stringent standard. To the extent that different standards applicable to different industries need to be reconciled, the goal of these rules should be to resolve the conflict and to move toward a consensus position, rather than simply to provide a mechanism to determine which standard will control. To the extent that there is an opportunity afforded by the standards, as they are applicable separately, to resolve conflicts without violating any applicable law or regulation, the revision suggested by AEP-VA will preserve that opportunity.

January 22, 2001, AEP-VA Comments at 4-5.

We agree with AEP-VA. In our view, Rule 30 preserves the opportunity to apply the standards adopted by the UIC through the language "unless the conflict can otherwise be resolved without violating applicable law or regulation." This language provides guidance and flexibility to operators of underground utility lines.

The Cooperatives propose to revise the phrase "unless the conflict can otherwise be resolved without violating applicable law or regulation" by adding "by the operators involved" to the Rule. We do not disagree and will accept the Cooperatives' recommendation as to this revision of the Rule.

Rule 40 - Operator's Responsibilities to Maintain Accurate Records

The Cable Association agrees with Staff that the phrase ". . . for use in connection with . . ." in Rule 40 means utility lines in active service. May 17, 2001, VCTA Comments at 2. However, it fears that in the future the Commission or appellate courts could interpret the reference in § 56-265.15 to each underground utility line installed after July 1, 2001, differently so as to apply the rule to abandoned lines still capable of being used in connection with the storage or conveyance of utility services in the sense that an abandoned hammer remains capable of use in driving nails. The Cable Association urges us to add the word "active" to modify the phrase "underground utility line" in the first sentence of Rule 40. Cox proposes a similar revision to Rule 40.

Rule 40 applies to installations of utility lines made after July 1, 2001. If a line is available for use, and can in fact be used, then the operator must maintain a reasonably accurate record of that installation. If, on the other hand, an operator abandons a utility line so that the line may no longer be used "in connection with the storage or conveyance" of utility service as contemplated by the definition of § 56-265.15 of the Code of Virginia, no record need be maintained by the operator for that line. We decline to refine further the definition of "utility line" and find that the plain meaning of the words used in § 56-257, and, in turn, § 56-265.15, to define "utility line" provides sufficient guidance to operators.

The VCTA comments that it is unclear whether the accuracy of records required in the first sentence of Rule 40 is also required for notations prescribed in the second sentence of that Rule. It opines that a lesser degree of accuracy on installation records is needed when noting the location of a preexisting underground utility line and the action taken by the operator installing the underground utility line to protect against damage from such preexisting underground utility lines.

With regard to VCTA's concerns about the accuracy required by Rule 40 for operator records, the Rule plainly states that these records must be "reasonably accurate". If in the course of installing a line, an operator discovers another line in proximity to the one being installed, Rule 40 requires the installing operator to note the location of the pre-existing line relative to the line being installed, and the action taken by the installing operator to protect against damage from the preexisting underground utility line. Reasonableness is the lodestar of Rule 40. Whether a particular action is reasonable will be dependent on the factual context of each case. Additionally, the documentation of installation data is necessary in order to determine the relevant industry standards that should be applied to installations made after July 1, 2001, and that the installation was made in accordance with such standards.

Cox comments that Rule 40 is inefficient and requires a duplication of efforts when excavations occur. Cox opines that an operator must inform the notification center where an excavation will be occurring and is required to keep a record of the excavation. Cox asserts that under Rule 40, both the operator and notification center will be required to keep a record of the excavation, thus creating a duplication of the records maintained. Cox also objects to the second sentence of Rule 40, commenting that the Rule would require Cox to add fields to its current software to track installation dates of particular lines.

Rule 40 does not address excavation records, as Cox asserts. It only requires an operator to prepare and maintain reasonably accurate installation records as to underground utility lines installed after July 1, 2001. Cox apparently agrees that it is meritorious to maintain reasonably accurate installation records but proposes to do so only for "active" underground utility lines installed after July 1, 2001.

The Cooperatives comment that while the standards should only require an operator to ensure that a minimum separation distance, or appropriate protective measure such as a shield, is present at the time of installation, the Rule as proposed by Staff would require the operator to expose the other utility line to ascertain that line's exact location. The Cooperatives propose to strike "the location of such preexisting underground utility line" from the second sentence of Rule 40.

In order to make a reasoned decision relative to whether an appropriate protective measure is necessary, the Cooperatives and other operators must ascertain whether a minimum separation distance can be maintained between the underground line being installed and any pre-existing one. Information on the location of a line that is already underground is important to the operator's decision-making process as the operator contemplates a new underground installation. Consequently, we decline to delete "the location of such pre-existing underground utility line" from the second sentence of Rule 40.

In contrast to Cox, the Cable Association, and the Cooperatives, the Gas Companies appear to support Rule 40 as it appears in Appendix 2 to the Staff report. May 17, 2001, Gas Companies' Comments at 6-7.

Finally, multi-dimensional maps and drawings are not required by this Rule as VTIA's January 22, 2001 comments appear to suggest. Instead, the distance separating the pre-existing underground line and the installed line and any action taken to protect the line if appropriate separation cannot be achieved may simply be noted on the relevant records maintained by the operator. We will adopt Rule 40 as proposed in Appendix 2 of the Staff report.

Rule 90 - Civil Penalties

The Cable Association disagrees with the Staff's recommendation in its report to retain the civil penalties permitted by § 12.1-13 of the Code of Virginia. They comment that the failure to comply with industry standards designed to mitigate the potential damage to underground utility lines is no more serious a violation than a violation that actually damages the underground facilities, and therefore lower penalties than those identified in § 12.1-13 should be the rule. May 17, 2001, Comments of the Cable Association at 3.

Section 56-257 of the Code of Virginia, as amended, does not specify the fines to be imposed for a violation of the Commission's Rules to enforce that statute. Section 12.1-13 of the Code of Virginia addresses the fines to be imposed upon an individual or business conducted by any entity other than an individual for failure to comply with any valid rule, regulation, or Commission order where no fine or other penalty is imposed by statute. It provides that the amount of the fine that may be imposed on an individual may not exceed $5,000, and the amount of a fine that may be imposed in the case of a business conducted by an entity other than an individual may not exceed $10,000.

Neither Virginia statutes nor Rule 90 require us to impose the maximum penalty in every instance. However, there may be instances that include, but are not limited to, circumstances in which an individual or business entity has repeatedly violated § 56-257 of the Code of Virginia or where a violation of the statute and the Commission's regulations is particularly egregious. Since the legislature has not prescribed any other fines for violations of § 56-257, we presume that it intended that the fines provided for in § 12.1-13 apply to violations of § 56-257. A defendant cited for a probable violation of the Rules may offer evidence and argument on why penalties that are less than the maximum penalties permitted by § 12.1-13 of the Code of Virginia are appropriate.

We appreciate the insightful contribution of the participants to this rulemaking. As a result of the Staff's and other participants' efforts, we believe that the rules adopted herein, in combination with the provisions of § 56-257 of the Code of Virginia, will serve to protect the public and provide meaningful guidance to operators installing underground utility lines. We therefore adopt the "Rules for the Enforcement of § 56-257 of the Code of Virginia," appearing as Attachment A hereto, effective July 1, 2001.

Accordingly, IT IS ORDERED THAT:

(1) The Rules for Enforcement of § 56-257 of the Code of Virginia, 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 promptly 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 files for ended causes.

NOTE: A copy of Attachment A entitled "Chapter 325. Rules for Enforcement of § 56-257 of the Code of Virginia" 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. PUE000716
FEBRUARY 1, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UNITED CITIES GAS 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 August 16, 2000, Snyder & Associates, Inc., damaged a one and one-quarter inch steel gas service line operated by United Cities Gas Company ("the Company") located at or near 1902 Downey Street, Radford, Virginia, while excavating;

(2) On or about August 23, 2000, Eastern Cable damaged a one-half inch plastic gas service line operated by the Company located at or near 1080 Pheasant Lane, Pulaski, Virginia, while excavating;

(3) On or about August 29, 2000, John L. Johnson, Incorporated, damaged a three-quarter inch plastic gas service line operated by the Company located at or near 703 Broad Street, Dublin, Virginia, while excavating;

(4) On or about September 28, 2000, Mastec North America, Inc., damaged a three-quarter inch plastic gas service line operated by the Company located at or near Lot 577, Augusta National Drive, Pulaski, Virginia, while excavating;

(5) On or about October 11, 2000, the Town of Blacksburg damaged a one-half inch plastic gas service line operated by the Company located at or near 2718-2720 Quincey Court, Blacksburg, Virginia, while excavating;

(6) On or about October 28, 2000, Foster Ridpath, homeowner, damaged a one-half inch plastic gas service line operated by the Company located at or near 119 Kirkwood Drive, Radford, Virginia, while excavating;

(7) 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;

(8) On or about July 26, 2000, R G & E Services damaged a three-quarter inch steel gas service line operated by the Company located at or near Newbern Road (Route 632), Dublin, Virginia, while excavating; and

(9) 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:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $5,750 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

(2) Any fines paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $5,750 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE000730
MAY 11, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CENTRAL LOCATING SERVICE, LTD.,
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 Act"). The Commission's Division of Energy Regulation ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents between June 1, 2000, and October 20, 2000, listed in Attachment A, involving Central Locating Service, Ltd., ("the Company") and alleges that:

(1) Central Locating Service, Ltd., is a contract locator as that term is defined in § 56-265.15 of the Code of Virginia;

(2) During the aforementioned period the Company has violated the Act, by engaging in the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A and D of the Code of Virginia.

(b) Failing on certain occasions to mark utility lines within the time prescribed in the Act, in violation of § 56-265.17 B and § 56-265.19 A and D of the Code of Virginia.

(c) Failing on certain occasions to report to the notification center that utility lines had been marked or they were not in conflict with the proposed excavation, in violation of § 56-265.19 A, B, and D of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations presented to the Underground Utility Damage Prevention Advisory Committee on December 5, 2000, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $22,400 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $22,400 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. PUE000733
JULY 24, 2001

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 Act"). The Commission's Division of Energy Regulation ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents between April 12, 2000, and October 17, 2000, listed in Attachment A, involving All Clear Locating Services, Inc. ("the Company"), and alleges that:

(1) All Clear Locating Services, Inc., is a contract locator as that term is defined in § 56-265.15 of the Code of Virginia;

(2) During the aforementioned period the Company violated the Act, by conducting the following activities:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of §§ 56-265.19 A and D of the Code of Virginia.

(b) Failing on certain occasions to mark within the time prescribed in the Act, in violation of § 56-265.17 B and §§ 56-265.19 A and D of the Code of Virginia.

(c) Failing on certain occasions to report to the notification center that lines had been marked or they were not in conflict with the proposed excavation, in violation of §§ 56-265.19 A, B, and D of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations presented to the Underground Utility Damage Prevention Advisory Committee on December 5, 2000, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $17,450 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 $17,450 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 NOS. PUE000734 and PUE010001
JULY 24, 2001

APPLICATION OF
PRINCE GEORGE ELECTRIC COOPERATIVE

For a general increase in rates

and

APPLICATION OF
PRINCE GEORGE ELECTRIC COOPERATIVE

For approval of a functional separation plan pursuant to the Virginia Electric Utility Restructuring Act

ORDER PERMITTING WITHDRAWAL OF RATE APPLICATION

On December 29, 2000, Prince George Electric Cooperative ("PGEC" or "the Cooperative") filed an application for a general increase in rates with the State Corporation Commission ("Commission") pursuant to § 56-582 A 3 of the Code of Virginia. This application proposed to increase the Cooperative's rates for electric service and various fees and charges and sought authority to revise portions of the Cooperative's Terms and Conditions of Service in a way that increased the prices PGEC's members would pay for services such as PGEC's extension of electric lines to consumers. PGEC requested approval of rates that would produce additional annual jurisdictional revenues of $1,115,845 in 2001, that, according to the Cooperative would produce a Times Interest Earned Ratio ("TIER") of 2.00.

In its January 19, 2001, Order for Notice and Hearing, the Commission permitted PGEC's proposed rates, charges, fees, and terms and conditions of service to take effect on January 1, 2001, on an interim basis, pursuant to § 56-582 A 3 of the Code of Virginia. That Order appointed a Hearing Examiner to the matter, directed the Cooperative to publish notice of its application, and established a procedural schedule for the Cooperative, Staff, Protestants and other parties to the proceeding.

On February 5, 2001, the Commission issued its "Order for Notice and Comment and Establishing Revised Procedural Schedule". In that Order, the Commission noted that PGEC had filed an application for approval of a plan for functional separation pursuant to § 56-590 of the Code of Virginia, and the Commission's Regulations Governing the Functional Separation of Incumbent Electric Utilities under the Virginia Electric Utility Restructuring Act, 20 VAC 5-202-10 et seq. ("Regulations").

In its application for approval of a plan for functional separation plan, the Cooperative requested that the Commission waive the requirements of 20 VAC 5-202-40 B 7 and adopt the cost of service study filed by the Cooperative in its rate application, docketed as Case No. PUE000734. PGEC also requested that the Commission waive 20 VAC 5-202-40 B 8 that required unbundled tariffs, rates, and terms and conditions of service be submitted with the Cooperative's functional separation plan. PGEC alleged that it submitted such information in Case No. PUE000734, and requested that the Commission accept and adopt that information for purposes of its filing in the functional separation proceeding. The Cooperative explained that the rates developed in Case No. PUE000734, its rate application, would provide the basis for its rate unbundling in Case No. PUE010001.

In our February 5 Order, among other things, we docketed PGEC's functional separation plan as Case No. PUE010001, determined to consider PGEC's functional separation plan in conjunction with its rate application, revised the procedural schedule established for Case No. PUE000734, and rescheduled the hearing originally set for June 6, 2001, to September 11, 2001. We also provided that all other provisions of our January 19, 2001, Order entered in Case No. PUE000734 would remain in full force and effect.

On June 18, 2001, the Cooperative, by counsel, filed a Motion to Withdraw. In its Motion, PGEC requested leave to withdraw its rate application, "[a]s a result of circumstances beyond its control". It maintained that withdrawal of its application would not prejudice or adversely affect any other parties, since, after public advertisement and notice to its members and other interested parties, no parties have filed written comments or requested leave to participate in the proceeding. PGEC acknowledged that it would be necessary for it to prepare and file a revised cost of service study to support its application for approval of a functional separation plan in Case No. PUE010001, and represented that it would do so in a timely manner so as not to delay the Commission's consideration of Case No. PUE010001. The Cooperative also noted that it had collected revenues from its members pursuant to rates and charges filed with the Commission on January 1, 2001, and represented that prompt approval of the Cooperative's Motion would permit PGEC to provide refunds to its members as soon as possible. The Cooperative requested that the Commission enter an Order that allows it to withdraw its rate application, provides for customer refunds and grants such further relief as was necessary.

On June 27, 2001, the Commission Staff filed its response to the Cooperative's June 18, 2001 Motion. In its response, the Staff noted that it did not oppose PGEC's request to withdraw the rate application, provided that: (i) all elements of the Cooperative's application, including the Cooperative's terms and conditions of service were withdrawn; (ii) as is the usual practice when rate applications are withdrawn, the Cooperative refund with interest, the difference between the rates, fees, charges, and terms and conditions of service that increase the amounts paid by PGEC's customers for electric service that took effect on an interim basis on January 1, 2001, and those rates, fees, charges, and terms and conditions of service in effect on December 31, 2000, as adjusted to reflect the changes in Virginia's tax statutes that took effect on January 1, 2001; (iii) upon completion of its refunds, the Cooperative promptly file with the Division of Energy Regulation a document indicating that the refunds have been lawfully made; and (iv) within two weeks of the entry of an Order dismissing the rate application, PGEC file the rates, tariffs, fees, charges, terms and conditions of service and a 1999 per books cost of service study that the Cooperative intends to rely upon to support its application for functional separation docketed as Case No. PUE010001.

On July 2, 2001, PGEC, by counsel, filed a letter advising that it would be able to file a cost of service study and its unbundled rates in Case No. PUE010001, within two weeks of the entry of a Final Order in its rate application, but that it would not be in a position to file its terms and conditions of service or unbundled tariff schedules. It noted that since it had not yet finalized new terms and conditions and schedules applicable to retail open access, it would request a waiver of the requirements of 20 VAC 5-202-40 B 8 in Case No. PUE010001, and seek leave to file its terms and conditions of service and rate schedules at a later time. PGEC requested that in issuing an order permitting the Cooperative to withdraw its application that the Commission require it

to file only the cost of service study and proposed unbundled rates that it intends to rely on in support of its application for approval of its functional separation plan docketed as Case No. PUE010001.

On July 12, 2001, the Hearing Examiner assigned to this matter issued his Report. In his Report, the Examiner found that the Cooperative's June 18 Motion should be granted and that the hearing scheduled for September 11, 2001, in Case No. PUE000734 should be cancelled. The Hearing Examiner recommended that the Commission enter an Order dismissing the rate application from its docket of pending proceedings; directing PGEC to refund with interest the difference between the rates, fees, charges and terms and conditions of service that became effective on January 1, 2001, and those that were in effect as of December 31, 2000, as adjusted to remove the effect of gross receipts taxes; and directing the Cooperative to file a revised cost of service study and the unbundled rates it intends to rely upon in support of its application for approval of a functional separation plan in Case No. PUE010001, within two weeks of the entry of a final order dismissing PGEC's rate application. The Hearing Examiner invited parties to file comments to his report within seven days from the entry of the same.

On July 13, 2001, PGEC, by counsel filed a letter with the Clerk of the Commission, urging the Commission to adopt the Hearing Examiner's recommendations, and waiving the seven day time period in which parties have an opportunity to comment on the Hearing Examiner's Report.

NOW UPON consideration of the record herein, pleadings, and the July 12, 2001 Hearing Examiner's Report, the Commission is of the opinion and finds that PGEC should be permitted to withdraw its rate application; that the Cooperative should refund with interest the difference between the rates, fees, charges, and terms and conditions of service that became effective on January 1, 2001, and those that were in effect as of December 31, 2000, adjusted to reflect the changes in Virginia's tax statutes, § 58.1-2900 et seq. of the Code of Virginia that became effective on January 1, 2001; that PGEC should file in Case No. PUE010001, within fourteen days of the entry this Order, the cost of service study and proposed unbundled rates, fees, and charges the Cooperative intends to rely upon in support of its application for functional separation; and that Case No. PUE000734 should be dismissed from the Commission's docket of active proceedings.

Accordingly, IT IS ORDERED THAT:

(1) The Cooperative's June 15, 2001 "Motion to Withdraw" is hereby granted.

(2) PGEC is granted leave to withdraw its entire rate application, including its proposed changes to its terms and conditions of service, fees and charges, docketed as Case No. PUE000734.

(3) On or before December 3, 2001, the Cooperative shall complete the refund of its interim rates that took effect on January 1, 2001. In making its refund, the Cooperative is directed to recalculate, using the rates that were in effect as of December 31, 2000, as adjusted to reflect the changes in Virginia's tax statutes that became effective as of January 1, 2001, each bill it rendered that used in whole or part, the interim rates that became effective on January 1, 2001, and are being replaced by the rates in effect as of December 31, 2000. In each instance where the application of the rates, fees, charges, and terms and conditions of service in effect for December 31, 2000, yields a reduced bill to PGEC's customer, the Cooperative is directed to refund with interest as directed below, the difference.

(4) 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 Rate") (Statistical Release G.13), for the three months of the preceding calendar quarter.

(5) The interest required to be paid herein shall be compounded quarterly.

(6) The refunds ordered in Paragraph (3) above may be accomplished by credit to the appropriate customer's account for current customers (each refund category being shown separately on each customer's bill). Refunds to former customers shall be made by check mailed to the last known address of such customers when the refund amount is $1 or more. PGEC may offset the credit or refund to the extent no dispute exists regarding the outstanding balance of a current customer or a customer who is no longer on PGEC's system. No offset shall be permitted for the disputed portion of an outstanding balance. The Cooperative may retain refunds owed to former customers when such refund amount is less than $1. However, PGEC shall prepare and maintain a list detailing each of the former accounts for which refunds are less than $1, and in the event such former customers contact the Cooperative and request refunds, such refunds shall be made promptly. All unclaimed refunds shall be handled in according with § 55-210.6:2 of the Code of Virginia.

(7) On or before December 21, 2001, PGEC shall file with the Division of Energy Regulation a document showing that all refunds have been lawfully made pursuant to this Order, and itemizing the costs of the refund and accounts charged. Such itemization of costs shall include, inter alia, computer costs, personnel hours, associated salaries, and costs for verifying and correcting the refunds directed in this Order.

(8) Within fourteen days of the entry of this Order, PGEC shall file the cost of service study, and the proposed unbundled rates, fees and charges it intends to rely upon in support of its application for approval of its functional separation plan docketed as Case No. PUE010001.

(9) Case No. PUE000734 shall be dismissed from the Commission's docket of active proceedings and the papers filed herein shall be filed in the Commission's file for ended causes.

CASE NO. PUE000739
NOVEMBER 2, 2001

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 Act"). The Commission's Division of Energy Regulation ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents between May 26, 2000, and November 1, 2000, listed in Attachment A, involving Utiliquest, LLC ("the Company"), and alleges that:

(1) Utiliquest, LLC, is a contract locator as that term is defined in § 56-265.15 of the Code of Virginia;

(2) During the aforementioned period the Company violated the Act, by committing the following conduct:
Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of §§ 56-265.19 A and D of the Code of Virginia.

(a) Failing on certain occasions to mark within the time prescribed in the Act, in violation of § 56-265.17 B and §§ 56-265.19 A and D of the Code of Virginia.

(b) Failing on certain occasions to report to the notification center that lines had been marked or they were not in conflict with the proposed excavation, in violation of §§ 56-265.19 A, B, and D of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $28,050 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 $28,050 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. PUE000740
MARCH 30, 2001

COMMONWEALTH OF VIRGINIA, ex. rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter concerning a draft plan for phase-in of retail electric competition

ORDER CONCERNING PHASE-IN OF RETAIL CHOICE

On December 21, 2000, the Commission issued an Order ("the December 21 Order") in this matter prescribing notice and inviting comments concerning the Commission Staff's report and draft plan ("the draft plan") for the transition to full retail choice for electric generation. The Commission's development and adoption of such a plan is expressly required by the Virginia Electric Utility Restructuring Act.[1] The December 21 Order invited comment on the draft plan by interested parties, such comments to be filed with the Clerk of this Commission on or before February 15, 2001. The Order also provided interested parties an opportunity to request a hearing or oral argument on the draft plan.

The following parties filed comments on or before February 15, 2001: the Virginia Committee for Fair Utility Rates and the Old Dominion Committee for Fair Utility Rates ("the Committees"), filing jointly; the New Power Company; Washington Gas Energy Services, Inc.; Kentucky Utilities Company d/b/a/ Old Dominion Power Company ("Kentucky Utilities"); Virginia Electric and Power Company ("Virginia Power"); Potomac Edison Company d/b/a Allegheny Power ("Allegheny"); Appalachian Power Company d/b/a American Electric Power Company ("AEP Virginia"); Ladd Furniture, Inc.; Henkel-Harris Co.; Webb Furniture Enterprises, Inc.; Delmarva Power and Light Company ("Delmarva"); Office of the Attorney General, Division of

[1] § 56-577 A 2 a.

Consumer Counsel; the Virginia, Maryland & Delaware Association of Electric Cooperatives, and its Virginia member cooperatives ("the Cooperatives"); Northern Virginia Electric Cooperative; and AES New Energy, Inc. Virginia Power requested oral argument on the issues presented by the draft plan, while the Cooperatives requested an evidentiary hearing.

On February 26, 2001, the Staff of the Commission filed a Supplemental Staff Report on the Schedule for Transition to Retail Access ("draft plan supplement"), making three modifications to such plan. According to the Staff, the modifications responded to information and recommendations contained in comments filed by interested parties in response to the draft plan.

Thereupon, the Commission, by Order dated February 26, 2001, requested further responses from interested parties concerning the draft plan supplement. This order established a March 5, 2001, filing deadline for such responses. Pursuant to that Order, further responses were timely filed by the Committees, Virginia Power and the Cooperatives. While the Cooperatives' initial comments requested an evidentiary hearing, their further response indicated that they no longer required an evidentiary hearing in this matter so long as the Commission adopted the Staff's recommendations in the draft plan supplement.[2]

Accordingly, by Order dated March 7, 2001, the Commission scheduled an oral argument in this matter for March 20, 2001. The following parties appeared and were represented by counsel at that argument: Virginia Power; AEP Virginia; the Office of the Attorney General's Division of Consumer Counsel; the Committees; the Cooperatives; Allegheny; the New Power Company; and Delmarva.

Briefly summarized, the Staff's draft plan as modified by the draft plan supplement provides first that the service territories of Delmarva, AEP Virginia, and Allegheny will be fully opened to choice for retail generation services on and after January 1, 2002. The Staff has characterized this as a "flash cut" to retail choice inasmuch as there would be no transition or other phase-in. Thus, under this flash-cut proposal—affirmatively proposed by the affected utilities—all of the retail electric customers in these utilities' service territories would be permitted to choose between their incumbent electric utilities and any competitive service providers ("CSPs") on and after January 1, 2002. The extent of competitive choice, of course, would be contingent upon the availability of competitive service offerings by CSPs operating in those service territories.

With respect to the Cooperatives, the Staff has recommended that these utilities be permitted to phase in retail choice in their service territories during the two-year period, January 1, 2002, through January 1, 2004. This recommendation corresponds to the phase-in period requested by the Cooperatives in their filing in this matter. While the Staff had initially proposed that their phase-in be completed by January 1, 2003, the Staff now recommends a full two years on the bases that (i) most of the Cooperatives will require additional time to upgrade information and communications systems, e.g., electronic data interchange, or EDI systems, and (ii) the experience in other states—particularly in Pennsylvania—suggests that cooperatives will not drive the development of competitive markets, and thus the speed with which their service territories are opened may not be a significant factor in the development of such markets.

The Staff has also recommended that Kentucky Utilities be permitted to phase in retail choice within its service territories during the period January 1, 2002, through January 1, 2004. Responding to this company's filing in this matter, the Staff agrees that the small size of Kentucky Utilities' service territory, coupled with the fact that this utility is interconnected with no other Virginia utility, and further combined with the low level of restructuring activity currently occurring in Kentucky (where most of this company's operations are located), suggests that competition in the service territory of this incumbent will play—at best—a modest role in the development of a competitive retail generation market in Virginia. Consequently, the Staff has proposed that Kentucky Utilities be provided two years to open its service territory to competition.

With respect to Virginia Power, the Commonwealth's largest incumbent electric utility, the Staff has proposed that this company begin a one-year phase-in on January 1, 2002, completing the same by January 1, 2003. Virginia Power voiced opposition to the Staff's recommended one-year phase-in for this company, proposing instead that it be given a full two-year period in which to implement a three-part, regional phase-in of competitive choice for its residential customers in combination with a three-part, state-wide phase-in of larger commercial and industrial customers (GS3 and GS4). We note, however, that disagreement over Virginia Power's phase-in interval reached beyond the company and the Commission's Staff. The Committees, for example, proposed a flash cut for the phase-in of retail choice in Virginia Power's service territory commencing January 1, 2002. Except with respect to the phase-in period, the Staff and Virginia Power are in agreement concerning virtually every aspect of Virginia Power's proposed phase-in plan.

Additionally, while not part of Virginia Power's phase-in plan as initially proposed, the company has indicated its willingness to include smaller commercial (GS1 and GS2) plus worship site customers in the three-part, state-wide phase-in of commercial and industrial customers. The Staff supports this proposal.

At the oral argument in this matter, the issue of Virginia Power's phase-in dominated the debate. The company based its opposition to the Staff's recommendation of a one-year phase-in on a procedural basis and on substantive grounds. On the procedural level, the company asserted that the Staff had failed to satisfy § 56-577 B 1, arguing that the one-year phase-in constitutes an "acceleration" and that the Staff had made no showing in its phase-in plan that this "acceleration" was justified on the basis of reliability, safety, communications or market power.[3] Virginia Power further asserts that it needs a full two-year period to phase-in retail choice throughout its entire service territory.

Two ancillary issues before the Commission related to the Virginia Power phase-in plan concerned (i) the establishment of a "waiting list" for large commercial and industrial customers (GS3 and GS4) who miss inclusion in a particular phase because of the MWh-based quotas imposed for each phase, and (ii) the willingness of Virginia Power to include GS1, GS2, GS3, GS4 plus worship site customers in the three-part, state-wide phase-in initially proposed for GS3 and GS4 customers, only.

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[2] The Commission Staff has modified its earlier recommendation that the Cooperatives complete their phase-in of retail choice for electric generation services by January 1, 2003. The draft plan supplement filed by the Staff now recommends that the Cooperatives be given until January 1, 2004, to complete the phase-in within their respective service territories. However, the Cooperatives' withdrawal of their request for an evidentiary hearing was made contingent upon the Commission's inclination to follow the Staff's recommendations concerning the Cooperatives' phase-in schedule The Commission ruled in its March 7, 2001, Order that it would hold that request in abeyance pending oral argument.

[3] § 56-577 B 1 provides, in pertinent part, that "[T]he Commission may delay or accelerate the implementation of any of the provisions of this section, subject to the following: 1. Any such delay shall be based upon considerations of reliability, safety, communications or market power."

NOW THE COMMISSION, upon consideration of the Staff's draft plan, and the draft plan supplement, the comments and responses of parties concerning such draft plan and draft plan supplement, and upon consideration of the oral argument offered by the parties on March 20, 2001, is of the opinion that the Staff's proposed revised phase-in schedules for Virginia's incumbent electric utilities as outlined above, should be adopted for the reasons set forth in the Staff's draft and draft plan supplement. Additionally, the Commission is of the opinion that GS1, GS2, GS3, GS4 and worship site customers in Virginia Power's service territory should be phased in as part of that company's state-wide phase-in initially proposed for GS3 and GS4 customers only. However, we will not require a waiting list for GS3 and GS4 customers in the Virginia Power phase-in as has been recommended by the Staff.

Inasmuch as the phase-in schedules we approve today for Delmarva, Allegheny, AEP Virginia, the Cooperatives, and Kentucky Utilities conform to the Staff recommendations as well as the express desires of the companies themselves, we will provide no further comment thereon in this Order except to state that we adopt the Staff's rationale therefor in these cases.

With respect to Virginia Power, we will not adopt the Committees' recommendation that this utility flash cut to retail choice on January 1, 2002, nor will we adopt the company's proposal to phase in competition over the two-year period, January 1, 2002, to January 1, 2004. Instead, we will adopt the Staff's proposal: a one-year phase-in to be completed by January 1, 2003.

Virginia Power is Virginia's largest incumbent electric utility with over 1.75 million residential electric customers. Making the Commonwealth's largest electric market competitive as soon as possible is obviously a critical link in the success or failure of the development of a competitive market for retail generation in Virginia as a whole. Retail choice pilot programs in the northern and central regions of this company's service territories underscore the emphasis this Commission has placed on moving this company and its customers toward a competitive retail market as quickly as practicable.

We find that completing Virginia Power's phase-in over a one-year period is a critical goal that can and should be realized. While the company raised objections to a one-year phase-in on the basis that it needs the extra time to get ready, nowhere in its filings in this matter nor in oral argument offered on the company's behalf did the company identify any specific or substantial impediments thereto.[4]

By January 1, 2002, the company will have had all the benefits of one and one-half years of operational pilot programs in which to develop, test and implement necessary systems to support retail customer choice within its service territory when full choice begins in January 1, 2002.[5] Significantly, the company did not assert that it could not complete the phase-in by January 1, 2003, as recommended by the Staff. Moreover, the company's counsel stated at the oral argument that the company would be ready to implement Phase I of its phase-in plan on January 1, 2002—the largest component of its phase-in, involving over 600,000 residential customers and 6 million MWh of commercial and industrial load. (transcript pg. 19). Consequently, the combined experience of pilot programs together with necessary preparation of systems and processes for the company's first phase lead us to conclude that the company can achieve full phase-in by January 1, 2003.

With respect to Virginia Power's procedural argument that the Staff's recommendations fail to satisfy the provisions of Virginia Code § 56-577 B 1, we find that this argument is without merit. First, in our view, the company failed to make a credible argument that the Staff's proposed one-year phase-in for full retail choice within the Virginia Power service territory is an "acceleration" under the statute. As the Committees, the Attorney General and the Staff pointed out in their filings and during the oral argument, the language in § 56-577 A 2 a requires that Virginia's incumbent electric utilities phase-in of retail choice be completed "by January 1, 2004." Thus, any date prior to January 1, 2004—such as the January 1, 2003, date proposed by Staff—would satisfy that criteria. In effect, to be an acceleration, a phase-in would have to employ a start date before January 1, 2002. A delay would constitute a phase-in completion date beyond January 1, 2004.

However, putting aside the procedural objection, we note—as also pointed out by the Committees in their filings and emphasized by counsel for the Staff at the hearing—that the record developed in this matter (comprising the Staff's report and supplemental report, the parties' filings in response thereto, and the argument of counsel for the parties at the hearing) supports the Staff's recommendations. In our review of this record, we took into consideration the following: (i) communications, education, and marketing, (ii) safety and reliability, (iii) market power, and (iv) the practical ability of the incumbent utility to phase in retail choice. Not surprisingly, there is overlap between the criteria we apply here in establishing the phase-in schedule, and those factors § 56-577 B 1 would require us to consider in the case of acceleration or delay.

With respect to communication, education, and marketing, for example, both Allegheny and The New Power Company (a CSP) stated in their filings and at the oral argument in this matter that a flash cut to competition is beneficial to the development of competition in a service territory because it simplifies consumer education for electric consumers, and it assists CSPs in the development and execution of their marketing plans to attract customers. Indeed, the Staff noted in its report that one of the distinct advantages of an expedited transition is the simplification of consumer education. This is a consideration we believe justifies a phase-in of one year for Virginia Power.

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[4] The company did point out in its filings and at oral argument, difficulties an affiliate (Dominion East Ohio Gas) had experienced in the phase-in of an Ohio natural gas pilot program (trans. pp. 16, 17). However, from all accounts the affiliate's call center difficulties appear related to a unique set of circumstances unlikely to be duplicated (a competitive supplier's attractive offer for both natural gas and electricity made available for a very short period), and we were further advised at the oral argument by Staff counsel that Ohio's flash cut phase-in of retail choice for electricity (commenced on January 1, 2001) was going smoothly according to Ohio Public Utility Commission representatives. See, transcript at 59, 60. The company's counsel also stated at the oral argument that some of the necessary processes and systems to accommodate full choice in the Virginia Power service territory do not yet exist. However, the company's counsel also said that the company could and would be ready to implement the first and largest phase of its phase-in plan on January 1, 2002. Evidently, substantial progress in the development and implementation of critical systems and processes will underpin the January 1, 2002, phase-in roll-out.

[5] We are concerned that during oral argument, the company's counsel indicated that the company was still manually billing some of the large commercial and industrial customers who have chosen competitive suppliers in its retail choice pilot programs rather than automating its billing systems. (Transcript, pg. 73) We would encourage the company to make use of this time in its pilot programs to introduce system automation in this respect, and wherever else possible. The company's first phase commencing January 1, 2002, involves 600,000 residential customers and 6 million MWh of commercial and industrial load. Critical systems such as automated billing must be in place by that time, in any event; we will look forward to the company's future reports describing their progress in this and other key areas.

Similarly, the Staff report indicates that the immediate introduction of choice on a date certain helps to attract competitive suppliers. Ultimately, the attraction of competitors—as emphasized in the Committees' comments—will help mitigate incumbent electric utilities' residual market power, thereby encouraging the development of a competitive market. Consequently, we conclude that a short phase-in period for the state's largest electricity market is critical to encourage new market entrants and the development of a truly competitive market.

Moreover, with respect to "reliability" and "safety," we see nothing in the record developed on these issues, to date, that augurs against the use of a one-year phase-in for Virginia Power. In any event, however, with respect to these and the other considerations outlined above, Virginia Power and the other incumbent electric utilities will have ample opportunity to alert us to any specific phase-in problems through the reporting processes we establish in this Order. Moreover, in the event that the company desires to extend the phase-in beyond January 1, 2003, it may request such an extension. If, however, the company desires to delay the completion of its phase-in beyond January 1, 2004, it may make an application under § 56-577 B 1 requesting authorization to do so, taking into account the criteria outlined therein (safety, reliability, communications or market power). In the meantime, however, we believe that the company's implementation of its pilot programs demonstrates its practical ability to implement full retail choice throughout its service territory by January 1, 2003.

Finally, with respect to the Virginia Power phase-in, we note that at the hearing, Virginia Power's counsel offered, for the first time in this proceeding, an offer of compromise between the one-year phase-in proposed by the Staff, and the two-year period advocated by Virginia Power. In summary, the compromise would provide that (i) the first phase of Virginia Power's phase-in (identical in both Staff and company proposal) would be implemented in January 1, 2002, and (ii) at or about April 2002 the Commission would convene a hearing in this docket to determine, at that juncture, whether the phase-in to competition in Virginia Power's service territory should be completed within the remainder of the year or whether a full two-year period should be required.

While we appreciate the company's efforts to find common ground with the Staff, it would appear that Staff views the one-year phase-in as a compromise proposal to begin with and it was so characterized by its counsel at the oral argument. However that may be, the uncertainty that would be introduced by the company's compromise proposal would not, in our view, be helpful to CSPs in developing their marketing strategies for this important service territory, nor would it be helpful to Virginia Power's consumers who would be left uncertain, if not confused, as to the timing of customer choice. Consequently, the question mark such a proposal's adoption would leave over the entire phase-in of this company's service territory militates against its endorsement by this Commission.

To assist the Commission in carrying out its oversight of the phase-in of retail choice, we will require all incumbent electric utilities subject to this Order to provide periodic reports concerning the phase-in of retail choice in their service territories. This, in our view, is the best way for the Commission and these utilities to ensure that all necessary processes and systems for implementing retail choice are identified, developed (where needed), introduced, and further refined, as necessary.

Accordingly, each such utility shall furnish quarterly updates concerning the status and progress of phase-in implementation within its service territory, with the first of such reports due on or before May 15, 2001. Such reports shall be furnished to the Commission and the Commission's Staff not later than the fifteenth of every month following the end of each calendar quarter thereafter (e.g., July 15, October 15, January 15, April 15, etc.), through and including the twelve-month period following the completion of each utility's full phase-in of retail choice throughout its service territory. However, those utilities commencing the phase-in of retail choice on January 1, 2002, shall furnish their reports concerning 2001's fourth quarter, on or before December 15, 2001.

Each such phase-in status report shall: (i) identify and describe critical systems and processes each utility needs for phase-in of retail choice within its service territory, which listing shall be updated and supplemented in each report, and (ii) provide a status report concerning each such system or process, identifying (a) items completed, and (b) items not completed, providing estimated completion dates and a brief description of activities underway to ensure their completion. Following each utility's commencement of phase-in, such reports shall also summarize the utility's experience with the phase-in of retail choice, describing any and all significant problems encountered together with actions taken, and to be taken, by the utility to resolve them and when it is anticipated that such problems will be resolved. Changes in systems and procedures shall also be described

In addition to the reporting requirements set forth above, the Cooperatives and Kentucky Utilities shall also summarize in each quarterly report due under this Order, and in detail, their timelines for phasing in retail choice within their respective service territories on or before January 1, 2004.

Accordingly, IT IS ORDERED THAT:

(1) The Staff's Revised Recommended Plan for the Transition to Retail Access, appended as Attachment B to the Staff's Supplemental Staff Report on the Schedule for the Transition to Retail Access dated February 26, 2001 is adopted, except as otherwise provided in this Order.

(2) The Virginia Power state-wide phase-in for GS3 and GS4 customers shall also include GS1, GS2, and worship site customers.

(3) Delmarva, AEP Virginia, Allegheny, Virginia Power, the Cooperatives, and Kentucky Utilities shall provide periodic reports concerning preparation for and implementation of phase-ins within their service territories as provided in this Order.

(4) This matter is continued for further orders of the Commission.

CASE NO. PUE000740
JUNE 12, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter concerning a draft plan for phase-in of retail electric competition

AMENDING ORDER

On June 1, 2001, the Staff of the State Corporation Commission ("the Staff") moved that the Commission's order of March 30, 2001, in this proceeding ("March 30 Order") be amended with respect to the configuration of certain geographic regions scheduled to be phased in to retail choice within the service territory of Virginia Electric and Power Company ("Virginia Power"). Specifically, the Staff requested that the Order be amended, in pertinent part, to move Northumberland County from Virginia Power's Eastern phase-in region to the Company's Central/Western region.

By way of background, in the March 30 Order, the Commission adopted schedules for the phase-in of retail choice for all of Virginia's investor-owned and cooperative electric utilities. The schedule adopted for Virginia Power establishes a one-year regional phase-in of retail choice for its residential customers in combination with a state-wide phase-in for all other Virginia Power customers.

As part of its filing in this matter, Virginia Power submitted a map that divided the state into three phase-in regions for the three-part phase-in of residential customers, delineating the counties, towns, and cities contained within each of the regions. That map, depicting the three regions proposed for Virginia Power's phase-in of retail choice, was made part of the Staff's Revised Recommended Plan for the Transition to Retail Access, adopted, with modifications, in the Commission's March 30 Order.

Subsequent to the Commission's issuance of the March 30 Order, the Staff was advised by the vendor selected for portions of the Virginia Energy Choice customer education plan that Northumberland County, which had been placed in the Eastern phase-in region, is actually in the Richmond media market that serves the Central/Western region.

Whereupon, the Staff moved that the March 30 Order in this matter be amended to move Northumberland County from the Eastern region to the Central/Western region for the purposes of the phase-in of Virginia Power's residential customers. Since all other Virginia Power customers will be phased-in on a state-wide basis, this will have no effect upon them.

The Staff further stated that switching Northumberland County from the Eastern region to the Central/Western region will not disrupt the allocation of customers into the three regions in groups approximating one-third of the total number of Virginia Power residential customers. The Eastern region now has about 25,000 more customers than the Central/Western region. The placement of Northumberland in the Central/Western region will, according to Staff, actually make those two regions more equivalent in size.

Staff further indicates that it has discussed this issue with Virginia Power, and the Company has stated that it has no objection to Staff's motion herein.

NOW THE COMMISSION, upon consideration of the Staff's motion, is of the opinion that the relief sought therein should be granted for the reasons set forth in the motion.

Accordingly, IT IS ORDERED THAT:

(1) The Commission's Order of March 30, 2001, in this matter is hereby amended to move Northumberland County from Virginia Power's Eastern phase-in region to the Company's Central/Western region.

(2) This matter is continued for further orders of the Commission.

CASE NO. PUE000741
JUNE 20, 2001

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For a certificate of public convenience and necessity under the Utility Facilities Act to develop, construct, own, and operate an intrastate natural gas pipeline

ORDER GRANTING PRELIMINARY APPROVAL

On December 15, 2000, Virginia Electric and Power Company ("Virginia Power" or "the Company") filed an application with the State Corporation Commission ("Commission") for a certificate of public convenience and necessity to develop, construct, own, and operate a 14-mile natural gas pipeline lateral and related facilities for the receipt and delivery of natural gas needed as fuel for new natural gas-fired generation facilities and other existing facilities at Virginia Power's Possum Point Power Station ("the Station") in Prince William County, Virginia. As explained in the Company's application, Virginia Power plans to develop, construct, own, and operate a new natural gas pipeline and related facilities that will interconnect with the Williams Company's Cove Point Pipeline at a point in Fairfax County, Virginia, and will run in a southerly direction approximately 14 miles to the Station. The Company proposed that the pipeline be designed for a maximum allowable operating pressure of 1250 psig.

In its December 15, 2000, application, the Company proposed to locate 85 percent of the route of the proposed pipeline within an existing Virginia Power electric transmission right-of-way or on Virginia Power property.[1] According to the Company, construction of the project will require a 75-foot wide right-of-way, of which 50 feet will be permanent right-of-way, and 25 feet will be temporary construction right-of-way. Additional temporary construction work space will be required in areas of road and waterbody crossings such as crossings under Interstate 95 and the Occoquan Reservoir.

After meeting with citizens owning property affected by the proposed pipeline, Virginia Power refined the proposed route, adjusting it in the area of the Lake Ridge development to shift from the east to the west side of the Virginia Power transmission easement to allow the preservation of an approximately 15-foot wide area of trees. The Company considered the responses received from the various environmental and regulatory authorities tasked with review of the project, as well as affected property owners, and moved more of the pipeline into its electric transmission right-of-way. As of the April 26, 2001, public hearing date, approximately 94.5 percent of the route of the proposed pipeline was proposed to be located within existing Virginia Power electric transmission right-of-ways or on Virginia Power property.

An additional adjustment in the area of Potomac Hospital was made to accommodate future hospital expansion plans.[2] This adjustment placed the pipeline within Virginia Power's electric transmission easement adjacent to Potomac Hospital. Including these adjustments to the pipeline route, the final location of the Company's proposed lateral pipeline may be described as follows:

> The pipeline route begins at a proposed tap on the Williams Cove Point Pipeline in Fairfax County, Virginia at a point within Virginia Power's existing electric transmission right-of-way and proceeds in a southerly direction paralleling Virginia Power's electric transmission facilities. The route crosses County Route 647 (Hampton Road) and passes through the Sandy Run Regional Park before crossing the Occoquan Reservoir. At the Occoquan Reservoir, the route leaves Fairfax County, Virginia, and enters Prince William County, Virginia. The pipeline route continues within the Virginia Power electric line right-of-way through the Lake Ridge subdivision. Within the Lake Ridge subdivision, the pipeline crosses Deepford Drive, Woodfern Court, Old Bridge Road, and Oakwood Drive. Continuing in a southerly direction, the pipeline route crosses Omisol Road, Maple Ridge Drive, and County Route 640 (Minnieville Road). Shortly after crossing County Route 640 just east of Bethel, the route leaves the electric line right-of-way and proceeds in an easterly direction for approximately 4,500 feet where it begins to parallel another Virginia Power electric line right-of-way, just West of I-95. The route crosses I-95 and continues in a southerly direction continuing to parallel the Virginia Power electric line right-of-way across Princess Anne Lane, past the Potomac Hospital, and across Optiz [Opitz] Boulevard. Still proceeding in a southerly direction and continuing to parallel the Virginia Power Company electric line right-of-way, the route crosses Dale Boulevard, U.S. Route 1 (Jefferson Davis Highway), County Route 638 (Blackburn Road), County Route 610 (Neabsco Road), Jennings Street, and County Route 635 (Cherry Hill Road). Approximately 5,000 feet south of the County Route 635 crossing, the route enters Virginia Electric and Power Company property. There the route crosses County Route 783 (Cockpit Point Road), and the Fredericksburg and Potomac Railroad, before ending at a measuring and regulating station proposed to be located at the [Possum Point Generating] station.

Ex. DB-18 At 2-3.[3]

Virginia Power noted in its application that it used Virginia Power Energy Marketing, Inc. ("VPEM"), an affiliate, to assist it in the arrangements for obtaining gas supplies for the Station and to construct the new gas facilities. VPEM selected Dominion Transmission, Inc. ("DTI"), an affiliate of Virginia Power and VPEM, to construct and operate the new gas pipeline and associated facilities. The estimated cost of the proposed pipeline and associated facilities is approximately $22,200,000. The Company stated that, in accordance with the Functional Separation Plan ("Plan") filed with the Commission on November 1, 2000, if the Station is transferred to Dominion Generation as proposed in that plan, the Company will also seek to transfer the new gas pipeline and related pipeline facilities to Dominion Generation, its affiliate.

On January 25, 2001, the Commission entered an Order for Notice and Hearing in which it docketed the application, appointed a Hearing Examiner to the matter, scheduled a public hearing for April 26, 2001, for the purpose of receiving evidence relevant to the Company's application, and established a procedural schedule for the Company, Protestants, Staff, and public witnesses.

On February 28, 2001, Delegate Michele B. McQuigg filed a letter with the Commission, requesting a local hearing in Prince William County on the application. On March 2, 2001, the Hearing Examiner entered a ruling scheduling two local hearings in Prince William County for April 9, 2001, for the purpose of receiving public comment on the Company's application. The April 26, 2001, hearing date was retained to receive further evidence on the matter.

In response to a request from the Prince William Board of County Supervisors, the Hearing Examiner extended the date for filing written comments to April 6, 2001.

On April 9, 2001, the Hearing Examiner convened two local hearings in Prince William County. Twenty-six public witnesses testified at the hearings. Those participating provided valuable information about the communities adjacent to the pipeline, safety concerns, proximity of the pipeline to homes, schools, and other occupied buildings, and the need for a tree buffer adjacent to the pipeline route. Indeed, the information disclosed prompted the

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[1] As noted at page 6 of DH-4 to Virginia Power's application, the Company's existing electric transmission line right-of-way easements do not include the rights to construct natural gas facilities.

[2] Virginia Power witness Baumann describes the actions taken by the Company to notify landowners affected by the route adjustments in the vicinity of the Lake Ridge Subdivision and the Potomac Hospital. Ex. DB-18 at 5-6. These landowners received personal notification or certified letters from the Company regarding the route adjustments. Additionally, all of the landowners affected by the Lake Ridge and Potomac Hospital adjustments were included in a further mailing by Virginia Power on April 2, 2001, providing an update on the pipeline, describing the route adjustments and setting out the times, dates, and location for the April 9 and 26 hearings. Ex. DB-18 at 6.

[3] Hereafter, all references to exhibits shall be to "Ex.__at__." All references to the transcript shall be to "Tr. at __."

Staff to investigate these issues further and to request leave to file supplemental testimony to address the citizens' concerns. In this regard the Staff filed a Motion to continue the April 26th hearing and to permit it to file supplemental testimony on the safety issues raised by property owners affected by the pipeline.

After receiving responses to the Staff's Motion, the Hearing Examiner continued the evidentiary portion of the April 26, 2001, hearing to a later date to be agreed upon by the parties. The April 26, 2001, hearing date was retained for the purpose of receiving the testimony of any additional public witnesses, and a pre-hearing conference was scheduled to identify the critical issues in the case and to reschedule the evidentiary hearing.

On May 14, 2001, among other things, the Staff supplemented its testimony on the safety and other issues raised by the citizens at the April 9, 2001, local hearings. Virginia Power was granted leave to file supplemental rebuttal on these as well as certain issues raised by the Hearing Examiner regarding the project.

The April 26, 2001, hearing was convened as scheduled. One public witness testified, and, by agreement of counsel, the matter was continued to June 6, 2001.

On the appointed day, the matter came on for hearing before Michael D. Thomas, Hearing Examiner. No public witnesses appeared at the hearing. Counsel appearing were Stephen H. Watts, II, Esquire, and M. Renae Carter, Esquire, for Virginia Power; James S. Copenhaver, Esquire, for Columbia Gas of Virginia, Inc. ("Columbia"); Eric M. Page, Esquire, for Columbia Gas Transmission Corporation ("TCo"); Michael J. Quinan, Esquire, for Lake Ridge Parks and Recreation Association, Inc. ("Lake Ridge"); Edward L. Petrini, Esquire, for the Virginia Committee for Fair Utility Rates ("VCFUR"); Donald R. Hayes, Esquire, for Washington Gas Light Corporation ("WGL"); and William H. Chambliss, Esquire, and Sherry H. Bridewell, Esquire, for the Commission Staff. By agreement of counsel, all testimony and exhibits were admitted to record without cross-examination. Proof of notice of the application was marked and admitted into the record as Ex. VP-26. The case participants submitted a stipulation as a proposed resolution of the issues raised by the captioned application. The Hearing Examiner accepted the Stipulation into the record. Tr. at 191-192. The case participants agreed to waive comments to the Hearing Examiner's Report, in the event the Hearing Examiner recommended that the Commission accept the Stipulation.

On June 8, 2001, the Hearing Examiner issued his Report on the application. In his Report, the Examiner summarized the evidence and the provisions of the Stipulation. He found that Virginia Power's response to the citizen landowners' safety concerns, as expressed in the April 9 public hearings, was reasonable and that the Company proposals met the requirements of § 56-265.2:1 of the Code of Virginia, as well as the safety concerns of the citizens for their properties adjoining the pipeline route.

The Examiner noted that Virginia Power had agreed to contribute $30,000 and $5,000, respectively, to the homeowners associations in Lake Ridge and Orange Court for the purchase of trees and other vegetation to replant the tree buffers in these subdivisions after construction of the pipeline is completed. The Hearing Examiner observed that in the Lake Ridge Subdivision, the Company agreed to allow the homeowners adjoining the Company's transmission easement to plant tree buffers on a five (5) foot wide strip extending inward from the western outer edge of the electric transmission right-of-way after the pipeline was constructed in order to provide a visual buffer. Under the terms of the stipulation, upon completion of final alternating current mitigation and cathodic protection studies ("studies") for the pipeline, but in no event later than eighteen (18) months after construction of the pipeline is completed, Virginia Power agreed to permit the Lake Ridge homeowners to replant an additional 5-foot strip, if found to be consistent with the results of its studies. Virginia Power also offered the services of its in-house forester to identify species of trees and other vegetation that may be planted in the transmission line corridor.

The Examiner found that the Company's response to the citizens' concerns regarding the environmental impact that the pipeline's installation will have on their natural tree buffers to be reasonable. He also found that Virginia Power's agreement to move the pipeline five feet farther into its easement, to increase pipeline wall strength and thickness for the entire length of the pipeline, and its agreement to inspect and test the entire pipeline beyond the requirements of 49 C.F.R. § 192, as well as its agreement to operate the pipeline at a reduced operating pressure, to be reasonable. The Examiner concluded that Virginia Power's response met § 56-265.2:1's standard for minimizing the safety concerns of the citizens whose homes adjoin the pipeline route. He recommended that the Commission enter an Order that adopts the findings contained in his Report, accepts the Stipulation received in the case, grants Virginia Power a certificate of public convenience and necessity to develop, construct, own, and operate an intrastate natural gas pipeline in accordance with the Stipulation, and dismisses the case from the Commission's docket of active cases. The Examiner noted that at the June 6, 2001, evidentiary hearing, the case participants waived their right to file comments to the Report, provided that the Hearing Examiner recommended that the Commission accept the Stipulation. Since the Examiner recommended that the Commission accept the Stipulation offered at the June 6 hearing, he advised that the matter was now ripe for decision by the Commission.

Sections 56-265.2 and -265.2:1 of the Code of Virginia govern Virginia Power's application to develop, construct, own, and operate an intrastate natural gas pipeline. In accordance with these statutes, the following issues have been considered by the Hearing Examiner and, in turn, the Commission, in this case: (1) whether there was a need for the additional service within the time frame contemplated; (2) whether the cost estimates, choice of technology, construction plans and proposed manner of carrying out the project were reasonable; and (3) whether there were suitable alternatives to the proposed construction.

There is no explicit definition of the term "public convenience and necessity" set out on the face of § 56-265.2. Consequently, we must exercise our judgment and discretion in the application of that statute. Further, we have considered the effect of the pipeline on the environment, public safety, and economic development in the Commonwealth as contemplated by § 56-265.2:1.[4] Our deliberative process on this application has been aided by the

[4] Section 56-265.2:1 A of the Code of Virginia provides in pertinent part:

> A. Whenever a certificate is required pursuant to § 56-265.2 for the construction of a pipeline for the transmission or distribution of manufactured or natural gas, the Commission shall consider the effect of the pipeline on the environment, public safety, and economic development in the Commonwealth, and may establish such reasonably practical conditions as may be necessary to minimize any adverse environmental or public safety impact. In such proceedings, the Commission shall receive and consider all reports by state agencies concerned with environmental protection; and, if requested by any county or municipality in which the pipeline is proposed to be constructed, local comprehensive plans that have been adopted pursuant to Article 4 (§ 15.1-446.1 et seq.) of Chapter 11 of Title 15.1.

testimony of the property owners in this matter, the supplemental testimony of Staff on the safety issues raised by the Project, as well as Virginia Power's responsible undertakings made in consideration of the affected landowners' concerns.

Further, we note that no county in which the pipeline is proposed to be constructed has requested that we consider their local comprehensive plans. In fact, Virginia Power has acknowledged through the supplemental rebuttal testimony of Mr. W. Bruce Aitkenhead (Ex. WA-23) that it must comply with the planning regulations of and receive appropriate permits from both Prince William and Fairfax Counties.

Earlier this year, we authorized Virginia Power to construct a new gas-fired generating facility and convert two existing coal-fired generating units to burn natural gas at the Possum Point Power Station in Prince William County.[5] Gas service is not currently available at the generating station. Thus, according to the Company, gas supplies have to be obtained and facilities built to deliver gas to the Station. The Company avers that in order for Unit 6 at the Station to be completed by May 2003, natural gas service must be available to the site in October 2002. The Company further explained that construction on the pipeline to provide gas service for the new unit is scheduled to begin by April 2002, and that the Company must complete its acquisition of land interests by the end of 2001. Ex. TE-20 at 3. Thus, there is a need for natural gas service within the time frame contemplated.

The cost estimates, choice of technology, and proposed manner of carrying out this project appear reasonable. Virginia Power has supported a $22,200,000 estimate for the project, proposes to construct its pipeline in accordance with the Commission's minimum pipeline safety regulations adopted in Case No. PUE890052[6] and, in fact, has added increased pipe strength, additional internal and external corrosion protection, and increased non-destructive testing that exceeds the minimum specifications set out in the pipeline safety regulations adopted by the Commission in Case No. PUE890052.

The Company has also agreed to provide to the Commission's Division of Energy Regulation ("Division") for review comprehensive written specifications for all portions of the gas pipeline and associated facilities, including the portion of the metering and regulating station owned by Virginia Power at the pipeline's point of interconnection with the Cove Point LNG pipeline and provisions for the cathodic protection system, interference current mitigation and electric isolation required by our pipeline safety regulations. At least 60 days prior to the operation of the pipeline, the Company has agreed to submit for review by the Division its operating and maintenance manuals for the project, the operator qualification manual, and its anti-drug plan and plan to prevent alcohol misuse in connection with the Project, required by the Commission's pipeline safety regulations. See Stipulation at 7. We agree that this is appropriate and find that Virginia Power's gas pipeline and associated facilities should be subject to our pipeline safety regulations. Consistent with its representations at page 9 of the Stipulation made a part of the record herein, Virginia Power shall be ultimately responsible for these facilities' construction and operation.

Virginia Power has identified El Paso Merchant Energy ("El Paso") as the likely source of gas supply for its pipeline and represents that it is in the final stages of concluding its arrangements for gas supply with El Paso. Ex. AT-24 at 2-3. The Company's pipeline will have access to the Cove Point transshipment terminal and thus, to LNG deliveries from abroad, pending the outcome of a current application regarding the Cove Point terminal now before the Federal Energy Regulatory Commission ("FERC"). Ex. JS-10 at 4-5. Ex. AT-24 at 3. Virginia Power witness Thorn expressed optimism that Cove Point's application would be approved by FERC so that LNG deliveries to the pipeline can begin on schedule. Ex. AT-24 at 3. Virginia Power anticipates that it will have its comprehensive agreement with Cove Point in place by June 15, 2001. Ex. AT-24 at 3-4.

With regard to the economic implications of this project as noted in both Staff and Company testimonies, the pipeline will play an integral part in enabling Virginia Power to enhance its system reliability and provide environmental benefits as part of its Possum Point Generating Station reconfiguration.[7] See, e.g. Ex. TE-20 at 3; Ex. JS-10 at 3. To meet the objectives of enhancing Virginia Power's system reliability and to provide the environmental benefits the Station is anticipated to provide for Northern Virginia, Virginia Power must, as a matter of course, maintain and retain control of the new gas pipeline and associated facilities at issue in this case. Therefore, we agree that it is appropriate for the Company's certificate of public convenience and necessity to be conditioned to provide that the certificate shall expire if Virginia Power does not obtain or maintain control of the pipeline and the associated facilities, except as may be determined in Virginia Power's Functional Separation Plan, docketed as Case No. PUE000584, or as may be determined in some other proceeding. If the Company does not obtain or maintain control of the pipeline and the associated facilities, the Company must request further authority from the Commission regarding the disposition of these pipeline facilities.

At pages 7-8 of the Stipulation received at the June 6, 2001, hearing, Virginia Power represents that it will comply with all permitting requirements, take all mitigation measures necessary, and submit all plans, specifications or reports recommended by the Department of Environmental Quality's ("DEQ's") coordinated review. Exhibit JAS-3 to Ex. JS-7. With the addition of the conditions set out in the DEQ coordinated review (Exhibit JAS-3 to Ex. JS-7) and the Stipulation, the pipeline is unlikely to have significant effects on the environment.

Construction of the pipeline lateral is a major undertaking and may have significant impacts on the environment if proper precautions are not undertaken. Accordingly, we will direct the Division to monitor the Company's compliance with the conditions set out in the Stipulation and the DEQ coordinated review. We will also require the Company to provide quarterly reports on its compliance and on its plans to comply with the coordinated review to Staff in advance of its compliance actions. Virginia Power should use all reasonable efforts to comply with the letter and spirit of DEQ's coordinated

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[5] See Application of Virginia Electric and Power Company, For Approval of Generation Facilities pursuant to Virginia Code § 56-580 D or, in the Alternative, for Approval of Expenditures pursuant to Virginia Code § 56-234.3 and for a Certificate of Public Convenience and Necessity pursuant to Virginia Code § 56-265.2 and 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 of non-jurisdiction, Case Nos. PUE000343 and PUF000021, Doc. Con. Ctr. No. 010310364, slip. op. (Mar. 12, 2001 Final Order), (hereafter referred to as "Case No. PUE000343").

[6] See Commonwealth of Virginia, At the relation of the State Corporation Commission, Ex Parte, In the matter of adopting gas pipeline safety standards and reporting procedures for public service corporations providing gas service under Commission jurisdiction through transmission and distribution facilities located and operated within the Commonwealth of Virginia and granting other authorizations pertaining to the Gas Pipeline Safety Program, Case No. PUE890052, 1989 S.C.C. Ann. Rept. 312.

[7] While we conclude that Virginia Power's pipeline should be constructed, owned, and operated as proposed in the captioned application, as modified by the conditions set out in the Stipulation and this Order, we make no determination regarding the transfer of the pipeline and its associated facilities, as that will be an issue to be considered as part of Virginia Power's Functional Separation Plan Application, docketed as Case No. PUE000584, or in some subsequent docket.

review. The Division should review the reports submitted by the Company and consult with the appropriate state agency concerning Virginia Power's plans to comply with the requirements found in the coordinated review (Ex. JAS-3 to Ex. JS-7).

We agree with the Hearing Examiner that the Stipulation (Attachment A hereto) and the conditions specified therein are appropriate, and that the project should be approved with these conditions. However, our approval of the pipeline considers current conditions and environmental considerations for the communities through which the pipeline will be constructed. Company witness Evans testified that construction of the pipeline must begin by April 2002, and natural gas must be available to the Possum Point site by October 2002. Ex. TE-20 at 3.

We recognize that the natural gas and electric industries are in a period of transition as competition develops within these industries' markets. Because of the rapidity with which these industries are changing, projects that are considered viable and necessary may, over time, become unnecessary or uneconomical. Thus, we believe an additional condition should be placed on the certificate of public convenience and necessity issued herein. If construction and operation of the pipeline extends significantly beyond the 2002 date identified by the Company, the need for the pipeline project and other issues relevant to the project will have to be re-examined; the Company then will be required to request additional authority from the Commission if construction and operation of the pipeline facilities are not completed by December 31, 2003.

While we have no present reason to believe that this project will be delayed, we nevertheless conclude that this possibility should be considered. Therefore, if the pipeline has not become operational by December 31, 2003, the certificate granted herein will lapse, unless extended by a Petition made by the Company to the Commission, demonstrating good cause for the delay. In the event construction and operation of the pipeline and its associated facilities are delayed beyond December 31, 2003, and the certificate expires, the Company will then have to submit a new application to the Commission, wherein the need for the pipeline and other relevant statutory criteria will be subject to reevaluation.

Finally, the financing for the pipeline project is now the subject of a Petition for Reconsideration in Case No. PUF000021. Virginia Power's construction contract and pipeline operation and maintenance agreement is the subject of pending Case No. PUA010025. Both of these cases represent critical elements of the pipeline project now under consideration. Therefore, the approval granted herein is contingent upon the Company obtaining Commission approval to use proceeds from the synthetic lease to finance the pipeline in Case No. PUF000021. In addition, the approval of the pipeline project is granted contingent upon the Company receiving final approval of the Pipeline Construction Contract and Pipeline Operation and Maintenance Agreement now pending before us in Case No. PUA010025. The certificate of public convenience and necessity approved herein will not be issued nor will it be effective until final approval is obtained in Case Nos. PUF000021 and PUA010025.

Accordingly, IT IS ORDERED THAT:

(1) The recommendations of the June 8, 2001, Hearing Examiner's Report, as modified herein, are hereby adopted.

(2) The terms of the Stipulation received at the June 6, 2001, hearing, as supplemented herein, are adopted and incorporated into this Order as Attachment A hereto. Virginia Power shall comply with the representations it has made in Attachment A hereto.

(3) Pursuant to §§ 56-265.2 and -265.2:1 of the Code of Virginia and subject to the conditions imposed by this Order and the terms of the Stipulation, Virginia Electric and Power Company will be authorized to construct, own, and operate the gas pipeline, upon receipt of our approval of the synthetic lease financing in Case No. PUF000021 and the agreements that are the subject of the Petition now pending before us in Case No. PUA010025.

(4) Pursuant to the provisions of §§ 56-265.2 and -265.2:1, upon obtaining approval in Case No. PUF000021 to use proceeds from the synthetic lease financing to finance the pipeline and approval of the agreements at issue in Case No. PUA010025, and upon filing appropriate Virginia Department of Transportation County road maps with the Division of Energy Regulation, the Company shall be granted Certificate of Public Convenience and Necessity No. GT-70 to construct, own, and operate a fourteen mile, 20-inch diameter, coated steel intrastate gas transmission pipeline, employing a permanent right-of-way of 50 feet in width in Fairfax and Prince William Counties, Virginia, as more particularly described in the Company's application of December 15, 2000, Exs. DB-18 and -21, and Attachment A hereto. The Certificate of Public Convenience and Necessity granted herein is conditioned upon the Company's compliance with the safety requirements set out on pages 5-7, paragraph 4 of Attachment A hereto; the Company's submission to the Division of Energy Regulation of the documents specified on page 7, paragraph 5 of Attachment A hereto; compliance with the permitting, mitigation measures, and submission of the documents required on pages 7-8 of paragraphs 6 and 7 of Attachment A hereto; and observation of a maximum operating pressure of 1055 psig, subject to the Company obtaining any necessary governmental approvals and permits required for the installation and operation of pressure regulation facilities as contemplated by subdivision H, paragraph 4, page 7 of Attachment A; the certificate approved herein shall not be issued or become effective until the Company receives final approvals in pending Case Nos. PUF000021 and PUA010025.

Further, Certificate No. GT-70 shall expire if the natural gas pipeline has not become operational by December 31, 2003, or if Virginia Power does not obtain or maintain control of the natural gas pipeline facility, except as may be determined in the Company's Functional Separation Plan, docketed as Case No. PUE000584, or some other docket. If said Certificate of Public Convenience and Necessity expires, the Company shall file an appropriate application with the Commission wherein the need for the pipeline and other relevant statutory criteria will be reevaluated.

(5) Virginia Power shall comply with all of the conditions set out in the DEQ coordinated review and Attachment A hereto, so as to minimize any adverse impact on the environment caused by the construction authorized herein. In this regard, Virginia Power shall provide quarterly reports to the Commission's Division of Energy Regulation regarding the Company's compliance and plans for compliance with the DEQ coordinated review and Attachment A in advance of actions taken to comply with the same. The Division shall review the reports submitted by the Company and shall consult with the appropriate state agency concerning Virginia Power's plans for compliance.

(6) The preliminary approval granted herein is for the specific facilities authorized by this Order, as more particularly described in the Company's application of December 15, 2000, as modified by Ex. DB-18 and Ex. DB-21 and Attachment A hereto. The Company shall forthwith advise the Commission of any proposed changes to the pipeline facilities, construction practices, or routing that differ from those which have been proposed and approved herein.

(7) The Company shall forthwith file with the Commission a true copy of: (i) the final versions of the Pipeline Construction Contract and Pipeline Operation and Maintenance Agreement, and (ii) subject to the provisions of the March 12, 2001, Protective Ruling issued herein, (a) the

interconnection agreement between Virginia Power and Cove Point LNG, LLP, (b) gas supply agreement between Virginia Power and El Paso Merchant Energy, and (c) the Easement Support Agreements, once all of the foregoing documents are executed.

(8) This matter is continued pending further order of the Commission.

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

CASE NO. PUE000741
NOVEMBER 5, 2001

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For a certificate of public convenience and necessity under the Utility Facilities Act to develop, construct, own, and operate an intrastate natural gas pipeline

ORDER ISSUING CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

On June 20, 2001, the State Corporation Commission ("Commission") issued its Order Granting Preliminary Approval, subject to various conditions and directives set out therein, to Virginia Electric and Power Company ("Virginia Power" or "the Company") to develop, construct, own, and operate a 14-mile natural gas pipeline lateral and related facilities for the receipt and delivery of natural gas needed as fuel for a new natural gas-fired generation plant and other existing generation facilities located at the Company's Possum Point Power Station in Prince William County, Virginia. Ordering Paragraph (4) of the June 20, 2001, Order provided, among other things, that upon obtaining approval in Case No. PUF000021 to use proceeds from the synthetic lease financing requested in that case to finance the intrastate natural gas pipeline and approval of the agreements at issue in Case No. PUA010025, and upon filing appropriate Virginia Department of Transportation county road maps with the Division of Energy Regulation, the Company would be granted Certificate of Public Convenience and Necessity No. GT-70 to construct, own, and operate a fourteen mile, 20-inch diameter, coated steel intrastate gas pipeline, as more particularly described on the Company's application of December 15, 2000, Exhibits DB-18 and -21 received in Case No. PUE000741, and the Stipulation accepted by the June 20, 2001, Order Granting Preliminary Approval. Ordering Paragraph (4) further provided that the certificate approved by the June 20, 2001, Order Granting Preliminary Approval would not be issued or become effective until the Company received final approvals in pending Case Nos. PUF000021 and PUA010025.

NOW THE COMMISSION, finding that the Company has received final approvals in Case Nos. PUF000021 and PUA010025, and, having been advised by our Staff that the Company has filed Virginia Department of Transportation County road maps with the Division of Energy Regulation, is of the opinion that Certificate of Public Convenience and Necessity No. GT-70 should be issued to Virginia Electric and Power Company; that the provisions and directives set out in the June 20, 2001, Order Granting Preliminary Approval should remain in effect; that Virginia Power shall comply with the representations it has made in Attachment A to the June 20, 2001, Order entered in this docket; and that this matter should be dismissed from the Commission's docket of active proceedings.

Accordingly, IT IS ORDERED THAT:

(1) Certificate of Public Convenience and Necessity No. GT-70 shall be issued to Virginia Power. Said Certificate shall state on its face that Virginia Power is authorized to construct, own, and operate a fourteen mile, 20-inch diameter, coated steel intrastate gas transmission pipeline, employing a permanent right-of-way of 50 feet in width in Fairfax and Prince William Counties, Virginia, as more particularly described in the Company's application of December 15, 2000, Exhibits DB-18 and -21 received in evidence in Case No. PUE000741 and the Stipulation identified as Attachment A to the June 20, 2001, Order Granting Preliminary Approval, and subject to the conditions more particularly specified in the ordering paragraphs of the June 20, 2001, Order Granting Preliminary Approval entered herein.

(2) As provided in Ordering Paragraph (4) of the June 20, 2001, Order Granting Preliminary Approval, Certificate No. GT-70 shall expire if the natural gas pipeline approved herein has not become operational by December 31, 2003, or if Virginia Power does not obtain or maintain control of the natural gas pipeline approved herein, except as may be determined in the Company's Functional Separation Plan, docketed as Case No. PUE000584, or in some other docket. If said Certificate of Public Convenience and Necessity expires, the Company shall file an appropriate application with the Commission wherein the need for the pipeline and other relevant statutory criteria will be re-evaluated.

(3) The provisions and directives set out in the June 20, 2001, Order Granting Preliminary Approval shall remain in effect.

(4) Virginia Power shall comply with the representations its has made in Attachment A to the June 20, 2001, Order entered in this docket.

(5) This case shall be dismissed from the Commission's docket of active proceedings, and the papers filed herein shall be made a part of the Commission's files for ended causes.

CASE NO. PUE000742
APRIL 6, 2001

JOINT APPLICATION OF
WILDWOOD FOREST WATER CO., INC.
and
WILDWOOD WATER COMPANY, INC.

For authority to acquire and to dispose of utility assets pursuant to the Transfers Act and for certificates of public convenience and necessity

FINAL ORDER

On December 15, 2000, Wildwood Forest Water Co., Inc. ("Wildwood Forest"), and Wildwood Water Company, Inc. ("Wildwood Water" or the "Company") (collectively, the "Applicants"), completed their application initially filed on October 13, 2000. In their application, Wildwood Forest and Wildwood Water request authority pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia, for Wildwood Water to acquire and for Wildwood Forest to dispose of its water facility assets. The Applicants also request, pursuant to §§ 56-265.2 and 56-265.3 of the Code of Virginia, certificates of public convenience and necessity for Wildwood Water to acquire the above-referenced assets and to provide water service to the residents of a subdivision known as Wildwood Forest located in Culpeper County, Virginia. In addition, the Applicants request approval of Wildwood Water's proposed rates, rules, and regulations of service.

Wildwood Water's proposed rates are the same as those currently approved for Wildwood Forest except that the Company proposes to bill its customers on a monthly instead of a semi-annual basis. The Company proposes a basic service fee of $16.00 per month and a usage fee of $2.50 per 1,000 gallons.[1] Wildwood Water proposes a late payment charge of 1 1/2% per month for bills not timely paid; a customer deposit equal to a customer's estimated liability for two months' usage; a $6.00 bad check charge; a $25.00 turn-on charge; and a $15.00 meter test fee.

On January 9, 2001, the Commission issued an Order directing Applicants to give notice of their application, providing interested persons with an opportunity to comment and request a hearing, and directing its Staff to file a Report detailing the results of its investigation.

On February 26, 2001, Applicants filed proofs of notice and service. There were no comments or requests for hearing on the application.

On March 15, 2001, Staff filed its Report. In its Report, Staff recommended approval of the application. Staff noted that Applicants represent that there will be no rate increase within one year of the date of purchase. Staff also noted that the owner of Wildwood Water appears to have the capability, willingness, and expertise to operate the water system. Staff concluded that the proposed transfer would not jeopardize or impair the provision of adequate service to the public at just and reasonable rates. Staff also concluded that it was in the public interest for Wildwood Water to provide water service to the Wildwood Forest subdivision in Culpeper County, Virginia. Staff recommended that the Commission issue the Company a certificate of public convenience and necessity and approve its proposed rates, rules, and regulations of service.

There were no comments on Staff's Report.

NOW THE COMMISSION, having considered the application, Staff's Report, and applicable law, is of the opinion and finds that the transfer of water utility assets should be approved pursuant to the Utility Transfers Act. We find that such transfer will not jeopardize or impair the provision of adequate water service at just and reasonable rates. We also find, pursuant to § 56-265.2, that the public convenience and necessity require us to issue Wildwood Water a certificate to acquire the water facility assets of the Wildwood Forest water system. We believe that it is in the public interest for Wildwood Water to provide water service to the residents of the Wildwood Forest subdivision. We will grant the Company a certificate of public convenience and necessity, pursuant to § 56-265.3, and approve its proposed rates, rules, and regulations of service. We will also cancel the certificate authorizing Wildwood Forest to provide water service to the above-referenced subdivision.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Wildwood Forest Water Co., Inc., is hereby granted authority to dispose of the assets of the Wildwood Forest water system, as described in its application.

(2) Wildwood Water Company, Inc., is hereby authorized to acquire from Wildwood Forest the existing assets of the Wildwood Forest water system.

(3) Applicants 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) Wildwood Forest Water Co., Inc.'s certificate of public convenience and necessity, Certificate No. W-293, is hereby cancelled.

(5) Wildwood Water Company, Inc., is hereby issued Certificate No. W-299 to provide water service to the Wildwood Forest subdivision in Culpeper County, Virginia.

(6) There being nothing further to be done, this matter is hereby dismissed from the Commission's docket of active cases.

[1] The Company also proposes a $16.00 monthly minimum service charge for vacant residences not subject to the usage fee.

CASE NO. PUE000743
JANUARY 16, 2001

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY
and
THE SHENANDOAH GAS DIVISION OF WASHINGTON GAS LIGHT COMPANY

For a waiver of certain tariff provisions

ORDER PERMITTING WITHDRAWAL
OF APPLICATION

On December 19, 2000, Washington Gas Light Company ("WGL" or "the Company") and the Shenandoah Gas Division ("Shenandoah") of Washington Gas Light Company (hereafter collectively referred to as "the Companies") filed an application to waive the price cap provisions contained in their respective Rate Schedule Nos. 4 and 6 until such time as natural gas prices in the spot market fall below the "Current Cost" component of their purchased gas charges for a continuous period of at least 60 days. On January 11, 2001, the Companies, by counsel, filed a Motion to withdraw the captioned application. In support of their request, the Companies maintain that they wish to explore other options besides the captioned application to address their interruptible customers' needs. They state that the Commission has not established a procedural schedule to consider the Companies' application, and there are no interveners in this matter.

NOW UPON consideration of the Companies' application, and their request to withdraw the same, the Commission is of the opinion and finds that the Companies' Motion should be granted; that the Companies should be permitted to withdraw the captioned application; and that this case should be dismissed from the Commission's docket of active proceedings.

Accordingly, IT IS ORDERED THAT:

(1) The Companies' January 11, 2001, Motion to Withdraw Application is hereby granted.

(2) The captioned application may be withdrawn by the Companies.

(3) This case 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. PUE000744
MARCH 1, 2001

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

Virginia Fuel Rate Filing To implement Tax and Fuel Rate Changes Effective January 1, 2001

ORDER ESTABLISHING FUEL FACTOR

On November 17, 2000, Delmarva Power & Light Company ("Delmarva" or "the Company") filed an application to modify its current fuel factor of 1.917¢/kWh, increasing it to 2.1702¢/kWh effective January 1, 2001, subject to certain adjustments as described below. The proposed fuel factor is the sum of (i) a fixed component of 2.0452¢/kWh, and (ii) a 24-month adjustment of 0.125¢/kWh to permit the Company to collect a negotiated, deferred fuel balance. As discussed below, the fuel factor proposed in this application corresponds to agreements between the Company and the Commission Staff embodied in a Memorandum of Agreement ("MOA") filed by the Company with a Motion on June 12, 2000, in Case No. PUE000086. The MOA was confirmed in a Staff report filed in that case on June 15, 2000, and further approved by this Commission in its June 29, 2000, Order in that matter.

By way of background, on February 4, 2000, the Company filed a plan for the transfer of its generation assets to third parties and an affiliate. The Company's application filed in Case No. PUE000086 was made under § 56-590 of the Virginia Electric Utility Restructuring Act ("Restructuring Act"),[1] under the Utilities Facilities Act ("Facilities Act"), and under the Utilities Transfers Act ("Transfers Act").[2] Delmarva sought in that application, inter alia, a three-phase divestiture of all of its generating units.

In the course of proceedings in Case No. PUE000086, the Company entered into the MOA referenced above with the Commission Staff. The MOA constituted a detailed proposal to the Commission for the comprehensive resolution of numerous issues presented by Delmarva's application, as the same related to the Restructuring Act, the Transfers and Affiliates Acts, and the federal Public Utility Holding Company Act, or PUHCA.[3]

Significant to the Company's proposed fuel factor in this proceeding (Case No. PUE000744), a portion of the MOA proposed that the Company (i) maintain its current fuel factor of 1.917¢/kWh until the earlier of fifteen days following the complete divestiture of its generation units or January 1, 2001,

[1] Chapter 23 (§ 56-576 et seq.) of Title 56 of the Code of Virginia

[2] Chapters 4 (§ 56-76 et seq.) and 5 (§ 56-88 et seq.) of Title 56 of the Code of Virginia, respectively.

[3] 15 U.S.C. §§ 79-79Z-6

(ii) reset its fuel factor to 2.1¢/kWh[4] through a separate application upon the earlier of complete divestiture or January 1, 2001, and further to freeze the fuel factor at that level without any additional deferral of fuel costs until January 1, 2004, 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 Restructuring Act. The MOA also provided that Delmarva would be permitted to add an adjustment to the fuel factor during a 24-month period beginning on the same date as the effective date of the 2.1¢/kWh fuel factor, for the purpose of collecting a negotiated deferred fuel balance of $892,921.[5] The settlement outlined in the MOA was based on the Company's historic fuel costs and, for the purpose of calculating the adjustment factor, a mix of actual and estimated data concerning the deferred fuel balance. The $892,921 incorporated a one-time cost reduction of $150,000, and assumed annual Company Virginia jurisdictional sales of 356,673,494 kWh over the 24-month collection period.

As noted above, 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, including those pertaining to the Company's fuel factor as described above, were ". . . in the public interest and that they will benefit Delmarva's customers."[6] Ordering Paragraph (2) in that Order directed the Company to make a separate application pursuant to § 56-249.6 to increase its fuel rates in accordance with the MOA.

On December 22, 2000, the Commission issued an Order docketing this case and directing that the proposed fuel factor of 2.1702¢/kWh be made effective, on an interim basis, commencing with the January 2001 billing month. The Order also (i) scheduled a February 22, 2001, hearing for the purpose of receiving evidence concerning such proposed fuel factor pursuant to the provisions of § 56-249.6 of the Code of Virginia, and (ii) established a prehearing schedule for the Company, the Commission's Staff, and potential protestants.

More specifically, the December 22, 2000, Order directed that (i) any protestants in this matter file their notices of protest, protests, prepared testimony and exhibits intended for use at the hearing by January 29, 2001; (ii) the Commission Staff be permitted to rely on its report prepared and filed in Case No. PUE000086, supplementing the same, if at all, by February 10, 2001; and (iii) the Company file its rebuttal testimony, if any, by February 16, 2001. None of the foregoing was filed with the Commission, and thus the February 22, 2001, hearing proceeded on the basis of the Company's application in this matter together with pertinent provisions of this Commission's June 29, 2000, Order in Case No. PUE000086 as supplemented by the June 12, 2000, MOA in that case and the Commission Staff's report in support of such MOA filed in Case No. PUE000086 on June 15, 2000.

On February 22, 2001, the hearing in this matter was held before the Commission. Guy T. Tripp, III, Esquire, appeared on behalf of Delmarva; and Arlen K. Bolstad, Esquire, appeared on behalf of the Commission Staff. The Company relied on its filed application at the hearing, and the Commission Staff expressed no opposition to the relief requested therein. However, the Commission Staff did request that the Commission clarify in its final order that any change in the fuel factor approved by the Commission in this matter be made effective with *usage* on and after January 1, 2001. This clarification was sought by the Commission Staff to ensure that the timing of the change in the underlying fuel factor matched that of the elimination of the gross receipts tax in the fuel factor, i.e., corresponding to the statutory date of the tax's elimination, January 1, 2001.[7] No protestants or public witnesses appeared at the hearing.

NOW THE COMMISSION, upon consideration of the record of this case, is of the opinion that the fuel factor increase proposed by the Company should be approved, subject to the terms and conditions established in the June 12, 2000 MOA discussed above, and approved by the Commission in its June 29, 2000, order in Case No. PUE000086. Accordingly,

IT IS ORDERED THAT:

(1) The zero-based fuel factor of 2.1702¢/kWh, established by Commission Order of December 22, 2000, in this proceeding, and made effective January 1, 2001, shall remain in effect for usage on and after January 1, 2001, subject to the further provisions of this Order. Such factor includes a 0.125¢/kWh adjustment of twenty-four consecutive months' duration, commencing January 1, 2001, for the Company's collection of a negotiated, deferred fuel balance described herein.

(2) The 0.125¢/kWh adjustment described in Ordering Paragraph (1) shall expire on January 1, 2003, and no additional or further proceeding shall be required for that purpose. The Company shall, however, make appropriate tariff filings to reflect the expiration of that adjustment.

(3) Pursuant to the terms of the June 12, 2000, Memorandum of Agreement between the Commission Staff and the Company, and approved by the Commission in its June 22, 2000, Order in Case No. PUE000086, the Company shall hereafter make a timely application under § 56-249.6 of the Code

[4] The rate was calculated to include Virginia state gross receipts taxes.

[5] In its November 17, 2000, filing in this matter, Delmarva determined the appropriate adjustment to be a factor equal to 0.125¢/kWh. Consequently, the fuel factor for the period January 1, 2003, through December 31, 2003, would be 2.0452¢/kWh. As provided in the MOA, the 0.125¢/kWh adjustment would expire on January 1, 2003, with no subsequent adjustment made for any under-recovery or over-recovery. Except for the $892,921, there will be no further deferral of fuel costs recoverable in rates for any period until the termination of capped rates. Thereafter, such deferrals will be permitted only to the extent allowed by the Commission in any subsequent orders associated with periods following such termination.

[6] 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 GENERATION, 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.

[7] As stated above, the June 12, 2000, MOA (approved by this Commission in Case No. PUE000086) proposed a fixed fuel factor of 2.1¢/kWh, inclusive of Virginia's gross receipts tax, for the three-year period, January 1, 2001, to January 1, 2004. The gross receipts tax for electric utilities was eliminated effective January 1, 2001, replaced by a consumption-based taxation system, all as provided in Senate Bill 1286 enacted by the 1999 Session of the Virginia General Assembly. Thus, effective January 1, 2001, the gross receipts tax portion of the 2.1¢/kWh fuel factor must be eliminated; the proposed 2.1¢/kWh fixed fuel factor minus the tax is calculated to be 2.0452¢/kWh. Adding in the twenty-four month 0.125¢/kWh adjustment for the Company's deferred fuel balance discussed above, results in a total zero-based fuel factor of 2.1702¢/kW from January 1, 2001, until January 1, 2003. Thereafter, from January 1, 2003, until January 1, 2004, the fuel factor will be 2.0452¢kWh.

of Virginia to reestablish its fuel factor effective January 1, 2004, in accordance with the Rate Case Protocol and Fuel Index Procedures made part of the June 12, 2000, Memorandum of Agreement.

(4) This matter is continued generally.

CASE NO. PUE000745
MARCH 2, 2001

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For a certificate of public convenience and necessity pursuant to the Utility Facilities Act, and authority pursuant to the Utility Transfers Act, to acquire cogeneration facilities in Altavista, Hopewell, and Southampton, Virginia

FINAL ORDER

On December 21, 2000, Virginia Electric and Power Company ("Virginia Power" or the "Company") filed an application with the State Corporation Commission ("Commission") pursuant to the Utility Facilities Act ("Facilities Act"), §§ 56-265.1 through 56-265.9 of the Code of Virginia, for a certificate of public convenience and necessity for the acquisition of three 70 MW coal-fired cogeneration facilities located in the town of Altavista, the city of Hopewell, and the county of Southampton, Virginia (the "Facilities"). Virginia Power represented in its application that the Company does not require approval under the Utility Transfers Act (the "Transfers Act"), §§ 56-88 through 56-92 of the Code of Virginia, for this acquisition. Virginia Power requested, however, that should the Commission determine the Transfers Act applies, authority be granted to the Company to acquire the Facilities.

On January 11, 2001, the Commission issued an Order which stated that the Commission disagreed with Virginia Power that the Company does not need authority pursuant to the Transfers Act, and docketed the application pursuant to both the Facilities Act and the Transfers Act. The Commission directed the Company to give customers and public officials within the Facilities' service areas notice of its application and provided interested persons with an opportunity to comment and request a hearing. In addition, the Commission directed Staff to review and analyze the application and to file a report detailing its findings and recommendations.

On February 2, Virginia Power filed proofs of notice and service required by the January 11, 2001, Order.

Pursuant to the January 11, 2001 Order, Staff also filed its report on February 20, 2001. The Staff Report evaluated the proposed acquisition under the Facilities Act and recommended that Virginia Power be granted a certificate of public convenience and necessity. The Staff Report also discussed the transaction in terms of the Transfers Act. Staff determined that the Company's proposed acquisition of the Facilities would neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and recommended that Virginia Power receive authority for the acquisition. The Staff Report further determined that it was economically justifiable for Virginia Power to acquire the Facilities. Finally, Staff recommended that Virginia Power be exempt from the rules issued in Commonwealth of Virginia ex rel. Ex Parte: In the matter of adopting Commission rules for electric capacity bidding programs, Case No. PUE900029, 1990 S.C.C. Ann. Rept. 340 ("Bidding Rules").

The Company did not file a response to the Report and represented to Staff that it had no objections.

NOW THE COMMISSION, having considered the application, the Staff Report, and applicable law, is of the opinion that the application should be approved. We find that the public convenience and necessity requires that Virginia Power acquire the Facilities. We also find that the proposed transfer will not impair or jeopardize adequate service at just and reasonable rates.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the Utility Transfers Act, §§ 56-88 and 56-90 of the Code of Virginia, Virginia Power is hereby granted authority to acquire the Facilities referenced above and described in its application.

(2) Pursuant to § 56-265.2 of the Code of Virginia, Virginia Power is hereby authorized to acquire the Facilities as referenced above and described in its application.

(3) The Company shall submit to the Commission's Director of Public Utility Accounting within sixty (60) days of the acquisition taking place, a report of the action taken pursuant to the authority granted herein. Such report shall include the date the transaction took place and the amount Virginia Power paid for the Facilities.

(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. PUE000745
MARCH 16, 2001

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For a certificate of public convenience and necessity pursuant to the Utility Facilities Act, and authority pursuant to the Utility Transfers Act, to acquire cogeneration facilities in Altavista, Hopewell, and Southampton, Virginia

ORDER GRANTING MOTION

On March 2, 2001, the State Corporation Commission ("Commission") issued a Final Order in the above-captioned matter. The Final Order granted Virginia Electric and Power Company ("Virginia Power"), pursuant to §§ 56-88, 56-90 and 56-265.2 of the Code of Virginia, authority to acquire three 70 MW coal-fired cogeneration facilities located in the town of Altavista, the city of Hopewell, and the county of Southampton, Virginia.

On March 14, 2001, The Lane Company, Inc. (the "Petitioner"), filed a Petition for Rehearing or Reconsideration in this matter ("Petition"). On March 16, 2001, the Petitioner filed a Motion for Dismissal with Prejudice of Lane's Petition for Rehearing or Reconsideration ("Motion for Dismissal with Prejudice").

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that the Petitioner's Motion for Dismissal with Prejudice should be granted.

Accordingly, IT IS ORDERED THAT the Petitioner's Motion for Dismissal with Prejudice hereby is granted and the Petition is dismissed with prejudice.

CASE NO. PUE000746
DECEMBER 18, 2001

APPLICATION OF
COMMUNITY ELECTRIC COOPERATIVE

For approval of a functional separation plan pursuant to Virginia Code § 56-590

FINAL ORDER

On December 27, 2000, Community Electric Cooperative ("Community Electric" or the "Cooperative") filed an application for Commission approval of the Cooperative's plan for functional separation ("Plan") as required by the Virginia Electric Utility Restructuring Act ("the Act"), Chapter 23 of Title 56 of the Code of Virginia (§ 56-576 et seq.). The Act requires that the Commission complete its review of proposed plans of functional separation by January 1, 2002, and that transition to competition be implemented according to a timeline established by the Commission. Pursuant to an Order issued on March 30, 2001, in Case No. PUE000740, the Commission established January 1, 2004, as the deadline for the Cooperative and other electric cooperatives to provide full retail access for their customers.

The Commission promulgated rules[1] for functional separation as required by the Act. These Rules require the Cooperative to file a Plan that includes a cost of service study separating the Virginia jurisdictional operations into functions: generation, transmission, and distribution, subdivided by class and specifically identifying the costs associated with metering and billing. The Rules also require that the Plan include proposed unbundled rates, tariffs, and terms and conditions for service. Requests for waiver from the required submission of documents under the various sections of the Rules are also permitted.

In its application, the Cooperative stated that it is currently functionally separated. It does not own or control any generation or transmission facilities, nor does it own or control any affiliated entity that owns or controls generation or transmission facilities. Instead, Community Electric purchases all of its requirements for demand, energy, transmission and ancillary services through contracts with Old Dominion Electric Cooperative and Southeastern Power Administration. As such, Community Electric stated that it had no plans to divest itself of any generation assets, to create any new functionally separate entity, or to propose to transfer any functions, services, or employees to a functionally separate entity or third party. The Cooperative filed a cost of service study, which included proposed unbundled rates to illustrate the Cooperative's rate unbundling. In its application, the Cooperative requested that the Commission waive the requirement of 20 VAC 5-202-40 B 8 of the Rules to file unbundled tariff rates and terms and conditions of service with the Cooperative's functional separation plan. The Cooperative also requested that the waiver extend until the conclusion of this proceeding so that it can finalize and submit such filings in compliance with the final order.

In an Order dated March 14, 2001, in this proceeding, the Commission directed the Cooperative to provide notice to the public and established a procedural schedule for the filing of comments or requests for hearing on Community Electric's application. In that Order, the Commission directed its Staff to investigate the application and file a Report detailing its findings and recommendations on or before June 7, 2001. The Commission also granted Community Electric's request for a waiver. However, the Commission required the Cooperative to file tariff terms and conditions of service in time for the Commission to consider them and to require notice, if necessary and appropriate, prior to the Cooperative's implementation of retail choice to its customers.

On June 7, 2001, Staff filed its Report wherein it recommended that the Commission approve Community Electric's Plan with the adoption of certain modifications recommended by Staff. Specifically, Staff recommended that the Commission adopt the following: Staff's recommendation to

[1] Commission's Regulations Governing the Functional Separation of Incumbent Electric Utilities under the Virginia Electric Utility Restructuring Act ("Rules"), 20 VAC 5-202-10 et seq., adopted in Case No. PUA000029.

consolidate the Cooperative's Generation and Transmission ("G&T") functions into one function;[2] Staff's adjustments to the Cooperative's per books cost of service study; Staff's allocations of expense and rate base to the G&T function; Staff's recommendation that the Commission direct the Cooperative to track the costs associated with G&T operations; and Staff's recommendation that the Commission direct Community Electric to provide tariff rates and terms and conditions of service in time for full consideration by the Commission.

On June 15, 2001, Community Electric filed its Response to the Staff Report. In its Response, the Cooperative stated that although it supports Staff's recommendation that the G&T functions be combined, it does not agree with Staff's recommendations pertaining to functional cost assignment. Community Electric requests that the Commission find that its administrative and general ("A&G") expenses and associated overheads are properly assignable to the distribution function because the rate paid by Community Electric to Old Dominion Electric Cooperative for power supply and transmission services includes a component for A&G expenses. Community Electric argued that assigning its A&G and overheads to G&T would, in effect, add a second layer of such costs to the generation component. Further, Community Electric argued that in its role as the local distribution service provider, it is required by the Act to provide default generation service under its capped rates. According to Community Electric, supplying default generation services provides a benefit available for all consumers on Community Electric's distribution system, including those consumers who may choose an alternative power supplier. Community Electric further stated that the responsibility bestowed on it to provide default service is a function of its role as the distribution utility. Thus, the Cooperative urged the Commission to reject Staff's proposal to assign A&G costs to the G&T functions.

With regard to Staff's recommendation concerning the allocation of certain integrated load management system costs, those relating to system control and data acquisition, Community Electric took issue with Staff's allocation of such costs to the G&T function. Community Electric maintained that such costs should be allocated to the Distribution function.

Although Community Electric agreed that a portion of property tax should be allocated to G&T, it took issue with the proper factor that should be used for such allocation. Community Electric asserted that A&G property tax should be allocated using a General Plant factor rather than an A&G labor factor.

On June 27, 2001, Staff filed a motion requesting leave to file reply with an attached Reply. In response to Community Electric's assertion that certain A&G costs should be allocated to Distribution, the Staff maintained its position that if these costs are shifted to Distribution, rates established for Distribution will subsidize those of G&T, contrary to § 56-590 D of the Code of Virginia, which requires the Commission to set rates that will not result in cost shifting or cross-subsidies between functional units. The Staff did not take issue with Community Electric's position that certain integrated load management system costs relating to SCADA should be allocated to the Cooperative's Distribution function rather than the G&T function. Staff did not address the issue of the proper factor for use in allocating property tax to G&T.

On July 2, 2001, Community Electric filed a motion requesting leave to file reply with a Reply attached, and filed a motion to deny Staff's motion requesting leave to file reply. In its Reply, the Cooperative maintained that failure to attribute additional A&G expenses to the generation function does not result in cost shifting or cross-subsidization of functionally separate units. In addition, Community Electric urged the Commission to consider its unique statutory obligation to provide default services in Virginia.

NOW THE COMMISSION, having considered the Cooperative's application, Staff's Report, the subsequent pleadings, and applicable law, is of the opinion and finds that the application should be approved, subject to the modifications detailed herein. We will grant Staff's motion requesting leave to file reply and also grant Community Electric's motion requesting leave to file reply.

With respect to the issue of the proper allocation of A&G costs supporting the procurement of wholesale power, we find that the Commission has an obligation pursuant to § 56-590 D of the Code of Virginia to see that no cross-subsidies occur. The function causing the cost should be allocated such costs. A&G costs associated with the procurement of wholesale power support the G&T function, and as such, should not be allocated to the Distribution function. We will, therefore, accept Staff's adjustment allocating certain A&G costs associated with obtaining wholesale power to the Cooperative's G&T function.

There are two ways that a cooperative may recover A&G costs associated with the procurement of wholesale power. If a customer remains with the cooperative, the cooperative will recover such costs from the customer. If the customer leaves the cooperative, and the embedded cost of generation exceeds the market, the cooperative will have the opportunity to recover the cost through the wires charge.

We will accept Community Electric's position with respect to the allocation of certain integrated load management system costs relating to SCADA and allocate such costs to the Distribution function. We will also accept the Cooperative's position with respect to the proper allocation factor for property taxes and will use a General Plant Factor in allocating such taxes to G&T.

We find that G&T costs, as defined in this Order, should be tracked prospectively by the Cooperative in order to ensure accurate functional allocations in any future proceedings before the Commission. We also direct the Cooperative to begin tracking the incremental costs associated with billing and collection costs, as well as the activities that give rise to the customer service and legal and regulatory costs.

Finally, in its cost of service study, Community Electric discusses the impact of its monthly fuel adjustment factor in relation to the determination of the market price for generation and the wires charge. It is the Cooperative's position that fuel adjustments can be applied monthly without violating §§ 56-582 and 56-583 of the Code of Virginia. We are not persuaded by the Cooperative's argument on this point. However, because it is not necessary that we resolve this issue prior to January 1, 2002, we will defer our consideration of it until next year. In the interim, we direct the Staff to (i) consult with Community Electric, the other electric cooperatives, and any interested parties on this issue and (ii) submit a written recommendation to the Commission on or before March 1, 2002, on whether we should implement an annual fuel factor adjustment for the cooperatives in lieu of the current fluctuating monthly fuel charge.

Accordingly, IT IS ORDERED THAT:

(1) Staff's motion requesting leave to file reply is hereby granted.

[2] Staff noted that the Cooperative does not anticipate providing transmission service to customers who shop for energy.

(2) Community Electric's motion requesting leave to file reply is hereby granted.

(3) Community Electric's Plan for functional separation pursuant to the Virginia Electric Utility Restructuring Act is hereby approved, subject to the modifications discussed herein.

(4) On or before March 1, 2002, the Staff shall submit a written recommendation to the Commission on whether we should transition to an annual fuel factor adjustment for the cooperatives from the current fluctuating monthly fuel charge, and if so, how such a transition should occur.

(5) Community Electric shall provide tariffs and terms and conditions of service to the Division of Energy Regulation that conform to this Order and all applicable Commission Rules and Regulations one hundred fifty (150) days prior to its implementation of retail choice.

(6) This case is hereby dismissed, and the papers shall be placed in the file for ended causes.

CASE NOS. PUE000747 and PUE000748
DECEMBER 18, 2001

APPLICATION OF
SHENANDOAH VALLEY ELECTRIC COOPERATIVE

For a general rate increase

APPLICATION OF
SHENANDOAH VALLEY ELECTRIC COOPERATIVE

For approval of a functional separation plan

FINAL ORDER

On December 29, 2000, Shenandoah Valley Electric Cooperative ("Shenandoah" or the "Cooperative") filed its application to revise its rates and charges and its terms and conditions for supplying electric distribution service. According to the application, the Cooperative filed the application after considering its financial position and § 56-582 A of the Virginia Electric Utility Restructuring Act ("Act")[1], which authorizes capped rates to be effective January 1, 2001, and to expire on July 1, 2007. As provided by § 56-582 A 3, the proposed rates and charges took effect on January 1, 2001, on an interim basis and subject to refund. By Order for Notice and Hearing of January 19, 2001, the Commission docketed the application for an increase in rates as Case No. PUE000747.

Also, on December 29, 2000, Shenandoah filed an application for approval of the Cooperative's plan for functional separation ("Plan"). Rates established in the rate case will also serve as the starting point for the functional separation plan required by § 56-590 of the Code of Virginia. The Act requires that the Commission complete its review of proposed plans of separation by January 1, 2002, and that transition to competition be implemented according to a timeline established by the Commission. Pursuant to an Order issued on March 30, 2001, in Case No. PUE000740, the Commission established January 1, 2004, as the deadline for Shenandoah and other electric cooperatives to provide full retail access for their customers.

The Commission promulgated rules[2] for functional separation as required by the Act. These Rules require the Cooperative to file a Plan that includes a cost of service study separating the Virginia jurisdictional operations into functions: generation, transmission, and distribution, subdivided by class and specifically identifying the costs associated with metering and billing. The Rules also require that the Plan include proposed unbundled rates, tariffs, and terms and conditions for service. Requests for waiver from the required submission of documents under the various sections of the Rules are also permitted.

The Rules (20 VAC 5-202-40 B 8) require a Cooperative to file its proposed unbundled rates, terms, and conditions as part of the functional separation application. Shenandoah stated that the rates and charges and the terms and conditions proposed in its general rate increase application in Case No. PUE000747 address services for shopping customers. The proposed unbundled rates did not include a wires charge filed pursuant to §§ 56-583 and 56-584 of the Code of Virginia. The Cooperative did identify a methodology for developing such a charge, if required in the future. The Cooperative also addressed default service provided pursuant to § 56-585 E of the Code of Virginia. Shenandoah stated that it had no plans to divest itself of any generation assets, to create any new functionally separate entity, or to propose to transfer any functions, services, or employees to a functionally separate entity or third party.

The Cooperative requested a waiver of 20 VAC 5-202-40 B 7, which requires cost-of-service studies as part of an application for approval of a functional separation plan. In support of the request, Shenandoah stated that it intended to use cost-of-service studies filed in its application for a general rate increase, Case No. PUE000747.

By Order for Notice and Comment and Establishing Revised Procedural Schedule of February 8, 2001, the Commission granted the requested waiver of the requirement to file separate cost-of-service studies and docketed the application for approval of a functional separation plan as Case No. PUE000748. The Commission provided that the Cooperative's functional separation plan should be considered in conjunction with the rate case, but if no

[1] Chapter 23 (§ 56-576 et seq.), Title 56 of the Code of Virginia.

[2] Commission's Regulations Governing the Functional Separation of Incumbent Electric Utilities under the Virginia Electric Utility Restructuring Act ("Rules"), 20 VAC 5-202-10 et seq., adopted in Case No. PUA000029.

requests for hearing were received, the application could be decided on the basis of the papers filed therein. Among other things, the Order scheduled a hearing for July 24, 2001, prescribed revised notice requirements, and fixed dates for filing reports, testimony and exhibits.

A public hearing was convened on July 24, 2001, for the sole purpose of receiving public comment on the rate application. No public witnesses appeared at that hearing. Shenandoah and the Commission Staff filed on September 7, 2001, a stipulation proposing to the Commission a settlement of the application for a general increase in rates, Case No. PUE000747, and the application for approval of a functional separation plan, Case No. PUE000748. On September 10, 2001, a hearing to receive evidence on the applications was convened. One public witness, Barbara Harrison, appeared to express concern with the Cooperative's seasonal rate schedule.

Before the Commission is the Report of Deborah V. Ellenberg, Chief Hearing Examiner, of November 2, 2001 (the "Report"). Examiner Ellenberg found that the stipulation offered a fair and reasonable resolution of the issues in both cases and was supported by the record. The Examiner further found that the rates, charges, terms and conditions proposed in the stipulation were just and reasonable. Likewise, the allocation of expenses and revenues between the Cooperative's generation, transmission, and distribution functions was reasonable. (Report at 9-10.)

With regard to the seasonal rate design, the Examiner found that there are two distinct types of customers served under the Seasonal Residential Service Schedule: "the second-home owner who occupies his home throughout the year, and the truly seasonal user who consumes zero kWh three or more months of the year." (Id. at 9.) Examiner Ellenberg noted that the Cooperative had collected and presented its class revenue and cost data on the basis of class averages. There was no identifiable data on the revenue and cost similarities of, or differences between, the two types of customers served under the Seasonal Residential Service Schedule. (Id.)

Examiner Ellenberg recommended adoption of the Staff's position on the issue. The Staff recommended that Shenandoah review ongoing load studies of the seasonal and residential rate classes. The studies may support revisions in the classification of customers. The Staff recommended, and Examiner Ellenberg agreed, that the Cooperative should file a report on its studies. (Id. at 9, 11.)

In response to the Report, the Cooperative filed on November 8, 2001, a letter advising that it had no comments. Shenandoah did propose a methodology for calculating interest on any refunds that the Commission might order. In lieu of quarterly compounding of interest on refunds, as the Commission frequently directs, the Cooperative proposed monthly compounding on the grounds that the calculation was easier.[3]

NOW THE COMMISSION, having considered the Report and the record in these proceedings, finds that the recommendations made in the Report are just and reasonable and supported by the record. We also find that the Cooperative's proposal for calculating interest on the refunds that we order below is reasonable and may be adopted in this proceeding.

Accordingly, with regard to the application for a general increase in rates, the Commission finds as follows:

(1) The use of a test year ending December 31, 1999, and the Staff's methodology to adjust for the rate period from 2001 through 2007 is proper in this proceeding and complies with the requirements of the Act;

(2) The Cooperative's average 2001-2007 rate period operating revenues, after all adjustments, are $41,130,209;

(3) The Cooperative's average rate period operating expenses, after all adjustments, are $36,125,216;

(4) The Cooperative's average rate period operating margins, after all adjustments, are $5,004,993;

(5) The Cooperative's average rate period total margins, after all adjustments, are $2,470,859;

(6) The Cooperative's current rates produced a Times Interest Earned Ratio (TIER) on adjusted average rate base of 1.79;

(7) The Cooperative should have a reasonable opportunity to achieve a TIER of 2.5;

(8) The Cooperative's application requesting an annual increase in revenues of $2,830,443 is unjust and unreasonable because it would generate a TIER greater than 2.5;

(9) The Cooperative requires $2,233,322 in additional gross annual jurisdictional revenues to have a reasonable opportunity to achieve a TIER of 2.5;

(10) As set forth in the Stipulation filed by the Cooperative and the Staff on September 7, 2001, the modified rate design recommended by the Staff and attached to the stipulation as Exhibit B, with the exception of the Schedule PC-2 Peak Control rate, is just and reasonable;

(11) The Cooperative's proposed rate of $0.01815 for Schedule PC-2 Peak Control is just and reasonable;

(12) The revisions to the terms and conditions of service as set forth in the Stipulation are just and reasonable and should be implemented;

(13) The Cooperative should file permanent rates designed to produce the additional revenues found reasonable using the revenue apportionment and rate design methodologies contained in the Stipulation;

(14) The Cooperative should be required to refund, with interest, all revenues collected under its interim rates in excess of the amounts found just and reasonable herein; and

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[3] Ms. Harrison filed on November 15, 2001, comments on the Examiner's recommended disposition of the seasonal rate design issue. She contended that the Cooperative's seasonal classification of customers was an unreasonable practice.

(15) The Cooperative should conduct a study of the results of the load studies to identify usage patterns of all residential customers and review its rate design to determine if consumption, costs, and revenue recovery are properly matched. The Cooperative should file with our Division of Energy Regulation a report on its study, including any revisions in rates, charges, terms, and conditions necessary to more accurately and reasonably match consumption, costs, and revenue recovery.

With regard to the application for approval of a functional separation plan, the Commission finds that the Plan set forth in the Stipulation provides a fair and reasonable allocation of plant, revenues, and expenses between the Cooperative's generation, transmission, and distribution functions.

With regard to functional separation, we find that generation and transmission costs should be tracked prospectively by the Cooperative in order to ensure accurate functional allocations in any future proceedings before the Commission. We also direct Shenandoah to begin tracking the incremental costs associated with billing and collection costs, as well as the activities that give rise to the customer service and legal and regulatory costs.

Finally, the impact of a monthly fuel adjustment factor in relation to the determination of the market price for generation and the wires charge may impact cost-of- service studies. However, because it is not necessary that we resolve this issue prior to January 1, 2002, we will defer our consideration of it until next year. In the interim, we direct the Staff to (i) consult with Shenandoah, the other electric cooperatives, and any other interested parties on this issue and (ii) submit a written recommendation to the Commission on or before March 1, 2002, on whether we should implement an annual fuel factor adjustment for the cooperatives in lieu of the current fluctuating monthly fuel charge.

Accordingly, IT IS ORDERED THAT:

(1) Shenandoah's application for a general increase in rates docketed as Case No. PUE000747 is granted to the extent discussed in this Order and is otherwise denied.

(2) Shenandoah's application for approval of a functional separation plan pursuant to the Act docketed as Case No. PUE000748 is granted and the Plan is approved to the extent discussed in this Order and is otherwise denied.

(3) On or before December 28, 2001, Shenandoah shall file with the Commission's Division of Energy Regulation revised schedules of rates and charges and terms and conditions conforming to the Commission's findings in this Order. The revised rates and charges and terms and conditions shall bear an effective date of January 1, 2002, and be effective for service provided on and after January 1, 2002.

(4) On or before March 1, 2002, Shenandoah shall recalculate, using the rates and charges prescribed by this Order, and effective on January 1, 2002, each bill it rendered to all customers based, in whole or in part, on the rates and charges that took effect, on an interim basis and subject to refund, on January 1, 2001. Where application of the prescribed rates results in a reduced bill, Shenandoah shall refund, with interest, as directed below, the difference.

(5) Interest on refunds shall be computed from the date payments of monthly bills were due to the date refunds are made. Interest shall be compounded monthly. The rate for each month shall be the "bank prime loan" rate published in the *Federal Reserve Bulletin* or "Selected Interest Rates", Federal Reserve Statistical Release H.15 (519), for the preceding month.

(6) The refunds directed in ordering paragraph (4) may be credited to current customers' accounts (each refund category shall be shown separately on each customer's bill). Refunds to former customers of $1.00 or more shall be made by check mailed to the last known address. Shenandoah 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.

(7) Shenandoah may retain refunds of less than $1.00, which are due former customers. Shenandoah shall maintain a record of former customers for which the refund is less than $1.00, and such refunds shall be made promptly upon request. All unclaimed refunds shall be subject to § 55-210.6:2 of the Code of Virginia.

(8) On or before May 20, 2002, Shenandoah shall file with the Commission's Division of Energy Regulation a report showing that all refunds have been made pursuant to this Order and detailing the costs of the refund and accounts charged. Costs shall include, inter alia, computer costs, and the personnel hours, associated salaries and costs for verifying and correcting the refunds directed in this Order.

(9) On or before January 1, 2003, Shenandoah shall file with the Commission's Division of Energy Regulation a report on the studies of discussed in finding paragraph (15) above.

(10) On or before March 1, 2002, the Staff shall submit a written recommendation to the Commission on whether we should transition to an annual fuel factor adjustment for the cooperatives from the current fluctuating monthly fuel charge, and if so, how such a transition should occur.

(11) Shenandoah shall provide tariffs and terms and conditions of Service to the Division of Energy Regulation that conform to this Order and all applicable Commission Rules and Regulations one hundred fifty (150) days prior to its implementation of retail choice.

(12) These cases are closed and dismissed from the Commission's docket.

CASE NO. PUE000749
DECEMBER 18, 2001

APPLICATION OF
SOUTHSIDE ELECTRIC COOPERATIVE, INC.

For approval of a functional separation plan

FINAL ORDER

On December 29, 2000, Southside Electric Cooperative, Inc. ("Southside" or the "Cooperative"), filed an application for State Corporation Commission ("Commission") approval of the Cooperative's plan for functional separation ("Plan") as required by the Virginia Electric Utility Restructuring Act ("the Act"), Chapter 23 of Title 56 of the Code of Virginia (§ 56-576 et seq.)[1] The Act requires that the Commission complete its review of proposed plans of separation by January 1, 2002, and that transition to competition be implemented according to a timeline established by the Commission. Pursuant to an Order issued on March 30, 2001, in Case No. PUE000740, the Commission established January 1, 2004, as the deadline for Southside and other electric cooperatives to provide full retail access for their customers.

The Commission promulgated rules[2] for functional separation as required by the Act. These Rules require the Cooperative to file a Plan that includes a cost of service study separating the Virginia jurisdictional operations into functions: generation, transmission, and distribution, subdivided by class and specifically identifying the costs associated with metering and billing. The Rules also require that the Plan include proposed unbundled rates, tariffs, and terms and conditions for service. Requests for waiver from the required submission of documents under the various sections of the Rules are also permitted.

In its application, the Cooperative stated that it is currently functionally separated. It does not own or control any generation or transmission facilities, nor does it own or control any affiliated entity that owns or controls generation or transmission facilities. Instead, Southside purchases all of its requirements for demand, energy, transmission and ancillary services through contracts with Old Dominion Electric Cooperative and Southeastern Power Administration. As such, Southside stated that it had no plans to divest itself of any generation assets, to create any new functionally separate entity, or to propose to transfer any functions, services, or employees to a functionally separate entity or third party. The Cooperative filed a cost of service study, which included proposed unbundled rates to illustrate the Cooperative's rate unbundling. In its functional separation application, the Cooperative did not file unbundled tariff rates and terms and conditions of service, but did so as part of its general rate application in case No. PUE000750. The Cooperative requested that this tariff filing in its general rate application be accepted and used as Southside's compliance with the filing requirements for the functional separation case.

In an Order dated March 19, 2001, in this proceeding and in Case No. PUE000750, the Commission directed the Cooperative to provide notice to the public and established a procedural schedule for the filing of comments or requests for hearing on Southside's application. In that Order, the Commission directed its Staff to investigate the application and file a Report detailing its findings and recommendations on or before June 1, 2001.[3] The Commission also stated that Southside's unbundled tariff filed in the general rate case will be incorporated by reference in the Cooperative's functional separation plan application.

On June 20, 2001, Staff filed its Report wherein it recommended that the Commission approve Southside's Plan with the adoption of certain modifications recommended by Staff. Specifically, Staff recommended that the Commission adopt the following: Staff's recommendation to consolidate the Cooperative's G&T functions into one function;[4] Staff's adjustments to the Cooperative's per books cost of service study; Staff's allocations of expense and rate base to the G&T function; Staff's recommendation that the Commission direct the Cooperative to track the costs associated with G&T operations; and Staff's recommendation that the Commission direct Southside to provide tariff rates and terms and conditions of service in time for full consideration by the Commission.

On July 9, 2001, Southside filed its Response to the Staff Report. In its Response, the Cooperative did not disagree with Staff's recommendation that the G&T functions be combined, however, it did not agree with Staff's recommendations pertaining to functional cost assignment. Southside requested that the Commission find that its administrative and general ("A&G") expenses and associated overheads are properly assignable to the distribution function because the rate paid by Southside to Old Dominion Electric Cooperative for power supply and transmission services includes a component for A&G expenses. Southside argued that assigning its A&G and overheads to G&T would, in effect, add a second layer of such costs to the generation component. Further, Southside argued that in its role as the local distribution service provider, it is required by the Act to provide default generation service under its capped rates. According to Southside, supplying default generation services provides a benefit available for all consumers on Southside's distribution system, including those consumers who may choose an alternative power supplier. Southside further stated that the responsibility bestowed on it to provide default service is a function of its role as the distribution utility. Thus, the Cooperative urged the Commission to reject Staff's proposal to assign A&G costs to the G&T functions.

With regard to the Staff's recommendations concerning uncollectible expense, customer deposits, and interest on customer deposits, Southside agreed that a portion of these expenses should be attributed to G&T, but took issue with the Staff's method of allocation. Southside also disagreed with the Staff's assignment of costs to the G&T function relating to the transition to deregulation of generation and relating to load management.

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[1] Southside also filed on December 29, 2000, an application for a general rate increase and for approval of a special rate and contract. This application was considered by the Commission in Case No. PUE000750.

[2] Commission's Regulations Governing the Functional Separation of Incumbent Electric Utilities under the Virginia Electric Utility Restructuring Act ("Rules"), 20 VAC 5-202-10 et seq., adopted in Case No. PUA000029.

[3] A subsequent ruling extended the date to June 20, 2001, for Staff to file its report, and permitted Southside to file its response on July 9, 2001.

[4] Staff noted that the Cooperative does not anticipate providing transmission service to customers who shop for energy.

NOW THE COMMISSION, having considered the Cooperative's application, Staff's Report, the subsequent pleadings, and applicable law, is of the opinion and finds that the application should be approved, subject to the modifications detailed herein.

With respect to the issue of the proper allocation of A&G costs supporting the procurement of wholesale power, we find that the Commission has an obligation pursuant to § 56-590 D of the Code of Virginia to see that no cross-subsidies occur. The function causing the cost should be allocated such costs. A&G costs associated with the procurement of wholesale power support the G&T function, and as such, should not be allocated to the Distribution function. We will, therefore, accept Staff's adjustment allocating certain A&G costs associated with obtaining wholesale power to the Cooperative's G&T function. Further, we accept Staff's functional allocation of labor overheads based on the A&G labor factor.

There are two ways that a cooperative may recover A&G costs associated with the procurement of wholesale power. If a customer remains with the cooperative, the cooperative will recover such costs from the customer. If the customer leaves the cooperative, and the embedded cost of generation exceeds the market, the cooperative will have the opportunity to recover the cost through the wires charge.

We likewise agree with Staff that the allocation factor for uncollectible expense, customer deposits, and interest on customer deposits should be based on each function's relative level of operating expense. We believe this is a reasonable approach in this situation as total G&T expense must be calculated in order to determine the level of G&T revenues, and operating expenses can be used to simulate unbundled revenue.

With regard to the costs for load management, we find that these costs should be fully allocated to G&T, and that load management and related costs should be allocated across all customer classes, not just the residential class. Load management costs are clearly related to generation, not distribution. The goal of load management is to reduce energy usage, thereby having a direct impact on generation and purchased power costs. Load management switches installed for peak shaving are a G&T component because they allow the Cooperative to decrease its power costs by negotiating better rates from the supplier, and the Cooperative would not have load management switches simply for distribution purposes. Further, we agree with Staff that since all customers share in the benefits of lower wholesale power bills, all customers should share the costs, not just the residential class.

With respect to the costs incurred by the Cooperative relating to its transition to a competitive generation environment, we agree with Southside that the full test year level of costs should be allocated to the distribution function since the these costs were incurred by the Cooperative in the course of its responsibilities as a distribution provider.

We find that G&T costs, as defined in this Order, should be tracked prospectively by the Cooperative in order to ensure accurate functional allocations in any future proceedings before the Commission. We also direct the Cooperative to begin tracking the incremental costs associated with billing and collection costs, as well as the activities that give rise to the customer service and legal and regulatory costs.

Finally, in its cost of service study, Southside discusses the impact of its monthly fuel adjustment factor in relation to the determination of the market price for generation and the wires charge. It is the Cooperative's position that fuel adjustments can be applied monthly without violating §§ 56-582 and 56-583 of the Code of Virginia. We are not persuaded by the Cooperative's argument on this point. However, because it is not necessary that we resolve this issue prior to January 1, 2002, we will defer our consideration of it until next year. In the interim, we direct the Staff to (i) consult with Southside, the other electric cooperatives, and any other interested parties on this issue and (ii) submit a written recommendation to the Commission on or before March 1, 2002, on whether we should implement an annual fuel factor adjustment for the cooperatives in lieu of the current fluctuating monthly fuel charge.

Accordingly, IT IS ORDERED THAT:

(1) Southside's Plan for functional separation pursuant to the Virginia Electric Utility Restructuring Act is hereby approved, subject to the modifications discussed herein.

(2) On or before March 1, 2002, the Staff shall submit a written recommendation to the Commission on whether we should transition to an annual fuel factor adjustment for the cooperatives from the current fluctuating monthly fuel charge, and if so, how such a transition should occur.

(3) Southside shall provide unbundled tariffs and terms and conditions of service to the Division of Energy Regulation that conform to this Order and all applicable Commission Rules and Regulations one hundred fifty (150) days prior to its implementation of retail choice.

(4) This case is hereby dismissed, and the papers shall be placed in the file for ended causes.

CASE NO. PUE000750
DECEMBER 19, 2001

APPLICATION OF
SOUTHSIDE ELECTRIC COOPERATIVE, INC.

For a general rate increase and for approval of a special rate and contract

FINAL ORDER

On December 29, 2000, Southside Electric Cooperative ("Southside" or "the Cooperative") filed with the State Corporation Commission ("Commission") an application for a general increase in electric rates and amendments to the Cooperative's terms and conditions, and for approval of a special rate for ArborTech, Inc. ("ArborTech") pursuant to Va. Code § 56-235.2. ArborTech is a manufacturer of wood products and is constructing a facility in the "excessed" area of Fort Pickett in Nottoway County.

Pursuant to Va. Code § 56-582 A 3 of the Virginia Electric Utility Restructuring Act, Chapter 23 ("Restructuring Act" or "the Act"), Southside's proposed rates in its general rate application took effect January 1, 2001, on an interim basis and subject to refund. According to the Cooperative, its

proposed rates and charges would produce additional annual revenues of $6,001,654. These additional annual revenues represent an increase of 10.77% in jurisdictional revenues.

On March 19, 2001, the Commission issued its Order for Notice and Hearing that directed Southside 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 July 11, 2001, before a Hearing Examiner.

On April 25, 2001, Colonial Pipeline Company ("Colonial Pipeline") filed a notice of protest.

On April 27, 2001, Southside filed a motion to reschedule the hearing to July 12, 2001. On April 30, 2001, Staff filed a Motion for Extension to File Testimony in which it requested that the time for filing its testimony be extended from May 15, 2001, to May 25, 2001, and the date for Southside to file its rebuttal testimony be extended from June 25, 2001, to July 2, 2001. On May 1, 2001, the Hearing Examiner issued a ruling granting the motions filed by Southside and the Staff. The hearing scheduled on July 11, 2001, was retained for the purpose of receiving comments from any public witnesses.

On June 25, 2001, William C. Rolfe, County Administrator for Bedford County, filed a letter on behalf of the Bedford County Board of Supervisors requesting a hearing located within the service area of Southside. The letter was the result of a resolution unanimously adopted by the Bedford County Board of Supervisors directing the County Administrator to seek a public hearing in this matter. In a Hearing Examiner's Ruling dated June 22, 2001, hearings for taking comments from public witnesses were scheduled for July 25, 2001, at 2:00 p.m. and 7:00 p.m. in the Board of Supervisors Meeting Room, Bedford County Administration Building.

Alexander F. Skirpan, Jr., Hearing Examiner, convened a public hearing on the application on July 11, 2001. Counsel appearing were C. Meade Browder, Jr., Esquire, counsel for the Commission Staff and John M. Boswell, Esquire, counsel for Southside. No public witnesses appeared at this hearing. Counsel for the Commission Staff and for Southside moved for a continuance of the evidentiary hearing to permit the parties more time to negotiate a possible stipulation. The Examiner granted the continuance and, in a ruling dated July 27, 2001, reset the evidentiary hearing for July 31, 2001.

On July 25, 2001, hearings were convened at 2:00 p.m. and 7:00 p.m. in the Board of Supervisors Meeting Room, Bedford County Administrative Building, for the receiving of comments from public witnesses. Two public witnesses appeared during the afternoon hearing. No witnesses appeared during the evening hearing.

The evidentiary hearing resumed at the Commission on July 31, 2001, before Hearing Examiner Skirpan. Mr. Boswell appeared for the Cooperative and Mr. Browder appeared for the Staff. Guy T. Tripp, III, Esquire, appeared for Protestant Colonial Pipeline. No public witnesses appeared at this hearing. At the July 31, 2001 hearing, Southside, Staff, and Colonial Pipeline submitted a stipulation designed to resolve all of the issues in this case.[1] Based on the stipulation, all prefiled testimony was made a part of the record and not subjected to cross-examination.

For purposes of settling the general rate application, the Cooperative and Staff agreed upon an additional annual revenue requirement of $3,981,325 and a total revenue requirement of $57,729,398, based on a TIER of 2.5.[2] Pursuant to the stipulation, the percentage increase for each customer class would be as follows:

Residential	9.27%
General Service-Single Phase	7.36%
General Service-Multi Phase	0.01%
Industrial (1)	1.98%
Industrial (2)	0.79%
Security Lights	0.00%
Special Contracts	-40.82%
System Totals (Jurisdictional)	7.24%

The stipulation also provided for a special rate for ArborTech.

On August 23, 2001, the Hearing Examiner filed his Report in this matter. In his Report, the Hearing Examiner summarized the record, and made the following findings:

(1) The use of a test year ending December 31, 1999, and the Staff's discounting methodology of the years 2001 through 2007 is proper and complies with the requirements of the Restructuring Act;

(2) The Cooperative's rate period operating revenues, after all adjustments, were $53,748,073;

(3) The Cooperative's rate period operating expenses, after all adjustments, were $46,033,396;

(4) The Cooperative's rate period operating margins, after all adjustments, was $7,696,909;

(5) The Cooperative's rate period total margin, after all adjustments, was $3,677,101;

(6) The Cooperative's current rates produced a TIER on adjusted rate base of 1.72;

(7) The Cooperative's actual TIER should be 2.5;

[1] Exhibit Staff-15

[2] Exhibit Staff-15, at para. 4.

(8) The Cooperative's adjusted rate period long-term interest expense is $5,092,815;

(9) The Cooperative's application requesting an annual increase in revenues of $6,001,654 is unjust and unreasonable because it will generate a TIER greater than 2.5;

(10) The Cooperative requires $3,981,325 in additional gross annual revenues to earn a TIER of 2.5;

(11) The revenue allocation methodology set forth in the stipulation is just and reasonable;

(12) The Cooperative should file permanent rates designed to produce the additional revenues found reasonable using the revenue apportionment and rate design methodologies contained in the stipulation;

(13) The Cooperative should be required to refund, with interest, all revenues collected under its interim rates in excess of the amounts found just and reasonable herein;

(14) The Cooperative should implement the changes to its terms and conditions as provided for in the stipulation;

(15) The Cooperative should institute the agreed upon special rate for ArborTech as stated on Revised Exhibit B, Statement 4, page 3 of the stipulation;

(16) The Cooperative should not be permitted to implement its proposed TIER Credit Billing Factor; and

(17) The Cooperative's functional separation plan application, Case No. PUE000749 should be continued generally pending entry of a Final Order in this case.

The Hearing Examiner recommended that the Commission enter an order that adopts the findings contained in his Report; approves an increase in gross annual revenues for the Cooperative of $3,981,325; directs Southside to promptly refund all amounts collected under interim rates in excess of the rate increase found just and reasonable; and dismisses the case from the Commission's docket of active proceedings.

On September 5, 2001, Southside filed a Motion to Revise Interim Rates and to Make Refunds. On October 16, 2001, the Commission entered an order granting the Company's Motion and authorizing such refunds.

On November 9, 2001, Southside filed with the Commission documents detailing refunds made to its customers as required by the Commission's October 16, 2001 order. Interest was calculated using the standard methodology. Refunds were made by direct check payment to the customers.

NOW, UPON consideration of the record herein, the Hearing Examiner's Report, as well as the applicable statutes and Guidelines, the Commission is of the opinion and finds that the analysis, findings, and recommendations of the August 23, 2001, Hearing Examiner's Report are reasonable, are supported by the record, and should be adopted.

Moreover, we find that no other customer or class of customers would be unreasonably prejudiced or disadvantaged by the approval of the ArborTech 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 ArborTech, and provides a contribution to Southside's overall cost of service that might not otherwise have been made. ArborTech's contribution to the cost of service offsets costs that would otherwise be recovered from the Company's other customers.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations set out in the August 23, 2001, Hearing Examiner's Report are hereby adopted.

(2) The Cooperative shall be granted an increase in gross annual revenues of $3,981,325, effective for service rendered on and after January 1, 2001.

(3) Southside shall forthwith file with the Division of Energy Regulation revised permanent schedule of rates, fees and charges, together with its revised terms and conditions of service, designed to produce the additional revenues found reasonable herein, effective for service rendered on and after January 1, 2001.

(4) Southside's application for a general rate increase and for approval of a special rate and contract for ArborTech, Inc., is granted.

(5) Southside shall seek further Commission approval if the agreement between Southside and ArborTech is amended.

(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 shall be placed in the Commission's file for ended causes.

CASE NO. PUE010001
DECEMBER 18, 2001

APPLICATION OF
PRINCE GEORGE ELECTRIC COOPERATIVE

For approval of a functional separation plan pursuant to Virginia Code § 56-590

FINAL ORDER

On December 29, 2000, Prince George Electric Cooperative ("Prince George" or the "Cooperative") filed an application for State Corporation Commission ("Commission") approval of the Cooperative's plan for functional separation ("Plan") as required by the Virginia Electric Utility Restructuring Act ("the Act"), Chapter 23 of Title 56 of the Code of Virginia (§ 56-576 et seq.). The Act requires that the Commission complete its review of proposed plans of separation by January 1, 2002, and that transition to competition be implemented according to a timeline established by the Commission. Pursuant to an Order issued on March 30, 2001, in Case No. PUE000740, the Commission established January 1, 2004, as the deadline for Prince George and other electric cooperatives to provide full retail access for their customers.

The Commission promulgated rules[1] for he functional separation as required by the Act. These Rules require the Cooperative to file a Plan that includes a cost of service study separating the Virginia jurisdictional operations into functions: generation, transmission, and distribution, subdivided by class and specifically identifying the costs associated with metering and billing. The Rules also require that the Plan include proposed unbundled rates, tariffs, and terms and conditions for service. Requests for waiver from the required submission of documents under the various sections of the Rules are also permitted.

In its application, the Cooperative stated that it is currently functionally separated. It does not own or control any generation or transmission facilities, nor does it own or control any affiliated entity that owns or controls generation or transmission facilities. Instead, Prince George purchases all of its requirements for demand, energy, transmission and ancillary services through contracts with Old Dominion Electric Cooperative and Southeastern Power Administration. As such, Prince George stated that it had no plans to divest itself of any generation assets, to create any new functionally separate entity, or to propose to transfer any functions, services, or employees to a functionally separate entity or third party. The Cooperative requested that the Commission accept and adopt the cost of service study filed by Prince George in Case No. PUE000734 (Application of Prince George Electric Cooperative, for general increase in rates) for purposes of filing in its functional separation proceeding.

In its application, the Cooperative requested that the Commission waive the requirement of 20 VAC 5-202-40 B 8 of the Rules to file unbundled tariff rates and terms and conditions of service with the Cooperative's functional separation plan. The Cooperative stated that it submitted such information in Case No. PUE000734 and requested that the Commission accept that information for purposes of its filing in the functional separation proceeding. As support for its request, Prince George stated that the rates developed in Case No. PUE000734 would provide the basis for its rate unbundling in Case No. PUE010001.

In an Order dated February 5, 2001, in this proceeding, the Commission agreed to consider the Cooperative's functional separation plan in conjunction with its rate application. The Commission directed the Cooperative to provide notice to the public and established a procedural schedule for the filing of comments or requests for hearing on Prince George's applications. In that Order, the Commission directed its Staff to investigate the applications and file a Report detailing its findings and recommendations on or before August 1, 2001.

On June 18, 2001, Prince George filed a motion to withdraw its rate application. On July 24, 2001, the Commission entered an order dismissing the Cooperative's rate application in Case No. PUE000734 and directed Prince George to file, within 14 days, a cost of service study intended to support its application for approval of its functional separation plan. Pursuant to that Order, Prince George filed a cost of service study, which included proposed unbundled rates that consolidated the Cooperative's Generation and Transmission ("G&T") into one function and that illustrated the Cooperative's rate unbundling.

On November 7, 2001, Staff filed its Report[2] wherein it recommended that the Commission approve Prince George's Plan with the adoption of certain modifications recommended by Staff. Specifically, Staff recommended that the Commission adopt the following: accept Prince George's recommendation to consolidate the Cooperative's G&T functions into one function;[3] Staff's adjustments to the Cooperative's per books cost of service study; Staff's allocations of expense and rate base to the G&T function; Staff's recommendation that the Commission direct the Cooperative to track the costs associated with G&T operations; and Staff's recommendation that the Commission direct Prince George to provide tariff rates and terms and conditions of service in time for full consideration by the Commission.

On November 21, 2001, Prince George filed its Response to the Staff Report. In its Response, the Cooperative stated that although it supports Staff's recommendation that the G&T functions be combined, it does not agree with Staff's recommendations pertaining to functional cost assignment. Prince George requests that the Commission find that its administrative and general ("A&G") expenses and associated overheads are properly assignable to the distribution function because the rate paid by Prince George to Old Dominion Electric Cooperative for power supply and transmission services includes a component for A&G expenses. Prince George argued that assigning its A&G and overheads to G&T would, in effect, add a second layer of such costs to the generation component. Further, Prince George argues that in its role as the local distribution service provider, it is required by the Act to provide default generation service under its capped rates. According to Prince George, supplying default generation services provides a benefit available for all consumers on Prince George's distribution system, including those consumers who may choose an alternative power supplier. Prince George further stated that the responsibility bestowed on it to provide default service is a function of its role as the distribution utility. Thus, the Cooperative urges the Commission to

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[1] Commission's Regulations Governing the Functional Separation of Incumbent Electric Utilities under the Virginia Electric Utility Restructuring Act ("Rules"), 20 VAC 5-202-10 et seq., adopted in Case No. PUA000029.

[2] The date for filing Staff's Report was extended to November 7, 2001, pursuant to Commission orders entered on July 27, 2001, and October 23, 2001.

[3] The Cooperative does not anticipate providing transmission service to customers who shop for energy.

reject Staff's proposal to assign A&G costs to the G&T functions. Further, Prince George asserts that, if the Commission assigns A&G costs to G&T, those costs should be assigned on the basis of total labor alone, not a combination of allocation factors.

With regard to the Staff's recommendations concerning uncollectible expense, customer deposits, and interest on customer deposits, Prince George agreed that a portion of these expenses should be attributed to G&T, but took issue with the Staff's method of allocation. The Cooperative stated that the ratio used should be based on G&T revenues as a percentage of total revenues. With regard to load management costs, the Cooperative maintained its position that 50% of these costs should be considered part of the distribution function.

NOW THE COMMISSION, having considered the Cooperative's application, Staff's Report, the subsequent pleadings, and applicable law, is of the opinion and finds that the application should be approved, subject to the modifications detailed herein.

With respect to the issue of the proper allocation of A&G costs supporting the procurement of wholesale power, we find that the Commission has an obligation pursuant to § 56-590 D of the Code of Virginia to see that no cross-subsidies occur. The function causing the cost should be allocated such costs. A&G costs associated with the procurement of wholesale power support the G&T function, and as such, should not be allocated to the Distribution function. We will, therefore, accept Staff's adjustment allocating certain A&G costs associated with obtaining wholesale power to the Cooperative's G&T function. Further, we accept Staff's functional allocation of labor overheads based on the A&G labor factor.

There are two ways that a cooperative may recover A&G costs associated with the procurement of wholesale power. If a customer remains with the cooperative, the cooperative will recover such costs from the customer. If the customer leaves the cooperative, and the embedded cost of generation exceeds the market, the cooperative will have the opportunity to recover the cost through the wires charge.

We likewise agree with Staff that the allocation factor for uncollectible expense, customer deposits, and interest on customer deposits should be based on each function's relative level of operating expense. We believe this is a reasonable approach in this situation as total G&T expense must be calculated in order to determine the level of G&T revenues, and operating expenses can be used to simulate unbundled revenue.

With regard to the costs for load management, we find that these costs should be fully allocated to G&T, and that load management and related costs should be allocated across all customer classes, not just the residential class. Load management costs are clearly related to generation, not distribution. Load management switches installed for peak shaving are a G&T component because they allow the Cooperative to decrease its power costs by negotiating better rates from the supplier, and the Cooperative would not have load management switches simply for distribution purposes. Further, we agree with Staff that since all customers share in the benefits of lower wholesale power bills, all customers should share the costs, not just the residential class.

We find that G&T costs, as defined in this Order, should be tracked prospectively by the Cooperative in order to ensure accurate functional allocations in any future proceedings before the Commission. We also direct the Cooperative to begin tracking the incremental costs associated with billing and collection costs, as well as the activities that give rise to the customer service and legal and regulatory costs.

Finally, in its cost of service study, Prince George discusses the impact of its monthly fuel adjustment factor in relation to the determination of the market price for generation and the wires charge. It is the Cooperative's position that fuel adjustments can be applied monthly without violating §§ 56-582 and 56-583 of the Code of Virginia. We are not persuaded by the Cooperative's argument on this point. However, because it is not necessary that we resolve this issue prior to January 1, 2002, we will defer our consideration of it until next year. In the interim, we direct the Staff to (i) consult with Prince George, the other electric cooperatives, and any other interested parties on this issue and (ii) submit a written recommendation to the Commission on or before March 1, 2002, on whether we should implement an annual fuel factor adjustment for the cooperatives in lieu of the current fluctuating monthly fuel charge.

Accordingly, IT IS ORDERED THAT:

(1) Prince George's Plan for functional separation pursuant to the Virginia Electric Utility Restructuring Act is hereby approved, subject to the modifications discussed herein.

(2) On or before March 1, 2002, the Staff shall submit a written recommendation to the Commission on whether we should transition to an annual fuel factor adjustment for the cooperatives from the current fluctuating monthly fuel charge, and if so, how such a transition should occur.

(3) Prince George shall provide tariffs and terms and conditions of service to the Division of Energy Regulation that conform to this Order and all applicable Commission Rules and Regulations one hundred fifty (150) days prior to its implementation of retail choice.

(4) This case is hereby dismissed, and the papers shall be placed in the file for ended causes.

CASE NO. PUE010002
DECEMBER 18, 2001

APPLICATION OF
BARC ELECTRIC COOPERATIVE

For approval of a functional separation plan

FINAL ORDER

On December 29, 2000, BARC Electric Cooperative ("BARC" or the "Cooperative"), filed an application for State Corporation Commission ("Commission") approval of the Cooperative's plan for functional separation ("Plan") as required by the Virginia Electric Utility Restructuring Act ("the Act"), Chapter 23 of Title 56 of the Code of Virginia (§ 56-576 et seq.) The Act requires that the Commission complete its review of proposed plans of separation by January 1, 2002, and that transition to competition be implemented according to a timeline established by the Commission. Pursuant to an

Order issued on March 30, 2001, in Case No. PUE000740, the Commission established January 1, 2004, as the deadline for BARC and other electric cooperatives to provide full retail access for their customers.

The Commission promulgated rules[1] for functional separation as required by the Act. These Rules require the Cooperative to file a Plan that includes a cost of service study separating the Virginia jurisdictional operations into functions: generation, transmission, and distribution, subdivided by class and specifically identifying the costs associated with metering and billing. The Rules also require that the Plan include proposed unbundled rates, tariffs, and terms and conditions for service. Requests for waiver from the required submission of documents under the various sections of the Rules are also permitted.

In its application, the Cooperative stated that it is currently functionally separated. It does not own or control any generation or transmission facilities, nor does it own or control any affiliated entity that owns or controls generation or transmission facilities. Instead, BARC purchases all of its requirements for demand, energy, transmission and ancillary services through contracts with Old Dominion Electric Cooperative and Southeastern Power Administration. As such, BARC stated that it had no plans to divest itself of any generation assets, to create any new functionally separate entity, or to propose to transfer any functions, services, or employees to a functionally separate entity or third party. In its application, noting that a cost of service study had been filed with its rate application in Case No. PUE000232, the Cooperative sought a waiver of 20 VAC 5-202-40 B 7 of the Rules which requires a cost of service study to be filed with the functional separation plan. The Cooperative also requested that the Commission waive the requirement of 20 VAC 5-202-40 B 8 of the Rules to file unbundled tariff rates and terms and conditions of service with the Cooperative's functional separation plan. The Cooperative asked that the waiver extend until the conclusion of this proceeding so it can finalize and submit such filings in compliance with the final order.

In an Order dated February 5, 2001, in this proceeding, the Commission directed the Cooperative to provide notice to the public and established a procedural schedule for the filing of comments or requests for hearing on BARC's application. In that Order, the Commission directed its Staff to investigate the application and file a Report detailing its findings and recommendations.[2] The Commission directed the Cooperative to file in this proceeding the cost of service study, together with unbundled tariff rates and terms and conditions of service derived from that study, upon which it intended to rely.

On February 23, 2001, BARC filed a Motion for Clarification of the Commission's February 5, 2001, Order. The Cooperative stated that it would prepare and file its cost of service study and unbundled rate schedules as required by the March 1, 2001, deadline.[3] BARC renewed its petition for a waiver of the filing of the terms and conditions of service pending resolution of open dockets concerning the phase-in of retail competition.

On March 1, 2001, the Commission, inter alia, granted BARC's request for a waiver of 20 VAC 5-202-40 B 8 of the Rules in part. The Commission required BARC to file terms and conditions of service in time for the Commission to consider them and to require notice, if necessary and appropriate, prior to the Cooperative's implementation of retail choice to its customers.

On June 4, 2001, AES NewEnergy, Inc. ("AES") filed a Notice of Protest and request for hearing in this matter. Specifically, AES requested that a hearing schedule be established to consider issues relating to the allocation of certain costs to the generation and transmission ("G&T") functions, a dual billing option for suppliers, wires charge calculations, and the terms and conditions of service included in any rate tariff or supplier coordination agreement.

On July 16, 2001, BARC filed proof of notice and proof of publication pursuant to the Commission's February 5, 2001, Order as amended by the Commission's March 1, 2001, Order.

On August 1, 2001, AES filed a Motion to Withdraw its Request for Hearing.[4]

On October 19, 2001, Staff filed its Report wherein it recommended that the Commission approve BARC's Plan with the adoption of certain modifications recommended by Staff. Specifically, Staff recommended that the Commission adopt the following: Staff's recommendation to consolidate the Cooperative's G&T functions into one function;[5] Staff's adjustments to the Cooperative's per books cost of service study; Staff's allocations of expense and rate base to the G&T function; Staff's recommendation that the Commission direct the Cooperative to track the costs associated with G&T operations; and Staff's recommendation that the Commission direct BARC to provide tariff rates and terms and conditions of service in time for full consideration by the Commission.

On November 2, 2001, BARC filed its Response to the Staff Report. In its Response, the Cooperative stated that although it supported Staff's recommendation that the G&T functions be combined, it did not agree with Staff's recommendations pertaining to functional cost assignment. BARC requested that the Commission find that its administrative and general ("A&G") expenses and associated overheads are properly assignable to the distribution function because the rate paid by BARC to Old Dominion Electric Cooperative for power supply and transmission includes a component for A&G expenses. BARC argued that assigning its A&G and overheads to G&T would, in effect, add a second layer of such costs to the generation component. Further, BARC argued that in its role as the local distribution service provider, it is required by the Act to provide default generation service under its capped rates. According to BARC, supplying default generation services provides a benefit available for all consumers on BARC's distribution system, including those consumers who may choose an alternative power supplier. BARC further stated that the responsibility bestowed on it to provide default service is a function of its role as the distribution utility. Thus, the Cooperative urged the Commission to reject Staff's proposal to assign A&G costs

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[1] Commission's Regulations Governing the Functional Separation of Incumbent Electric Utilities under the Virginia Electric Utility Restructuring Act ("Rules"), 20 VAC 5-202-10 et seq., adopted in Case No. PUA000029.

[2] On July 3, 2001, the Commission granted a motion by Staff to extend generally the date by which Staff must file the Staff Report, as well as to extend the date by which a response must be submitted. On August 27, 2001, the Commission granted Staff's request that these dates be established as September 28, 2001, and October 12, 2001, respectively. On September 19, 2001, the Commission granted a further Staff motion extending these dates to October 19, 2001, and November 2, 2001, respectively.

[3] On March 1, 2001, BARC made a supplemental filing with the Commission that included a revised cost of service study and unbundled rate charges.

[4] The Commission granted this motion on August 27, 2001.

[5] Staff noted that the Cooperative does not anticipate providing transmission service to customers who shop for energy.

to the G&T functions. In the event that the Commission accepts Staff's proposal, BARC stated that it disagreed with Staff on the proper allocation factor to determine the G&T portion of A&G costs asserting that it was inappropriate to assign such expenditures using an A&G only labor ratio.

With regard to the Staff's recommendations concerning uncollectible expense, customer deposits, and interest on customer deposits, BARC agreed that a portion of these expenses should be attributed to G&T, but took issue with the Staff's method of allocation. BARC also disagreed with the Staff's assignment of load management costs to the G&T function.

In its Response, BARC agreed with the bundled rates proposed on Staff Exhibit Statement 5, with the exception of Schedule LP-2, which the Cooperative requested be corrected to eliminate the $.34 per kW primary discount. BARC further agreed with the total purchased power cost used by Staff, but not with the allocated levels of purchased power cost reflected in the unbundled generation rates proposed by Staff. The Cooperative, therefore, proposed unbundled rates to reflect the allocated purchased power costs and other costs shifted to G&T as proposed by the Cooperative.

On November 9, 2001, the Staff filed a Reply to BARC's comments on the Staff Report.[6] In response to BARC's assertion that certain A&G costs should be allocated to Distribution, the Staff maintained its position that if these costs are shifted to Distribution, rates established for Distribution will subsidize those of G&T, contrary to § 56-590 D of the Code of Virginia, which requires the Commission to set rates that will not result in cost shifting or cross-subsidies between functional units. The Staff also believes that it is appropriate to allocate the payroll and related overheads based on an A&G labor factor, and used a total labor factor to allocate other A&G costs.

The Staff also reiterated its proposal to functionalize a portion of uncollectible expense, customer deposits and interest on customer deposits, and all costs associated with BARC's load management programs to G&T. In addition, the Staff disagreed with BARC on (i) the proper ratio to use to allocate a portion of uncollectible expense, customer deposits, and interest on customer deposits to G&T, and (ii) the class or classes to which load management costs should be allocated.[7]

BARC filed its Response to the Staff's Reply on November 27, 2001. In its Response, BARC maintained that failure to attribute additional A&G expenses to the generation function does not result in cost-shifting or cross-subsidization of functionally separate units. In addition, BARC urged the Commission to consider its unique statutory obligation to provide default services in Virginia. BARC maintained its position with regard to the inappropriateness of assigning expenditures supporting A&G activities using an A&G only labor ratio. BARC indicated that it would modify its systems as needed to allocate G&T function costs and track those costs. The Cooperative continued to agree with Staff that a portion of uncollectible expense, customer deposits, and interest on customer deposits be assigned to the G&T function, but stated that the ratio used should be based on G&T revenues as a percentage of total revenues. With regard to load management costs, the Cooperative maintained its position that 50% of these costs should be considered part of the distribution function.

NOW THE COMMISSION, having considered the Cooperative's application, Staff's Report, the subsequent pleadings, and applicable law, is of the opinion and finds that the application should be approved, subject to the modifications detailed herein.

With respect to the issue of the proper allocation of A&G costs supporting the procurement of wholesale power, we find that the Commission has an obligation pursuant to § 56-590 D of the Code of Virginia to see that no cross-subsidies occur. The function causing the cost should be allocated such costs. A&G costs associated with the procurement of wholesale power support the G&T function, and as such, should not be allocated to the Distribution function. We will, therefore, accept Staff's adjustment allocating certain A&G costs associated with obtaining wholesale power to the Cooperative's G&T function. Further, we accept Staff's functional allocation of labor overheads based on the A&G labor factor.

There are two ways that a cooperative may recover A&G costs associated with the procurement of wholesale power. If a customer remains with the cooperative, the cooperative will recover such costs from the customer. If the customer leaves the cooperative, and the embedded cost of generation exceeds the market, the cooperative will have the opportunity to recover the cost through the wires charge.

We likewise agree with Staff that the allocation factor for uncollectible expense, customer deposits, and interest on customer deposits should be based on each function's relative level of operating expense. We believe this is a reasonable approach in this situation as total G&T expense must be calculated in order to determine the level of G&T revenues, and operating expenses can be used to simulate unbundled revenue.

With regard to the costs for load management, we find that these costs should be fully allocated to G&T and should be allocated across all customer classes, not just the residential class. Load management switches installed for peak shaving are a G&T component because they allow the Cooperative to decrease its power costs by negotiating better rates from the supplier, and the Cooperative would not have load management switches simply for distribution purposes. Further, we agree with Staff that since all customers share in the benefits of lower wholesale power bills, all customers should share the costs, not just the residential class.

We find that G&T costs, as defined in this Order, should be tracked prospectively by the Cooperative in order to ensure accurate functional allocations in any future proceedings before the Commission. We also direct the Cooperative to begin tracking the incremental costs associated with billing and collection costs, as well as the activities that give rise to the customer service and legal and regulatory costs.

Finally, in its cost of service study, BARC discusses the impact of its monthly fuel adjustment factor in relation to the determination of the market price for generation and the wires charge. It is the Cooperative's position that fuel adjustments can be applied monthly without violating §§ 56-582 and 56-583 of the Code of Virginia. We are not persuaded by the Cooperative's argument on this point. However, because it is not necessary that we resolve this issue prior to January 1, 2002, we will defer our consideration of it until next year. In the interim, we direct the Staff to (i) consult with BARC, the other

[6] On November 14, 2001, the Commission granted Staff's motion requesting leave to file its Reply and provided BARC the opportunity to file any further response on or before November 27, 2001.

[7] Staff continued to support the allocated levels of purchased power cost reflected in the unbundled generation rates proposed by Staff. However, in an amendment to its Reply to BARC's comments filed November 20, 2001, Staff noted that the Cooperative had submitted a revised cost of service study and a proposed modification of the allocation of purchased power costs reflecting the present value billing determinants. Staff stated that BARC's proposal on the allocation of purchased power costs should be accepted, but that Staff continued to support the allocation of all A&G costs to the G&T function.

electric cooperatives, and any other interested parties on this issue and (ii) submit a written recommendation to the Commission on or before March 1, 2002, on whether we should implement an annual fuel factor adjustment for the cooperatives in lieu of the current fluctuating monthly fuel charge.

Accordingly, IT IS ORDERED THAT:

(1) BARC's Plan for functional separation pursuant to the Virginia Electric Utility Restructuring Act is hereby approved, subject to the modifications discussed herein.

(2) On or before March 1, 2002, the Staff shall submit a written recommendation to the Commission on whether we should transition to an annual fuel factor adjustment for the cooperatives from the current fluctuating monthly fuel charge, and if so, how such a transition should occur.

(3) BARC shall provide tariffs, reflecting among other things BARC's proposed purchased power cost allocation and Staff's proposal to allocate all A&G costs to the G&T function, and terms and conditions of service to the Division of Energy Regulation that conform to this Order and all applicable Commission Rules and Regulations one hundred fifty (150) days prior to its implementation of retail choice.

(4) This case is hereby dismissed, and the papers shall be placed in the file for ended causes.

CASE NO. PUE010003
DECEMBER 19, 2001

APPLICATION OF
KENTUCKY UTILITIES COMPANY

For approval of a functional separation plan

FINAL ORDER

On December 29, 2000, Kentucky Utilities Company (the "Company"), filed with the State Corporation Commission ("Commission") an application for approval of the Company's plan for functional separation of its generation assets from its retail transmission and distribution assets. This application was submitted pursuant to § 56-590 B of the Virginia Electric Utility Restructuring Act (the "Act"), Chapter 23 (§ 56-576 et seq.) of Title 56 of the Code of Virginia (the "Code"), and the Commission's Regulations Governing the Functional Separation of Incumbent Electric Utilities Under the Virginia Electric Utility Restructuring Act (the "Functional Separation Rules"), 20 VAC 5-202-10 et seq.

The Act requires each incumbent electric utility in Virginia to submit a plan for the functional separation of the utility's generation, transmission, and distribution assets and operations. The Functional Separation Rules govern the relationships between affiliated functionally separated entities, the Commission's oversight of such affiliated companies, and the requirements of the functional separation plans submitted by each incumbent electric utility.

The Company, which conducts business in Virginia under the name Old Dominion Power ("ODP"), stated in its application that, with the exception of one 500 kV transmission line, all of ODP's generation and transmission assets are located in Kentucky and are subject to the jurisdiction of the Kentucky Public Service Commission ("Kentucky PSC").[1] The Company argued that legally and practically it cannot functionally separate its assets related to its Virginia load nor transfer them to an affiliated entity. ODP suggested in its application, however, that it can achieve the goals and objectives of the Act without functional separation.

First, ODP proposed to operate under the guidelines set forth by the 1999 Kentucky General Assembly in Kentucky House Bill 897 which imposes a code of conduct on the relationship between regulated entities and unregulated affiliates and establishes specific reporting requirements. Second, ODP proposed to file with the Commission the reports it is required to file with the Kentucky PSC. Third, ODP stated that it would continue to operate pursuant to the Services Agreement approved by the Commission in Motion of Kentucky Utilities Company, For order regarding allocation factors, Case No. PUA000050. Finally, ODP filed a cost of service study and revised tariff sheets to unbundle retail rates into transmission and distribution components to be available on and after January 1, 2002.

On February 5, 2001, the Commission issued an Order for Notice and Inviting Comments and Requests for Hearing that established the procedural schedule for this matter. The Company was directed to publish notice of its application and to serve notice on local officials,[2] and dates were established for filing comments and/or requests for hearing.[3] In addition, the Order directed the Commission Staff ("Staff") to review the application and to file a report presenting its findings and recommendations.[4]

On August 27, 2001, Staff filed its Report. Staff recommended that the Commission:

(1) Approve the Company's plan as modified by the changes recommended by Staff in the Report;

[1] ODP has local and sub-transmission facilities, a 500/161 kV substation and 161 kV and 69 kV lines, in Virginia. As discussed later in this Order, such facilities are classified as distribution.

[2] On March 30, 2001, the Company filed proof of notice in compliance with our February 5, 2001, Order.

[3] No comments or requests for hearing were filed by the respective March 30, 2001, and April 6, 2001, deadlines.

[4] On June 7, 2001, Staff filed a motion to extend the deadline for filing the Staff Report from June 27, 2001, to August 27, 2001, and to establish September 10, 2001, as the deadline for the Company to file any comments in response to the Staff Report. On June 12, 2001, the Commission entered an order granting the motion for extension.

(2) Adopt Staff's jurisdictional adjustments to ODP's per books cost of service study as reflected by Attachment I to the Staff Report, Attachment II to the Staff Report which shows a breakdown of revenue and expense by function incorporating Staff adjustments, and Attachment III to the Staff Report which shows breakdown of rate base allocated to the function incorporating Staff's adjustment to the Report;

(3) Adopt the Staff's adjusted rate design methodology to maintain actual rate of return by rate schedules as reflected by Attachments IV and V to the Staff Report and to reflect Staff's recommended shift the difference between the Federal Energy Regulatory Commission ("FERC") based transmission revenue requirement and the Virginia retail class transmission revenue requirement from the unbundled distribution rates to capped generation rates; and

(4) Require, when the Company enters into competitive services in Virginia, ODP to file a code of conduct outlining its plan to comply with the Virginia requirements governing affiliate and/or division relationships and to file any waivers necessary or desired.

Following the filing of the Staff Report, Staff and the Company entered into discussions regarding Staff Recommendation (3). Staff made this recommendation based on Staff's objection to KU's proposal to shift the difference between the FERC and Virginia transmission revenue requirements to the distribution function instead of the generation function. Staff recommended that KU recompute its rates consistent with a per class adjustment from distribution to generation contained in the Staff Report.

Upon review of the Staff Report, KU noted that in the functionally separated cost of service study submitted in its original application, the Company's local and sub-transmission facilities in Virginia, consisting of a 500/161 kV substation and 161 kV and 69 kV lines, were identified separately under the transmission function. While allocated to the transmission function in the cost study, the cost associated with those facilities was assigned to the unbundled distribution rates in the Company application consistent with Commission approved historical allocation of such facilities to the Virginia bundled distribution function.

On October 9, 2001, KU filed comments and an amended application with the Commission containing revised responses to Staff interrogatories and revised attachments to support the reclassification of the 500/161 kV substation and 161 kV and 69 kV lines to distribution facilities.[5] Classified pursuant to FERC guidelines, the Company's 500 kV line remained in the transmission function. The difference between the FERC and Virginia transmission revenue requirements was incorporated into the generation, rather than the distribution, function.

On November 8, 2001, Staff filed, on behalf of itself and the Company, a Stipulation setting forth the parties' agreement on the reassignment of the local and sub-transmission facilities and their inclusion as part of the distribution function in the unbundled rate design. As noted above, the Company's 500 kV line remains assigned to the transmission function. The Stipulation also notes the incorporation of the transmission revenue requirement difference into the generation function. The parties agree to revised interrogatory responses and corresponding revised attachments amending the Company's application. The parties also accept revised Attachments to the Staff Report submitted by the Company. Finally, the Stipulation contains revised rate schedules that Staff and the Company urge the Commission to adopt.

NOW THE COMMISSION, having considered the Staff Report and the Stipulation filed herein, is of the opinion and finds that the Stipulation should be accepted, and that the recommendations contained in the Staff Report as modified by the Stipulation should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The Stipulation filed by Staff and the Company is hereby accepted.

(2) The recommendations contained in the Staff Report as modified by the Stipulation are hereby adopted.

(3) The Company's plan for functional separation is approved as modified herein.

(4) The Company's revised rate schedules attached to the Stipulation as Exhibit 1 are hereby accepted.

(5) This case is closed, and the papers shall be placed in the file for ended causes.

[5] On September 14, 2001, the Commission granted the Company's motion to extend the deadline for filing its comments to September 28, 2001. On September 28, 2001, the Commission granted the Company's motion for a further extension to October 9, 2001.

CASE NO. PUE010004
DECEMBER 18, 2001

APPLICATION OF
MECKLENBURG ELECTRIC COOPERATIVE

For approval of a functional separation plan

FINAL ORDER

On December 29, 2000, Mecklenburg Electric Cooperative ("Mecklenburg" or the "Cooperative"), filed an application for State Corporation Commission ("Commission") approval of the Cooperative's plan for functional separation ("Plan") as required by the Virginia Electric Utility Restructuring Act ("the Act"), Chapter 23 of Title 56 of the Code of Virginia (§ 56-576 et seq.). The Act requires that the Commission complete its review of proposed plans of separation by January 1, 2002, and that transition to competition be implemented according to a timeline established by the Commission. Pursuant to an Order issued on March 30, 2001, in Case No. PUE000740, the Commission established January 1, 2004, as the deadline for Mecklenburg and other electric cooperatives to provide full retail access for their customers.

The Commission promulgated rules[1] for functional separation as required by the Act. These Rules require the Cooperative to file a Plan that includes a cost of service study separating the Virginia jurisdictional operations into functions: generation, transmission, and distribution, subdivided by class and specifically identifying the costs associated with metering and billing. The Rules also require that the Plan include proposed unbundled rates, tariffs, and terms and conditions for service. Requests for waiver from the required submission of documents under the various sections of the Rules are also permitted.

In its application, the Cooperative stated that it is currently functionally separated. It does not own or control any generation or transmission facilities, nor does it own or control any affiliated entity that owns or controls generation or transmission facilities. Instead, Mecklenburg purchases all of its requirements for demand, energy, transmission and ancillary services through contracts with Old Dominion Electric Cooperative and Southeastern Power Administration. As such, Mecklenburg stated that it had no plans to divest itself of any generation assets, to create any new functionally separate entity, or to propose to transfer any functions, services, or employees to a functionally separate entity or third party. The Cooperative filed a cost of service study which included proposed unbundled rates to illustrate the Cooperative's rate unbundling. In its application, the Cooperative requested a waiver of the requirement of 20 VAC 5-202-40 B 7 a of the Rules that its cost of service be based on a test year beginning no earlier than January 1, 1999.[2] The Cooperative also requested that the Commission waive the requirement of 20 VAC 5-202-40 B 8 of the Rules to file unbundled tariff rates and terms and conditions of service with the Cooperative's functional separation plan and that such waiver extend until the conclusion of this proceeding so it can finalize and submit such filings in compliance with the final order.

In an Order dated April 4, 2001, in this proceeding, the Commission directed the Cooperative to provide notice to the public and established a procedural schedule for the filing of comments or requests for hearing on Mecklenburg's application. In that Order, the Commission directed its Staff to investigate the application and file a Report detailing its findings and recommendations on or before July 20, 2001. The Commission also granted Mecklenburg's request for a waiver. However, the Commission required the Cooperative to file tariff terms and conditions of service in time for the Commission to consider them and to require notice, if necessary and appropriate, prior to the Cooperative's implementation of retail choice to its customers.

On June 4, 2001, AES NewEnergy, Inc. ("AES") filed a Notice of Protest and request for hearing in this matter. Specifically, AES requested that a hearing schedule be established to consider issues relating to the allocation of certain costs to the generation and transmission ("G&T") functions, a dual billing option for suppliers, wires charge calculations, and the terms and conditions of service included in any rate tariff or supplier coordination agreement.

On July 20, 2001, Staff filed its Report wherein it recommended that the Commission approve Mecklenburg's Plan with the adoption of certain modifications recommended by Staff. Specifically, Staff recommended that the Commission adopt the following: Staff's recommendation to consolidate the Cooperative's G&T functions into one function;[3] Staff's adjustments to the Cooperative's per books cost of service study; Staff's allocations of expense and rate base to the G&T function; Staff's recommendation that the Commission direct the Cooperative to track the costs associated with G&T operations; and Staff's recommendation that the Commission direct Mecklenburg to provide tariff rates and terms and conditions of service in time for full consideration by the Commission.

On August 1, 2001, AES withdrew its request for hearing in this case, stating that it lacked sufficient resources to participate in hearings in every electric cooperative case in the Commonwealth of Virginia, and instead would focus its resources in Case No. PUE010007, Rappahannock Electric Cooperative's application for approval of a functional separation plan.

On August 3, 2001, AES submitted comments on Mecklenburg's application. In its comments, AES stated that it supports all of Staff's recommendations. In particular, it agrees with Staff's assertion that the components of the Cooperative's unbundled rates identified as G&T are derived solely from the bundled wholesale power rates paid to the Cooperative's generation suppliers, the Old Dominion Electric Cooperative and the Southeastern Power Administration and supports the additional cost allocation proposed by Staff. Further, AES recommended an allocation of operational costs for billing and collection and customer support costs based on Staff's proposed unbundled operating expense factor.

Also on August 3, 2001, Mecklenburg filed its Response to Staff's Report. In its Response, the Cooperative stated that although it supports Staff's recommendation that the G&T functions be combined, it does not agree with Staff's recommendations pertaining to functional cost assignment. Mecklenburg requests that the Commission find that its administrative and general ("A&G") expenses and associated overheads are properly assignable to the distribution function because the rate paid by Mecklenburg to Old Dominion Electric Cooperative for power supply and transmission services includes a component for A&G expenses. Mecklenburg argued that assigning its A&G and overheads to G&T would, in effect, add a second layer of such costs to the generation component. Further, Mecklenburg argues that in its role as the local distribution service provider, it is required by the Act to provide default generation service under its capped rates. According to Mecklenburg, supplying default generation services provides a benefit available for all consumers on Mecklenburg's distribution system, including those consumers who may choose an alternative power supplier. Mecklenburg further stated that the responsibility bestowed on it to provide default service is a function of its role as the distribution utility. Thus, the Cooperative urges the Commission to reject Staff's proposal to assign A&G costs to the G&T functions.

With regard to Staff's recommendations concerning uncollectible expense, customer deposits, and interest on customer deposits, Mecklenburg agreed that a portion of these expenses should be attributed to G&T, but took issue with the Staff's method of allocation. Specifically, the Cooperative disagreed with Staff's methodology of using a three-year net charge off rate to normalize the level of uncollectible expense in its cost of service. Mecklenburg argues that Staff's uncollectibles expense methodology is inappropriate because an abnormal write off of an industrial customer occurred in 1997. The Cooperative proposes using the test year's net charge off ratio to derive a normalized expense. Mecklenburg also disagreed with Staff's proposals regarding assignment of costs relating to conservation advertising and load management to the G&T function. Further, the Cooperative also requested that the Commission not require it to track costs purportedly associated with G&T operations as proposed by Staff.

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[1] Commission's Regulations Governing the Functional Separation of Incumbent Electric Utilities under the Virginia Electric Utility Restructuring Act ("Rules"), 20 VAC 5-202-10 et seq., adopted in Case No. PUA000029.

[2] Staff did not oppose use of the Cooperative's proposed test year of calendar year 1998.

[3] Staff noted that the Cooperative does not anticipate providing transmission service to customers who shop for energy.

On September 20, 2001, Staff filed a motion for leave to file a Reply to Mecklenburg's Response, and its Reply. The Commission granted this motion on October 30, 2001, and permitted the Cooperative to respond to Staff's Reply by November 16, 2001. In its Reply, Staff maintained its position that A&G costs should be allocated to G&T and that if these costs are shifted to Distribution, rates established for Distribution will subsidize those of G&T, contrary to § 56-590 D of the Code of Virginia, which requires the Commission to set rates that will not result in cost shifting or cross-subsidies between functional units. Staff also believes that it is appropriate to allocate payroll and related overheads based on an A&G labor factor, and has used a total labor factor to allocate other A&G costs.

Staff also reiterated its proposal to functionalize a portion of uncollectible expense, customer deposits and interest on customer deposits, conservation advertising costs and all costs associated with Mecklenburg's load management programs to G&T. In addition, Staff disagreed with Mecklenburg on (i) the proper ratio to use to allocate a portion of uncollectible expense, customer deposits, and interest on customer deposits to G&T, and (ii) the class or classes to which load management costs should be allocated.

Mecklenburg filed its response to the Staff's Reply on November 16, 2001. In its response, Mecklenburg maintained that failure to attribute additional A&G expenses to the generation function does not result in cost-shifting or cross-subsidization of functionally separate units. In addition, Mecklenburg urged the Commission to consider its unique statutory obligation to provide default services in Virginia. The Cooperative continued to agree with Staff that a portion of uncollectible expense, customer deposits, and interest on customer deposits should be assigned to the G&T function, but stated that the ratio used should be based on G&T revenues as a percentage of total revenues. With regard to conservation advertising and load management costs, the Cooperative maintained its position that all conservation advertising and 50% of load management costs should be considered part of the distribution function.

NOW THE COMMISSION, having considered the Cooperative's application, Staff's Report, the subsequent pleadings, and applicable law, is of the opinion and finds that the application should be approved, subject to the modifications detailed herein. We will also grant Mecklenburg's request for a waiver of 20 VAC 5-202-40 B 7 a of the Rules.

With respect to the issue of the proper allocation of A&G costs supporting the procurement of wholesale power, we find that the Commission has an obligation pursuant to § 56-590 D of the Code of Virginia to see that no cross-subsidies occur. The function causing the cost should be allocated such costs. A&G costs associated with the procurement of wholesale power support the G&T function, and as such, should not be allocated to the Distribution function. We will, therefore, accept Staff's adjustment allocating certain A&G costs associated with obtaining wholesale power to the Cooperative's G&T function. Further, we accept Staff's functional allocation of payroll and related overheads based on the A&G labor factor.

There are two ways that a cooperative may recover A&G costs associated with the procurement of wholesale power. If a customer remains with the cooperative, the cooperative will recover such costs from the customer. If the customer leaves the cooperative, and the embedded cost of generation exceeds the market, the cooperative will have the opportunity to recover the cost through the wires charge.

We likewise agree with Staff that the allocation factor for uncollectible expense, customer deposits, and interest on customer deposits should be based on each function's relative level of operating expense. We believe this is a reasonable approach in this situation as total G&T expense must be calculated in order to determine the level of G&T revenues, and operating expenses can be used to simulate unbundled revenue.

With regard to the costs for conservation advertising and load management, we find that these costs should be fully allocated to G&T, and that load management and related costs should be allocated across all customer classes, not just the residential class. Both the conservation advertising and load management costs are clearly related to generation, not distribution. The goal of conservation advertising is to reduce energy usage, thereby having a direct impact on generation and purchased power costs. Load management switches installed for peak shaving are a G&T component because they allow the Cooperative to decrease its power costs by negotiating better rates from the supplier, and the Cooperative would not have load management switches simply for distribution purposes. Further, we agree with Staff that since all customers share in the benefits of lower wholesale power bills, all customers should share the costs, not just the residential class.

With respect to the level of uncollectibles expense in cost of service incurred by Mecklenburg, we agree with the Cooperative's position that using the test year's net charge off ratio to derive a normalized expense is the appropriate methodology for normalizing the level of uncollectibles expense in the cost of service.

AES proposed in its comments an allocation of billing and collection and customer service costs to G&T. We find that the allocation of billing and collection should be limited to the incremental costs of providing billing information to and coordinating with competitive service providers. We find that customer accounts should be allocated based on the activity that gives rise to the costs, rather than the general unbundled operating expense factor. While information for determining the preferred functional allocation of these costs is not available, the use of the unbundled operating expense factor as a proxy would overstate the portion of these costs supporting G&T. We therefore find that there should be no allocation of billing and collection and customer service costs at this time.

We find that G&T costs, as defined in this Order, should be tracked prospectively by the Cooperative in order to ensure accurate functional allocations in any future proceedings before the Commission. We also direct the Cooperative to begin tracking the incremental costs associated with billing and collection costs, as well as the activities that give rise to the customer service and legal and regulatory costs.

Finally, in its cost of service study, Mecklenburg discusses the impact of its monthly fuel adjustment factor in relation to the determination of the market price for generation and the wires charge. It is the Cooperative's position that fuel adjustments can be applied monthly without violating §§ 56-582 and 56-583 of the Code of Virginia. We are not persuaded by the Cooperative's argument on this point. However, because it is not necessary that we resolve this issue prior to January 1, 2002, we will defer our consideration of it until next year. In the interim, we direct Staff to (i) consult with Mecklenburg, the other electric cooperatives, and any other interested parties on this issue and (ii) submit a written recommendation to the Commission on or before March 1, 2002, on whether we should implement an annual fuel factor adjustment for the cooperatives in lieu of the current fluctuating monthly fuel charge.

Accordingly, IT IS ORDERED THAT:

(1) Mecklenburg's Plan for functional separation pursuant to the Virginia Electric Utility Restructuring Act is hereby approved, subject to the modifications discussed herein.

(2) Mecklenburg's request for waiver of 20 VAC 5-202-40 B 7 a requiring that its cost of service be based on a test year beginning no earlier than January 1, 1999, is granted.

(3) On or before March 1, 2002, the Staff shall submit a written recommendation to the Commission on whether we should transition to an annual fuel factor adjustment for the cooperatives from the current fluctuating monthly fuel charge, and if so, how such a transition should occur.

(4) Mecklenburg shall provide tariffs and terms and conditions of service to the Division of Energy Regulation that conform to this Order and all applicable Commission Rules and Regulations one hundred fifty (150) days prior to its implementation of retail choice.

(5) This case is hereby dismissed, and the papers shall be placed in the file for ended causes.

CASE NO. PUE010005
DECEMBER 18, 2001

APPLICATION OF
NORTHERN VIRGINIA ELECTRIC COOPERATIVE

For approval of a functional separation plan

FINAL ORDER

On December 29, 2000, Northern Virginia Electric Cooperative ("NOVEC" or the "Cooperative"), filed an application for State Corporation Commission ("Commission") approval of the Cooperative's plan for functional separation ("Plan") as required by the Virginia Electric Utility Restructuring Act ("the Act"), Chapter 23 of Title 56 of the Code of Virginia (§ 56-576 et seq.) The Act requires that the Commission complete its review of proposed plans of separation by January 1, 2002, and that transition to competition be implemented according to a timeline established by the Commission. Pursuant to an Order issued on March 30, 2001, in Case No. PUE000740, the Commission established January 1, 2004, as the deadline for NOVEC and other electric cooperatives to provide full retail access for their customers.

The Commission promulgated rules[1] for functional separation as required by the Act. These Rules require the Cooperative to file a Plan that includes a cost of service study separating the Virginia jurisdictional operations into functions: generation, transmission, and distribution, subdivided by class and specifically identifying the costs associated with metering and billing. The Rules also require that the Plan include proposed unbundled rates, tariffs, and terms and conditions for service. Requests for waiver from the required submission of documents under the various sections of the Rules are also permitted.

In its application, the Cooperative stated that it is currently functionally separated. It does not own or control any generation or transmission facilities, nor does it own or control any affiliated entity that owns or controls generation or transmission facilities. Instead, NOVEC purchases all of its requirements for demand, energy, transmission and ancillary services through contracts with Old Dominion Electric Cooperative and Southeastern Power Administration. As such, NOVEC stated that it had no plans to divest itself of any generation assets, to create any new functionally separate entity, or to propose to transfer any functions, services, or employees to a functionally separate entity or third party. The Cooperative filed a cost of service study, which included proposed unbundled rates to illustrate the Cooperative's rate unbundling. In its application, the Cooperative requested that the Commission waive the requirement of 20 VAC 5-202-40 B 8 of the Rules to file unbundled tariff rates and terms and conditions of service with the Cooperative's functional separation plan. The Cooperative also requested that the waiver extend until the conclusion of this proceeding so it can finalize and submit such filings in compliance with the final order.

In an Order dated April 2, 2001, in this proceeding, the Commission directed the Cooperative to provide notice to the public and established a procedural schedule for the filing of comments or requests for hearing on NOVEC's application. In that Order, the Commission directed its Staff to investigate the application and file a Report detailing its findings and recommendations on or before July 20, 2001. The Commission also granted NOVEC's request for a waiver. However, the Commission required the Cooperative to file tariff terms and conditions of service in time for the Commission to consider them and to require notice, if necessary and appropriate, prior to the Cooperative's implementation of retail choice to its customers.

On June 4, 2001, AES NewEnergy, Inc. ("AES") filed a Notice of Protest and request for hearing in this matter. Specifically, AES requested that a hearing schedule be established to consider issues relating to the allocation of certain costs to the generation and transmission ("G&T") functions, a dual billing option for suppliers, wires charge calculations, and the terms and conditions of service included in any rate tariff or supplier coordination agreement.

On July 20, 2001, Staff filed its Report wherein it recommended that the Commission approve NOVEC's Plan with the adoption of certain modifications recommended by Staff. Specifically, Staff recommended that the Commission adopt the following: Staff's recommendation to consolidate the Cooperative's G&T functions into one function;[2] Staff's adjustments to the Cooperative's per books cost of service study; Staff's allocations of expense and rate base to the G&T function; Staff's recommendation that the Commission direct the Cooperative to track the costs associated with G&T operations; and Staff's recommendation that the Commission direct NOVEC to provide tariff rates and terms and conditions of service in time for full consideration by the Commission.

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[1] Commission's Regulations Governing the Functional Separation of Incumbent Electric Utilities under the Virginia Electric Utility Restructuring Act ("Rules"), 20 VAC 5-202-10 et seq., adopted in Case No. PUA000029.

[2] Staff noted that the Cooperative does not anticipate providing transmission service to customers who shop for energy.

On August 1, 2001, AES withdrew its request for hearing in this case, asserting that it lacked sufficient resources to participate in hearings in every electric cooperative case in the Commonwealth of Virginia, and instead would focus its resources in Case No. PUE010007, Rappahannock Electric Cooperative's application for approval of a functional separation plan.

On August 3, 2001, AES submitted comments on NOVEC's application. In its comments, AES stated that it supports all of the Staff's recommendations. In particular, it agrees with Staff's assertion that the components of the Cooperative's unbundled rates identified as G&T are derived solely from the bundled wholesale power rates paid to the Cooperative's generation suppliers, the Old Dominion Electric Cooperative and the Southeastern Power Authority and supports the additional cost allocation proposed by Staff. Further, AES recommended an allocation of operational costs for billing and collection, and customer support costs based on Staff's proposed unbundled operating expense factor.

Also on August 3, 2001, NOVEC filed its Response to the Staff Report. In its Response, the Cooperative stated that although it supports Staff's recommendation that the G&T functions be combined, it does not agree with Staff's recommendations pertaining to functional cost assignment. NOVEC requests that the Commission find that its administrative and general ("A&G") expenses and associated overheads are properly assignable to the distribution function because the rate paid by NOVEC to Old Dominion Electric Cooperative for power supply and transmission services includes a component for A&G expenses. NOVEC argued that assigning it's A&G and overheads to G&T would, in effect, add a second layer of such costs to the generation component. Further, NOVEC argues that in its role as the local distribution service provider, it is required by the Act to provide default generation service under its capped rates. According to NOVEC, supplying default generation services provides a benefit available for all consumers on NOVEC's distribution system, including those consumers who may choose an alternative power supplier. NOVEC further stated that the responsibility bestowed on it to provide default service is a function of its role as the distribution utility. Thus, the Cooperative urges the Commission to reject Staff's proposal to assign A&G costs to the G&T functions.

With regard to the Staff's recommendations concerning uncollectible expense, customer deposits, and interest on customer deposits, NOVEC agreed that a portion of these expenses should be attributed to G&T, but took issue with the Staff's method of allocation. NOVEC also disagreed with the Staff's assignment of costs relating to load management to the G&T function.

On September 18, 2001, the Staff filed a motion for leave to file a Reply to NOVEC's Response, and its Reply. The Commission granted this motion on October 30, 2001, and permitted the Cooperative to respond to the Staff's Reply by November 16, 2001. In response to NOVEC's assertion that certain A&G costs should be allocated to Distribution, the Staff maintained its position that if these costs are shifted to Distribution, rates established for Distribution will subsidize those of G&T, contrary to § 56-590 D of the Code of Virginia, which requires the Commission to set rates that will not result in cost shifting or cross-subsidies between functional units. The Staff also believes that it is appropriate to allocate payroll and related overheads based on an A&G labor factor, and has used a total labor factor to allocate other A&G costs.

The Staff also reiterated its proposal to functionalize a portion of uncollectible expense, customer deposits and interest on customer deposits, and all costs associated with NOVEC's load management programs to G&T. In addition, the Staff disagreed with NOVEC on (i) the proper ratio to use to allocate a portion of uncollectible expense, customer deposits, and interest on customer deposits to G&T, and (ii) the class or classes to which load management costs should be allocated.

NOVEC filed its response to Staff's comments on November 16, 2001. In its response, NOVEC maintained that failure to attribute additional A&G expenses to the generation function does not result in cost-shifting or cross-subsidization of functionally separate units. In addition, NOVEC urged the Commission to consider its unique statutory obligation to provide default services in Virginia. The Cooperative continued to agree with Staff that a portion of uncollectible expense, customer deposits, and interest on customer deposits be assigned to the G&T function, but stated that the ratio used should be based on G&T revenues as a percentage of total revenues. With regard to load management costs, the Cooperative maintained its position that at least 50% of these costs should be considered part of the distribution function.

NOW THE COMMISSION, having considered the Cooperative's application, Staff's Report, the subsequent pleadings, and applicable law, is of the opinion and finds that the application should be approved, subject to the modifications detailed herein.

With respect to the issue of the proper allocation of A&G costs supporting the procurement of wholesale power, we find that the Commission has an obligation pursuant to § 56-590 D of the Code of Virginia to see that no cross-subsidies occur. The function causing the cost should be allocated such costs. A&G costs associated with the procurement of wholesale power support the G&T function, and as such, should not be allocated to the Distribution function. We will, therefore, accept Staff's adjustment allocating certain A&G costs associated with obtaining wholesale power to the Cooperative's G&T function. Further, we accept Staff's functional allocation of payroll and related overheads based on the A&G labor factor.

There are two ways that a cooperative may recover A&G costs associated with the procurement of wholesale power. If a customer remains with the cooperative, the cooperative will recover such costs from the customer. If the customer leaves the cooperative, and the embedded cost of generation exceeds the market, the cooperative will have the opportunity to recover the cost through the wires charge.

We likewise agree with Staff that the allocation factor for uncollectible expense, customer deposits, and interest on customer deposits should be based on each function's relative level of operating expense. We believe this is a reasonable approach in this situation as total G&T expense must be calculated in order to determine the level of G&T revenues, and operating expenses can be used to simulate unbundled revenue.

With regard to the costs for load management, we find that these costs should be fully allocated to G&T, and that load management and related costs should be allocated across all customer classes, not just the residential class. The load management costs are clearly related to generation, not distribution. Load management switches installed for peak shaving are a G&T component because they allow the Cooperative to decrease its power costs by negotiating better rates from the supplier, and the Cooperative would not have load management switches simply for distribution purposes. Further, we agree with Staff that since all customers share in the benefits of lower wholesale power bills, all customers should share the costs, not just the residential class.

AES proposed in its comments an allocation of billing and collection and customer service costs to G&T. We find that the allocation of billing and collection should be limited to the incremental cost of providing billing information to and coordinating with competitive service providers. We find that customer accounts should be allocated based on the activity that gives rise to the cost, rather than the general unbundled operating expense factor. While information for determining the preferred functional allocation of these costs is not available, the use of the unbundled operating expense factor as a

proxy would overstate the portion of these costs supporting G&T. We therefore find that there should be no allocation of billing and collection and customer service costs at this time.

We find that G&T costs, as defined in this Order, should be tracked prospectively by the Cooperative in order to ensure accurate functional allocations in any future proceedings before the Commission. We also direct the Cooperative to begin tracking the incremental costs associated with billing and collection costs, as well as the activities that give rise to the customer service and legal and regulatory costs.

Finally, in its cost of service study, NOVEC discusses the impact of its monthly fuel adjustment factor in relation to the determination of the market price for generation and the wires charge. It is the Cooperative's position that fuel adjustments can be applied monthly without violating §§ 56-582 and 56-583 of the Code of Virginia. We are not persuaded by the Cooperative's argument on this point. However, because it is not necessary that we resolve this issue prior to January 1, 2002, we will defer our consideration of it until next year. In the interim, we direct the Staff to (i) consult with NOVEC, the other electric cooperatives and any other interested parties on this issue and (ii) submit a written recommendation to the Commission on or before March 1, 2002, on whether we should implement an annual fuel factor adjustment for the cooperatives in lieu of the current fluctuating monthly fuel charge.

Accordingly, IT IS ORDERED THAT:

(1) NOVEC's Plan for functional separation pursuant to the Virginia Electric Utility Restructuring Act is hereby approved, subject to the modifications discussed herein.

(2) On or before March 1, 2002, the Staff shall submit a written recommendation to the Commission on whether we should transition to an annual fuel factor adjustment for the cooperatives from the current fluctuating monthly fuel charge, and if so, how such a transition should occur.

(3) NOVEC shall provide tariffs and terms and conditions of service to the Division of Energy Regulation that conform to this Order and all applicable Commission Rules and Regulations one hundred fifty (150) days prior to its implementation of retail choice.

(4) This case is hereby dismissed, and the papers shall be placed in the file for ended causes.

CASE NO. PUE010006
DECEMBER 18, 2001

APPLICATION OF
NORTHERN NECK ELECTRIC COOPERATIVE

For approval of a functional separation plan

FINAL ORDER

On December 29, 2000, Northern Neck Electric Cooperative ("Northern Neck" or the "Cooperative"), filed an application for State Corporation Commission ("Commission") approval of the Cooperative's plan for functional separation ("Plan") as required by the Virginia Electric Utility Restructuring Act ("the Act"), Chapter 23 of Title 56 of the Code of Virginia (§ 56-576 et seq.) The Act requires that the Commission complete its review of proposed plans of separation by January 1, 2002, and that transition to competition be implemented according to a timeline established by the Commission. Pursuant to an Order issued on March 30, 2001, in Case No. PUE000740, the Commission established January 1, 2004, as the deadline for Northern Neck and other electric cooperatives to provide full retail access for their customers.

The Commission promulgated rules[1] for functional separation as required by the Act. These Rules require the Cooperative to file a Plan that includes a cost of service study separating the Virginia jurisdictional operations into functions: generation, transmission, and distribution, subdivided by class and specifically identifying the costs associated with metering and billing. The Rules also require that the Plan include proposed unbundled rates, tariffs, and terms and conditions for service. Requests for waiver from the required submission of documents under the various sections of the Rules are also permitted.

In its application, the Cooperative stated that it is currently functionally separated. It does not own or control any generation or transmission facilities, nor does it own or control any affiliated entity that owns or controls generation or transmission facilities. Instead, Northern Neck purchases all of its requirements for demand, energy, transmission and ancillary services through contracts with Old Dominion Electric Cooperative and Southeastern Power Administration. As such, Northern Neck stated that it had no plans to divest itself of any generation assets, to create any new functionally separate entity, or to propose to transfer any functions, services, or employees to a functionally separate entity or third party. The Cooperative filed a cost of service study, which included proposed unbundled rates to illustrate the Cooperative's rate unbundling. In its application, the Cooperative requested that the Commission waive the requirement of 20 VAC 5-202-40 B 8 of the Rules to file unbundled tariff rates and terms and conditions of service with the Cooperative's functional separation plan. The Cooperative also requested that the waiver extend until the conclusion of this proceeding so it can finalize and submit such filings in compliance with the final order.

In an Order dated March 2, 2001, in this proceeding, the Commission directed the Cooperative to provide notice to the public and established a procedural schedule for the filing of comments or requests for hearing on Northern Neck's application. In that Order, the Commission directed its Staff to investigate the application and file a Report detailing its findings and recommendations on or before July 9, 2001. The Commission also granted Northern Neck's request for a waiver. However, the Commission required the Cooperative to file tariff terms and conditions of service in time for the Commission to consider them and to require notice to the public, if necessary and appropriate, prior to the Cooperative's implementation of retail choice to its customers.

[1] Commission's Regulations Governing the Functional Separation of Incumbent Electric Utilities under the Virginia Electric Utility Restructuring Act ("Rules"), 20 VAC 5-202-10 et seq., adopted in Case No. PUA000029.

On June 4, 2001, AES NewEnergy, Inc. ("AES") filed a Notice of Protest and request for hearing in this matter. Specifically, AES requested that a hearing schedule be established to consider issues relating to the allocation of certain costs to the generation and transmission ("G&T") functions, a dual billing option for suppliers, wires charge calculations, and the terms and conditions of service included in any rate tariff or supplier coordination agreement.

On July 9, 2001, Staff filed its Report wherein it recommended that the Commission approve Northern Neck's Plan with the adoption of certain modifications recommended by Staff. Specifically, Staff recommended that the Commission adopt the following: Staff's recommendation to consolidate the Cooperative's G&T functions into one function;[2] Staff's adjustments to the Cooperative's per books cost of service study; Staff's allocations of expense and rate base to the G&T function; Staff's recommendation that the Commission direct the Cooperative to track the costs associated with G&T operations; and Staff's recommendation that the Commission direct Northern Neck to provide tariff rates and terms and conditions of service in time for full consideration by the Commission.

On July 23, 2001, Northern Neck filed its Response to the Staff Report. In its Response, the Cooperative stated that although it supports Staff's recommendation that the G&T functions be combined, it does not agree with Staff's recommendations pertaining to functional cost assignment. Northern Neck requests that the Commission find that its administrative and general ("A&G") expenses and associated overheads are properly assignable to the distribution function because the rate paid by Northern Neck to Old Dominion Electric Cooperative for power supply and transmission services includes a component for A&G expenses. Northern Neck argued that assigning its A&G and overheads to G&T would, in effect, add a second layer of such costs to the generation component. Further, Northern Neck argued that in its role as the local distribution service provider, it is required by the Act to provide default generation service under its capped rates. According to Northern Neck, supplying default generation services provides a benefit available for all consumers on Northern Neck's distribution system, including those consumers who may choose an alternative power supplier. Northern Neck further stated that the responsibility bestowed on it to provide default service is a function of its role as the distribution utility. Thus, the Cooperative urges the Commission to reject Staff's proposal to assign A&G costs to the G&T functions.

With regard to the Staff's recommendations concerning uncollectible expense, customer deposits, and interest on customer deposits, Northern Neck agreed that a portion of these expenses should be attributed to G&T, but took issue with the Staff's method of allocation. Northern Neck also disagreed with the Staff's assignment of load management costs to the G&T function.

On August 1, 2001, AES filed a Motion to Withdraw its Request for Hearing.[3]

On August 15, 2001, the Staff filed a Response to Northern Neck's comments on the Staff Report. In response to Northern Neck's assertion that certain A&G costs should be allocated to Distribution, the Staff maintained its position that if these costs are shifted to Distribution, rates established for Distribution will subsidize those of G&T, contrary to § 56-590 D of the Code of Virginia, which requires the Commission to set rates that will not result in cost shifting or cross-subsidies between functional units.

The Staff also reiterated its proposal to functionalize a portion of uncollectible expense, customer deposits, interest on customer deposits, and all costs associated with Northern Neck's load management programs to G&T. In addition, the Staff disagreed with Northern Neck on (i) the proper ratio to use to allocate a portion of uncollectible expense, customer deposits, and interest on customer deposits to G&T, and (ii) the class or classes to which load management costs should be allocated.

Northern Neck filed its response to the Staff's comments on October 5, 2001. In its response, Northern Neck maintained that failure to attribute additional A&G expenses to the generation function does not result in cost-shifting or cross-subsidization of functionally separate units. In addition, Northern Neck urged the Commission to consider its unique statutory obligation to provide default services in Virginia. The Cooperative continued to agree with Staff that a portion of uncollectible expense, customer deposits, and interest on customer deposits be assigned to the G&T function, but stated that the ratio used should be based on G&T revenues as a percentage of total revenues. With regard to load management costs, the Cooperative maintained its position that 50% of these costs should be considered part of the distribution function. Northern Neck stated it would modify its system of tracking costs, after a final decision is made with regard to what constitutes G&T function costs.

NOW THE COMMISSION, having considered the Cooperative's application, Staff's Report, the subsequent pleadings, and applicable law, is of the opinion and finds that the application should be approved, subject to the modifications detailed herein.

With respect to the issue of the proper allocation of A&G costs supporting the procurement of wholesale power, we find that the Commission has an obligation pursuant to § 56-590 D of the Code of Virginia to see that no cross-subsidies occur. The function causing the cost should be allocated such costs. A&G costs associated with the procurement of wholesale power support the G&T function, and as such, should not be allocated to the Distribution function. We will, therefore, accept Staff's adjustment allocating certain A&G costs associated with obtaining wholesale power to the Cooperative's G&T function.

There are two ways that a cooperative may recover A&G costs associated with the procurement of wholesale power. If a customer remains with the cooperative, the cooperative will recover such costs from the customer. If the customer leaves the cooperative, and the embedded cost of generation exceeds the market, the cooperative will have the opportunity to recover the cost through the wires charge.

We likewise agree with Staff that the allocation factor for uncollectible expense, customer deposits, and interest on customer deposits should be based on each function's relative level of operating expense. We believe this is a reasonable approach in this situation as total G&T expense must be calculated in order to determine the level of G&T revenues, and operating expenses can be used to simulate unbundled revenue.

With regard to the costs for load management, we find that these costs should be fully allocated to G&T and should be allocated across all customer classes, not just the residential class. Load management switches installed for peak shaving are a G&T component because they allow the Cooperative to decrease its power costs by negotiating better rates from the supplier, and the Cooperative would not have load management switches simply

[2] Staff noted that the Cooperative does not anticipate providing transmission service to customers who shop for energy.

[3] The Commission granted this motion on August 21, 2001.

for distribution purposes. Further, we agree with Staff that since all customers share in the benefits of lower wholesale power bills, all customers should share the costs, not just the residential class.

We find that G&T costs, as defined in this Order, should be tracked prospectively by the Cooperative in order to ensure accurate functional allocations in any future proceedings before the Commission. We also direct the Cooperative to begin tracking the incremental costs associated with billing and collection costs, as well as the activities that give rise to the customer service and legal and regulatory costs.

Finally, although the issue of the impact of the Cooperative's monthly fuel adjustment factor in relation to the determination of the market price for generation and the wires charge was not raised directly in this case, it is a common issue with respect to cooperatives. Some cooperatives have taken the position that fuel adjustments can be applied monthly without violating §§ 56-582 and 56-583 of the Code of Virginia. We are not persuaded by the cooperatives' argument on this point. However, because it is not necessary that we resolve this issue prior to January 1, 2002, we will defer our consideration of it until next year. In the interim, we direct the Staff to (i) consult with Northern Neck, the other electric cooperatives, and any other interested parties on this issue and (ii) submit a written recommendation to the Commission on or before March 1, 2002, on whether we should implement an annual fuel factor adjustment for the cooperatives in lieu of the current fluctuating monthly fuel charge.

Accordingly, IT IS ORDERED THAT:

(1) Northern Neck's Plan for functional separation pursuant to the Virginia Electric Utility Restructuring Act is hereby approved, subject to the modifications discussed herein.

(2) On or before March 1, 2002, the Staff shall submit a written recommendation to the Commission on whether we should transition to an annual fuel factor adjustment for the cooperatives from the current fluctuating monthly fuel charge, and if so, how such a transition should occur.

(3) Northern Neck shall provide tariffs and terms and conditions of service to the Division of Energy Regulation that conform to this Order and all applicable Commission Rules and Regulations one hundred fifty (150) days prior to its implementation of retail choice.

(4) This case is hereby dismissed, and the papers shall be placed in the file for ended causes.

CASE NO. PUE010007
DECEMBER 18, 2001

APPLICATION OF
RAPPAHANNOCK ELECTRIC COOPERATIVE

For approval of a functional separation plan

FINAL ORDER

On December 29, 2000, Rappahannock Electric Cooperative ("Rappahannock" or the "Cooperative"), filed an application for State Corporation Commission ("Commission") approval of the Cooperative's plan for functional separation ("Plan") as required by the Virginia Electric Utility Restructuring Act ("the Act"), Chapter 23 of Title 56 of the Code of Virginia (§ 56-576 et seq.) The Act requires that the Commission complete its review of proposed plans of separation by January 1, 2002, and that transition to competition be implemented according to a timeline established by the Commission. Pursuant to an Order issued on March 30, 2001, in Case No. PUE000740, the Commission established January 1, 2004, as the deadline for Rappahannock and other electric cooperatives to provide full retail access for their customers.

The Commission promulgated rules[1] for functional separation as required by the Act. These Rules require the Cooperative to file a Plan that includes a cost of service study separating the Virginia jurisdictional operations into functions: generation, transmission, and distribution, subdivided by class and specifically identifying the costs associated with metering and billing. The Rules also require that the Plan include proposed unbundled rates, tariffs, and terms and conditions for service. Requests for waiver from the required submission of documents under the various sections of the Rules are also permitted.

In its application, the Cooperative stated that it is currently functionally separated. It does not own or control any generation or transmission facilities, nor does it own or control any affiliated entity that owns or controls generation or transmission facilities. Instead, Rappahannock purchases all of its requirements for demand, energy, transmission and ancillary services through contracts with Old Dominion Electric Cooperative and Southeastern Power Administration. As such, Rappahannock stated that it had no plans to divest itself of any generation assets, to create any new functionally separate entity, or to propose to transfer any functions, services, or employees to a functionally separate entity or third party. The Cooperative filed a cost of service study, which included proposed unbundled rates to illustrate the Cooperative's rate unbundling. In its application, the Cooperative requested that the Commission waive the requirement of 20 VAC 5-202-40 B 8 of the Rules to file unbundled tariff rates and terms and conditions of service with the Cooperative's functional separation plan. The Cooperative also requested that the waiver extend until the conclusion of this proceeding so it can finalize and submit such filings in compliance with the final order.

In an Order dated March 19, 2001, in this proceeding, the Commission directed the Cooperative to provide notice to the public and established a procedural schedule for the filing of comments or requests for hearing on Rappahannock's application. In that Order, the Commission directed its Staff to investigate the application and file a Report detailing its findings and recommendations on or before July 20, 2001. The Commission also granted Rappahannock's request for a waiver. However, the Commission required the Cooperative to file tariff terms and conditions of service in time for the Commission to consider them and to require notice, if necessary and appropriate, prior to the Cooperative's implementation of retail choice to its customers.

[1] Commission's Regulations Governing the Functional Separation of Incumbent Electric Utilities under the Virginia Electric Utility Restructuring Act ("Rules"), 20 VAC 5-202-10 et seq., adopted in Case No. PUA000029.

On June 4, 2001, AES NewEnergy, Inc. ("AES") filed a Notice of Protest and request for hearing in this matter. Specifically, AES requested that a hearing schedule be established to consider issues relating to the allocation of certain costs to the generation and transmission ("G&T") functions, a dual billing option for suppliers, wires charge calculations, and the terms and conditions of service included in any rate tariff or supplier coordination agreement.

On July 20, 2001, Staff filed its Report wherein it recommended that the Commission approve Rappahannock's Plan with the adoption of certain modifications recommended by Staff. Specifically, Staff recommended that the Commission adopt the following: Staff's recommendation to consolidate the Cooperative's G&T functions into one function;[2] Staff's adjustments to the Cooperative's per books cost of service study; Staff's allocations of expense and rate base to the G&T function; Staff's recommendation that the Commission direct the Cooperative to track the costs associated with G&T operations; and Staff's recommendation that the Commission direct Rappahannock to provide tariff rates and terms and conditions of service in time for full consideration by the Commission.

On August 3, 2001, AES filed a request for additional time for discovery in this matter, and thereafter an opportunity for further comments and reply comments. AES stated that the awarding of additional time for discovery would eliminate the need for a hearing in this matter. By Order dated August 29, 2001, the Commission granted AES additional time for discovery, and permitted additional comments to be filed by AES, the Staff and Rappahannock.

Also on August 3, 2001, Rappahannock filed its Response to the Staff Report. In its Response, the Cooperative stated that although it supports Staff's recommendation that the G&T functions be combined, it did not agree with Staff's recommendations pertaining to functional cost assignment. Rappahannock requested that the Commission find that its administrative and general ("A&G") expenses and associated overheads are properly assignable to the distribution function because the rate paid by Rappahannock to Old Dominion Electric Cooperative for power supply and transmission services includes a component for A&G expenses. Rappahannock argued that assigning its A&G and overheads to G&T would, in effect, add a second layer of such costs to the generation component. Further, Rappahannock argued that in its role as the local distribution service provider, it is required by the Act to provide default generation service under its capped rates. According to Rappahannock, supplying default generation services provides a benefit available for all consumers on Rappahannock's distribution system, including those consumers who may choose an alternative power supplier. Rappahannock further stated that the responsibility bestowed on it to provide default service is a function of its role as the distribution utility. Thus, the Cooperative urged the Commission to reject Staff's proposal to assign A&G costs to the G&T functions.

With regard to the Staff's recommendations concerning uncollectible expense, customer deposits, and interest on customer deposits, Rappahannock agreed that a portion of these expenses should be attributed to G&T, but took issue with the Staff's method of allocation. Rappahannock also disagreed with the Staff's assignment of costs relating to conservation advertising, the retail pilot program, and load management to the G&T function.

On October 5, 2001, AES submitted supplemental comments on Rappahannock's application. In its comments, AES stated that it supports all of the Staff's recommendations. In particular, it agreed with Staff's assertion that the components of the Cooperative's unbundled rates identified as G&T are derived solely from the bundled wholesale power rates paid to the Cooperative's generation suppliers, the Old Dominion Electric Cooperative and the Southeastern Power Administration. Further, AES recommended specific treatment for the following cost elements: wholesale supply costs, market and supply planning/supply purchase expenses, marketing expenses, billing expenses, collection expenses, customer service expenses, operational expenses, and regulatory and legal costs.

On October 12, 2001, the Staff filed a Response to Rappahannock's comments on the Staff Report and to the comments of AES. In response to Rappahannock's assertion that certain A&G costs should be allocated to Distribution, the Staff maintained its position that if these costs are shifted to Distribution, rates established for Distribution will subsidize those of G&T, contrary to § 56-590 D of the Code of Virginia, which requires the Commission to set rates that will not result in cost shifting or cross-subsidies between functional units. The Staff also believes that it is appropriate to allocate the payroll and related overheads based on an A&G labor factor, and has used a total labor factor to allocate other A&G costs.

The Staff also reiterated its proposal to functionalize a portion of uncollectible expense, customer deposits and interest on customer deposits, conservation advertising costs, retail access pilot program costs, and all costs associated with Rappahannock's load management programs to G&T. In addition, the Staff disagreed with Rappahannock on (i) the proper ratio to use to allocate a portion of uncollectible expense, customer deposits, and interest on customer deposits to G&T, and (ii) the class or classes to which load management costs should be allocated.

With regard to AES' proposals, the Staff believes AES' proposed 71.5% G&T allocator based on unbundled operating expenses for billing, customer service, and regulatory and legal expenses may be excessive. Further, the Staff stated that it has already allocated a portion of legal and regulatory costs located in the A&G accounts, and believes that if the Commission deems the remainder allocable, the methodology should be based on the activities that give rise to the costs, rather than on unbundled operating expenses. Finally, concerning the allocation of billing costs to G&T, the Staff disagreed with AES' proposal to use the unbundled operating expense ratio used by Staff to allocate uncollectible expense, finding it inappropriate and excessive.

Rappahannock filed its response to both the Staff's and AES' comments on October 19, 2001. In its response, Rappahannock maintained that failure to attribute additional A&G expenses to the generation function does not result in cost-shifting or cross-subsidization of functionally separate units. In addition, Rappahannock urged the Commission to consider its unique statutory obligation to provide default services in Virginia. The Cooperative continued to agree with Staff that a portion of uncollectible expense, customer deposits, and interest on customer deposits be assigned to the G&T function, but stated that the ratio used should be based on G&T revenues as a percentage of total revenues. With regard to conservation advertising, retail pilot program, and load management costs, the Cooperative maintained its position that all conservation advertising and retail pilot program costs, and 50% of load management costs should be considered part of the distribution function. In response to AES' comments, Rappahannock stated that it agrees with the Staff and supports the Staff's recommendations with regard to the proposals made by AES.

NOW THE COMMISSION, having considered the Cooperative's application, Staff's Report, the subsequent pleadings, and applicable law, is of the opinion and finds that the application should be approved, subject to the modifications detailed herein.

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[2] Staff noted that the Cooperative does not anticipate providing transmission service to customers who shop for energy.

With respect to the issue of the proper allocation of A&G costs supporting the procurement of wholesale power, we find that the Commission has an obligation pursuant to § 56-590 D of the Code of Virginia to see that no cross-subsidies occur. The function causing the cost should be allocated such costs. A&G costs associated with the procurement of wholesale power support the G&T function, and as such, should not be allocated to the Distribution function. We will, therefore, accept Staff's adjustment allocating certain A&G costs associated with obtaining wholesale power to the Cooperative's G&T function. Further, we accept Staff's functional allocation of labor overheads based on the A&G labor factor.

There are two ways that a cooperative may recover A&G costs associated with the procurement of wholesale power. If a customer remains with the cooperative, the cooperative will recover such costs from the customer. If the customer leaves the cooperative, and the embedded cost of generation exceeds the market, the cooperative will have the opportunity to recover the cost through the wires charge.

We likewise agree with Staff that the allocation factor for uncollectible expense, customer deposits, and interest on customer deposits should be based on each function's relative level of operating expense. We believe this is a reasonable approach in this situation as total G&T expense must be calculated in order to determine the level of G&T revenues, and operating expenses can be used to simulate unbundled revenue.

With regard to the costs for conservation advertising and load management, we find that these costs should be fully allocated to G&T, and that load management and related costs should be allocated across all customer classes, not just the residential class. Both the conservation advertising and load management costs are clearly related to generation, not distribution. The goal of conservation advertising is to reduce energy usage, thereby having a direct impact on generation and purchased power costs. Load management switches installed for peak shaving are a G&T component because they allow the Cooperative to decrease its power costs by negotiating better rates from the supplier, and the Cooperative would not have load management switches simply for distribution purposes. Further, we agree with Staff that since all customers share in the benefits of lower wholesale power bills, all customers should share the costs, not just the residential class.

With respect to the costs incurred by Rappahannock for its retail access pilot program, we agree with Rappahannock that the full test year level of costs should be allocated to the distribution function since the pilot was commenced to gain experience as a distributor.

AES proposed in its comments an allocation of billing and collection and customer service costs to G&T. We agree with Staff's response to this proposal that the allocation of billing and collection should be limited to the incremental cost of providing billing information to and coordinating with competitive service providers. We find that customer accounts should be allocated based on the activity that gives rise to the cost, rather than the general unbundled operating expense factor. While information for determining the preferred functional allocation of these costs is not available, the use of the unbundled operating expense factor as a proxy would overstate the portion of these costs supporting G&T. We therefore find that there should be no allocation of billing and collection and customer service costs at this time.

With respect to AES' recommendation that allocation of legal and regulatory expenses be made based on the level of unbundled operating expenses, we find that a portion of A&G legal and regulatory costs has already been allocated by the Staff. As the Staff stated, if additional specific legal and regulatory costs require allocating, the allocator should be based on the activity that gives rise to the cost, rather than the general unbundled operating expense factor.

We find that G&T costs, as defined in this Order, should be tracked prospectively by the Cooperative in order to ensure accurate functional allocations in any future proceedings before the Commission. We also direct the Cooperative to begin tracking the incremental costs associated with billing and collection costs, as well as the activities that give rise to the customer service and legal and regulatory costs.

Finally, in its cost of service study, Rappahannock discusses the impact of its monthly fuel adjustment factor in relation to the determination of the market price for generation and the wires charge. It is the Cooperative's position that fuel adjustments can be applied monthly without violating §§ 56-582 and 56-583 of the Code of Virginia. We are not persuaded by the Cooperative's argument on this point. However, because it is not necessary that we resolve this issue prior to January 1, 2002, we will defer our consideration of it until next year. In the interim, we direct the Staff to (i) consult with Rappahannock, the other electric cooperatives, and any other interested parties on this issue and (ii) submit a written recommendation to the Commission on or before March 1, 2002, on whether we should implement an annual fuel factor adjustment for the cooperatives in lieu of the current fluctuating monthly fuel charge.

Accordingly, IT IS ORDERED THAT:

(1) Rappahannock's Plan for functional separation pursuant to the Virginia Electric Utility Restructuring Act is hereby approved, subject to the modifications discussed herein.

(2) On or before March 1, 2002, the Staff shall submit a written recommendation to the Commission on whether we should transition to an annual fuel factor adjustment for the cooperatives from the current fluctuating monthly fuel charge, and if so, how such a transition should occur.

(3) Rappahannock shall provide tariffs and terms and conditions of service to the Division of Energy Regulation that conform to this Order and all applicable Commission Rules and Regulations one hundred fifty (150) days prior to its implementation of retail choice.

(4) This case is hereby dismissed, and the papers shall be placed in the file for ended causes.

CASE NO. PUE010008
DECEMBER 18, 2001

APPLICATION OF
A&N ELECTRIC COOPERATIVE

For approval of a functional separation plan pursuant to the Virginia Electric Utility Restructuring Act

FINAL ORDER

On December 29, 2000, A&N Electric Cooperative ("A&N" or the "Cooperative"), filed an application for State Corporation Commission ("Commission") approval of the Cooperative's plan for functional separation ("Plan") as required by the Virginia Electric Utility Restructuring Act ("the Act"), Chapter 23 of Title 56 of the Code of Virginia (§ 56-576 et seq.) The Act requires that the Commission complete its review of proposed plans of separation by January 1, 2002, and that transition to competition be implemented according to a timeline established by the Commission. Pursuant to an Order issued on March 30, 2001, in Case No. PUE000740, the Commission established January 1, 2004, as the deadline for A&N and other electric cooperatives to provide full retail access for their customers.

The Commission promulgated rules[1] for functional separation as required by the Act. These Rules require the Cooperative to file a Plan that includes a cost of service study separating the Virginia jurisdictional operations into functions: generation, transmission, and distribution, subdivided by class and specifically identifying the costs associated with metering and billing. The Rules also require that the Plan include proposed unbundled rates, tariffs, and terms and conditions for service. Requests for waiver from the required submission of documents under the various sections of the Rules are also permitted.

In its application, the Cooperative stated that it is currently functionally separated. Except for A&N's diesel generators, it does not own or control any generation or transmission facilities, nor does it own or control any affiliated entity that owns or controls generation or transmission facilities.[2] Instead, A&N purchases all of its requirements for demand, energy, transmission and ancillary services through contracts with Old Dominion Electric Cooperative. As such, A&N stated that it had no plans to divest itself of any generation assets, to create any new functionally separate entity, or to propose to transfer any functions, services, or employees to a functionally separate entity or third party. The Cooperative filed a cost of service study, which included proposed unbundled rates to illustrate the Cooperative's rate unbundling. In its application, the Cooperative requested that the Commission waive the requirement of 20 VAC 5-202-40 B 8 of the Rules to file unbundled tariff rates and terms and conditions of service with the Cooperative's functional separation plan. The Cooperative also requested that the waiver extend until the conclusion of this proceeding so it can finalize and submit such filings in compliance with the final order.

In an Order dated March 14, 2001, in this proceeding, the Commission directed the Cooperative to provide notice to the public and established a procedural schedule for the filing of comments or requests for hearing on A&N's application. In that Order, the Commission directed its Staff to investigate the application and file a Report detailing its findings and recommendations on or before June 29, 2001. The Commission also granted A&N's request for a waiver. However, the Commission required the Cooperative to file tariff terms and conditions of service in time for the Commission to consider them and to require notice, if necessary and appropriate, prior to the Cooperative's implementation of retail choice to its customers.

On June 4, 2001, AES NewEnergy, Inc. ("AES") filed a Notice of Protest and request for hearing in this matter. Specifically, AES requested that a hearing schedule be established to consider issues relating to the allocation of certain costs to the generation and transmission ("G&T") functions, a dual billing option for suppliers, wires charge calculations, the terms and conditions of service included in any rate tariff or supplier coordination agreement, and allocation of the energy from A&N's diesel generators among competitive suppliers and the Cooperative. On August 1, 2001, AES withdrew its request for hearing.

On June 29, 2001, Staff filed its Report wherein it recommended that the Commission approve A&N's Plan with the adoption of certain modifications recommended by Staff. Specifically, Staff recommended that the Commission adopt the following: Staff's recommendation to consolidate the Cooperative's G&T functions into one function;[3] Staff's adjustments to the Cooperative's per books cost of service study; Staff's allocations of expense and rate base to the G&T function; Staff's recommendation that the Commission direct the Cooperative to track the costs associated with G&T operations; and Staff's recommendation that the Commission direct A&N to provide tariff rates and terms and conditions of service in time for full consideration by the Commission.

On July 16, 2001, A&N filed its Response to the Staff Report. In its Response, the Cooperative stated that although it supports Staff's recommendation that the G&T functions be combined, it does not agree with Staff's recommendations pertaining to functional cost assignment. A&N objects to the Staff's assignment to G&T of all non-fuel costs associated with the Cooperative's diesel generators on Tangier Island, and the allocation of such costs to Schedules LP-B and LP-C. A&N noted that Tangier Island is isolated from the mainland and is supplied electricity by a single three-phase circuit consisting of submarine cables, which are sometimes out of service. A&N argued that the primary role and purpose of the diesel generators is to provide back-up service when the cables are out, and that it is likely the Cooperative would not have the diesel generators absent the reliability requirements

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[1] Commission's Regulations Governing the Functional Separation of Incumbent Electric Utilities under the Virginia Electric Utility Restructuring Act ("Rules"), 20 VAC 5-202-10 et seq., adopted in Case No. PUA000029.

[2] A&N stated in its application that it owns six diesel generators (4 of which are in service) that are positioned on Tangier Island and Smith Island in the Chesapeake Bay. The Cooperative stated that these generators are used on a stand-by basis, and help insure system reliability and provide system support on those islands, each of which is served by a single line from the mainland. A&N asserted that these generators operate primarily for distribution system reliability and support rather than to serve load, and it therefore regards them as distribution assets. The Cooperative stated it is not planning to functionally separate the nonfuel costs associated with these generators. Because Smith Island is in Maryland, only the generators on Tangier Island are at issue in this proceeding.

[3] Staff noted that the Cooperative does not anticipate providing transmission service to customers who shop for energy.

of Tangier Island. The Cooperative acknowledges that the generators are used to shave peak load, but maintains that only their fuel- related costs should be functionalized to G&T because the primary purpose the generators serve is to support A&N's distribution system.

A&N requests that the Commission find that its administrative and general ("A&G") expenses and associated overheads are properly assignable to the distribution function because the rate paid by A&N to Old Dominion Electric Cooperative for power supply and transmission services includes a component for A&G expenses. A&N argued that assigning its A&G and overheads to G&T would, in effect, add a second layer of such costs to the generation component. Further, A&N argued that in its role as the local distribution service provider, it is required by the Act to provide default generation service under its capped rates. According to A&N, supplying default generation services provides a benefit available for all consumers on A&N's distribution system, including those consumers who may choose an alternative power supplier. A&N further stated that the responsibility bestowed on it to provide default service is a function of its role as the distribution utility. Thus, the Cooperative urged the Commission to reject Staff's proposal to assign A&G costs to the G&T functions. Additionally, the Cooperative contends that should the Commission decide that certain A&G costs be allocated to G&T, that such allocations be based on a total labor factor.

With regard to the Staff's recommendations concerning uncollectible expense, customer deposits, and interest on customer deposits, A&N agreed that a portion of these expenses should be attributed to G&T, but took issue with the Staff's method of allocation. A&N also disagreed with the Staff's assignment of costs relating to conservation advertising, and load management to the G&T function.

On August 24, 2001, the Staff filed a motion for leave to file a Reply to A&N's Response to the Staff Report, and its Reply. The Commission granted this motion on September 26, 2001, and permitted the Cooperative to respond to the Staff's Reply by October 12, 2001. In its Reply, the Staff disagreed with A&N's position that non-fuel costs associated with the diesel generators be functionalized as Distribution costs. The Staff did not dispute that the generators are used primarily for back-up service and secondarily for peak-shaving. The Staff stated that A&N's objections appear to be with the Act which requires the separation of generation assets and prohibits cost-shifting or cross-subsidies between functionally separate units. Staff noted that whenever customers on Tangier Island are served by the diesel generators, whether as the result of the submarine cables being out of service or as part of peak shaving, the customers are receiving generation service and not distribution service. The Staff agreed with A&N, however, that costs associated the generators should not be allocated to schedules LP-B or LP-C.

In response to A&N's assertion that certain A&G costs should be allocated to Distribution, the Staff maintained its position that if these costs are shifted to Distribution, rates established for Distribution will subsidize those of G&T, contrary to § 56-590 D of the Code of Virginia, which requires the Commission to set rates that will not result in cost shifting or cross-subsidies between functional units. Regarding the Cooperative's argument addressing the proper allocation factor, Staff clarified that it allocated A&G overheads to G&T based on a modified total labor factor.

The Staff also reiterated its proposal to functionalize a portion of uncollectible expense, customer deposits and interest on customer deposits, conservation advertising costs, and all costs associated with A&N's load management programs to G&T. In addition, the Staff disagreed with A&N on (i) the proper ratio to use to allocate a portion of uncollectible expense, customer deposits, and interest on customer deposits to G&T, and (ii) the class or classes to which load management costs should be allocated.

A&N filed its response to the Staff's reply on October 12, 2001. In its response, the Cooperative continued to assert that non-fuel diesel generator costs should not be functionalized as G&T costs. A&N contended the key issue in functionalizing these costs is the primary use of the equipment, and that the generators in question serve primarily a reliability support function for distribution service.

A&N maintained in its response that failure to attribute additional A&G expenses to the generation function does not result in cost-shifting or cross-subsidization of functionally separate units. In addition, A&N urged the Commission to consider its unique statutory obligation to provide default services in Virginia. The Cooperative continued to agree with Staff that a portion of uncollectible expense, customer deposits, and interest on customer deposits be assigned to the G&T function, but stated that the ratio used should be based on G&T revenues as a percentage of total revenues. With regard to conservation advertising and load management costs, the Cooperative maintained its position that all conservation advertising and 50% of load management costs should be considered part of the distribution function. The Cooperative did not further address the issue regarding the proper allocation factor for A&G overheads.

NOW THE COMMISSION, having considered the Cooperative's application, Staff's Report, the subsequent pleadings, and applicable law, is of the opinion and finds that the application should be approved, subject to the modifications detailed herein.

We find that all of A&N's costs associated with its diesel generators must be allocated to the G&T function. The Cooperative's assertion that A&N's diesel generators might not exist absent the reliability requirements of Tangier Island does not change the fact that these units are in fact generation assets. All generation serves a distribution support function. As agreed by the Cooperative and the Staff, costs associated with the diesel generators should not be allocated to schedules LP-B and LP-C.

With respect to the issue of the proper allocation of A&G costs supporting the procurement of wholesale power, we find that the Commission has an obligation pursuant to § 56-590 D of the Code of Virginia to see that no cross-subsidies occur. The function causing the cost should be allocated such costs. A&G costs associated with the procurement of wholesale power support the G&T function, and as such, should not be allocated to the Distribution function. We will, therefore, accept Staff's adjustment allocating certain A&G costs associated with obtaining wholesale power to the Cooperative's G&T function. Further, we accept Staff's methodology for functional allocation of A&G overheads.

There are two ways that a cooperative may recover A&G costs associated with the procurement of wholesale power. If a customer remains with the cooperative, the cooperative will recover such costs from the customer. If the customer leaves the cooperative, and the embedded cost of generation exceeds the market, the cooperative will have the opportunity to recover the cost through the wires charge.

We likewise agree with Staff that the allocation factor for uncollectible expense, customer deposits, and interest on customer deposits should be based on each function's relative level of operating expense. We believe this is a reasonable approach in this situation as total G&T expense must be calculated in order to determine the level of G&T revenues, and operating expenses can be used to simulate unbundled revenue.

With regard to the costs for conservation advertising and load management, we find that these costs should be fully allocated to G&T, and that load management and related costs should be allocated across all customer classes, not just the residential class. Both the conservation advertising and load

management costs are clearly related to generation, not distribution. The goal of conservation advertising is to reduce energy usage, thereby having a direct impact on generation and purchased power costs. Load management switches installed for peak shaving are a G&T component because they allow the Cooperative to decrease its power costs by negotiating better rates from the supplier, and the Cooperative would not have load management switches simply for distribution purposes. Further, we agree with Staff that since all customers share in the benefits of lower wholesale power bills, all customers should share the costs, not just the residential class.

We find that G&T costs, as defined in this Order, should be tracked prospectively by the Cooperative in order to ensure accurate functional allocations in any future proceedings before the Commission. We also direct the Cooperative to begin tracking the incremental costs associated with billing and collection costs, as well as the activities that give rise to the customer service and legal and regulatory costs.

Finally, in its cost of service study, A&N discusses the impact of its monthly fuel adjustment factor in relation to the determination of the market price for generation and the wires charge. It is the Cooperative's position that fuel adjustments can be applied monthly without violating §§ 56-582 and 56-583 of the Code of Virginia. We are not persuaded by the Cooperative's argument on this point. However, because it is not necessary that we resolve this issue prior to January 1, 2002, we will defer our consideration of it until next year. In the interim, we direct the Staff to (i) consult with A&N, the other electric cooperatives, and any other interested parties on this issue and (ii) submit a written recommendation to the Commission on or before March 1, 2002, on whether we should implement an annual fuel factor adjustment for the cooperatives in lieu of the current fluctuating monthly fuel charge.

Accordingly, IT IS ORDERED THAT:

(1) A&N's Plan for functional separation pursuant to the Virginia Electric Utility Restructuring Act is hereby approved, subject to the modifications discussed herein.

(2) On or before March 1, 2002, the Staff shall submit a written recommendation to the Commission on whether we should transition to an annual fuel factor adjustment for the cooperatives from the current fluctuating monthly fuel charge, and if so, how such a transition should occur.

(3) A&N shall provide tariffs and terms and conditions of service to the Division of Energy Regulation that conform to this Order and all applicable Commission Rules and Regulations one hundred fifty (150) days prior to its implementation of retail choice.

(4) This case is hereby dismissed, and the papers shall be placed in the file for ended causes.

CASE NO. PUE010009
DECEMBER 18, 2001

APPLICATION OF
CRAIG-BOTETOURT ELECTRIC COOPERATIVE

For approval of a functional separation plan

FINAL ORDER

On December 29, 2000, Craig-Botetourt Electric Cooperative ("Craig-Botetourt" or the "Cooperative"), filed an application for State Corporation Commission ("Commission") approval of the Cooperative's plan for functional separation ("Plan") as required by the Virginia Electric Utility Restructuring Act ("the Act"), Chapter 23 of Title 56 of the Code of Virginia (§ 56-576 et seq.). The Act requires that the Commission complete its review of proposed plans of separation by January 1, 2002, and that transition to competition be implemented according to a timeline established by the Commission. Pursuant to an Order issued on March 30, 2001, in Case No. PUE000740, the Commission established January 1, 2004, as the deadline for Craig-Botetourt and other electric cooperatives to provide full retail access for their customers.

The Commission promulgated rules[1] for functional separation as required by the Act. These Rules require the Cooperative to file a Plan that includes a cost of service study separating the Virginia jurisdictional operations into functions: generation, transmission, and distribution, subdivided by class and specifically identifying the costs associated with metering and billing. The Rules also require that the Plan include proposed unbundled rates, tariffs, and terms and conditions for service. Requests for waiver from the required submission of documents under the various sections of the Rules are also permitted.

In its application, the Cooperative stated that it is currently functionally separated. It does not own or control any generation or transmission facilities, nor does it own or control any affiliated entity that owns or controls generation or transmission facilities. Instead, Craig-Botetourt purchases all of its requirements for demand, energy, transmission and ancillary services through contracts with Virginia Electric and Power Company, American Electric Power and Southeastern Power Administration. As such, Craig-Botetourt stated that it had no plans to divest itself of any generation assets, to create any new functionally separate entity, or to propose to transfer any functions, services, or employees to a functionally separate entity or third party. The Cooperative filed a cost of service study, which included proposed unbundled rates to illustrate the Cooperative's rate unbundling. In its application, the Cooperative requested that the Commission waive the requirement of 20 VAC 5-202-40 B 8 of the Rules to file unbundled tariff rates and terms and conditions of service with the Cooperative's functional separation plan. The Cooperative also requested that the waiver extend until the conclusion of this proceeding so it can finalize and submit such filings in compliance with the final order.

In an Order dated March 19, 2001, in this proceeding, the Commission directed the Cooperative to provide notice to the public and established a procedural schedule for the filing of comments or requests for hearing on Craig-Botetourt's application. In that Order, the Commission directed its Staff to investigate the application and file a Report detailing its findings and recommendations on or before July 20, 2001. The Commission also granted Craig-

[1] Commission's Regulations Governing the Functional Separation of Incumbent Electric Utilities under the Virginia Electric Utility Restructuring Act ("Rules"), 20 VAC 5-202-10 et seq., adopted in Case No. PUA000029.

Botetourt's request for a waiver. However, the Commission required the Cooperative to file tariff terms and conditions of service in time for the Commission to consider them and to require notice, if necessary and appropriate, prior to the Cooperative's implementation of retail choice to its customers.

On June 4, 2001, AES NewEnergy, Inc. ("AES") filed a Notice of Protest and request for hearing in this matter. Specifically, AES requested that a hearing schedule be established to consider issues relating to the allocation of certain costs to the generation and transmission ("G&T") functions, a dual billing option for suppliers, wires charge calculation, and the terms and conditions of service included in any rate tariff or supplier coordination agreement.

On July 20, 2001, Staff filed its Report wherein it recommended that the Commission approve Craig-Botetourt's Plan with the adoption of certain modifications recommended by Staff. Specifically, Staff recommended that the Commission adopt the following: Staff's recommendation to consolidate the Cooperative's G&T functions into one function;[2] Staff's adjustments to the Cooperative's per books cost of service study; Staff's allocations of expense and rate base to the G&T function; Staff's recommendation that the Commission direct the Cooperative to track the costs associated with G&T operations; and Staff's recommendation that the Commission direct Craig-Botetourt to provide tariff rates and terms and conditions of service in time for full consideration by the Commission.

On August 1, 2001, AES withdrew its request for hearing in this case, asserting that it lacked sufficient resources to participate in hearings in every electric cooperative case, and instead intended to focus its resources in Case No. PUE010007, Rappahannock Electric Cooperative's application for approval of functional separation plan.

On August 3, 2001, Craig-Botetourt filed its Response to the Staff Report. In its Response, the Cooperative stated that although it supports Staff's recommendation that the G&T functions be combined, it does not agree with Staff's recommendations pertaining to functional cost assignment. Craig-Botetourt requests that the Commission find that its administrative and general ("A&G") expenses and associated overheads are properly assignable to the distribution function. The Cooperative states that the Commission should recognize that the price paid by Craig-Botetourt to Virginia Electric and Power Company/American Electric Power/Southeastern Power Administration already includes an A&G component and urged the Commission to reject Staff's proposal to assign additional A&G costs to the G&T functions. Further, Craig-Botetourt argued that in its role as the local distribution service provider, it is required by the Act to provide default generation service under its capped rates. According to Craig-Botetourt, supplying default generation services provides a benefit available for all consumers on Craig-Botetourt's distribution system, including those consumers who may choose an alternative power supplier. Craig-Botetourt further stated that the responsibility bestowed on it to provide default service is a function of its role as the distribution utility. Thus, the Cooperative urges the Commission to reject Staff's proposal to assign A&G costs to the G&T functions.

With regard to the Staff's recommendations concerning uncollectible expense, customer deposits, and interest on customer deposits, Craig-Botetourt agreed that a portion of these expenses should be attributed to G&T, but took issue with the Staff's method of allocation. The Cooperative also noted that the Staff improperly assigned a demand charge of $4.01 per kW to G&T in addition to the $.04197 per kWh already assigned for Large Power-Schedule CP-8, and stated that the demand charge should be zero.

On August 27, 2001, the Staff filed a motion for leave to file a Reply to Craig-Botetourt's Response, and its Reply. The Commission granted this motion on October 3, 2001, and permitted the Cooperative to respond to the Staff's Reply by October 25, 2001. In its Reply, the Staff argues that A&G costs should be allocated to G&T, stating that Craig-Botetourt itself incurs certain A&G expenses to support the procurement of wholesale power. Staff also states that if certain A&G costs associated with wholesale power are shifted to the Distribution function, rates established for Distribution will subsidize those of G&T, contrary to § 56-590 D of the Code, which requires the Commission to set rates that will not result in cost shifting or cross-subsidies between functional units. The Staff also believes that it is appropriate to allocate payroll and related overheads based on an A&G labor factor, and has used a total labor factor to allocate other A&G costs. The Staff responded to Craig-Botetourt's argument regarding the allocation of a portion of uncollectible expense to G&T, stating that because it did not have unbundled revenues with which to make allocations, it used G&T expenses before uncollectible expense as a percent of total operating expenses. The Staff agreed with the Cooperative that it improperly allocated a demand charge of $4.01 per kW to G&T for Large Power-Schedule CP-8, and agreed that the G&T demand charge should be zero.

On October 25, 2001, Craig-Botetourt filed its Response to the Staff's Reply in which it maintained its position that failure to attribute additional A&G expenses to the generation function does not result in cost-shifting between or cross-subsidization of functionally separate units. The Cooperative argues that payments to its generation and transmission providers already include an A&G component, and therefore the Commission should reject Staff's proposal to shift additional A&G costs to the G&T function. The Cooperative also reiterated its position regarding the proper ratio for allocation of uncollectible expense, customer deposits, and interest on customer deposits. Craig-Botetourt stated that the unbundled revenues developed in this proceeding should serve as the basis to assign these expenses and deposits in the correct manner.

NOW THE COMMISSION, having considered the Cooperative's application, Staff's Report, the subsequent pleadings, and applicable law, is of the opinion and finds that the application should be approved, subject to the modifications detailed herein.

With respect to the issue of the proper allocation of A&G costs supporting the procurement of wholesale power, we find that the Commission has an obligation pursuant to § 56-590 D of the Code of Virginia to see that no cross-subsidies occur. The function causing the cost should be allocated such costs. A&G costs associated with the procurement of wholesale power support the G&T function, and as such, should not be allocated to the Distribution function. We will, therefore, accept Staff's adjustment allocating certain A&G costs associated with obtaining wholesale power to the Cooperative's G&T function. Further, we accept Staff's functional allocation of labor overheads based on the A&G labor factor.

There are two ways that a cooperative may recover A&G costs associated with the procurement of wholesale power. If a customer remains with the cooperative, the cooperative will recover such costs from the customer. If the customer leaves the cooperative, and the embedded cost of generation exceeds the market, the cooperative will have the opportunity to recover the cost through the wires charge.

We likewise agree with Staff that the allocation factor for uncollectible expense, customer deposits, and interest on customer deposits should be based on each function's relative level of operating expense. We believe this is a reasonable approach in this situation as total G&T expense must be calculated in order to determine the level of G&T revenues, and operating expenses can be used to simulate unbundled revenue.

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[2] Staff noted that the Cooperative does not anticipate providing transmission service to customers who shop for energy.

We find that G&T costs, as defined in this Order, should be tracked prospectively by the Cooperative in order to ensure accurate functional allocations in any future proceedings before the Commission. We also direct the Cooperative to begin tracking the incremental costs associated with billing and collection costs, as well as the activities that give rise to the customer service and legal and regulatory costs.

Craig-Botetourt, through its Wholesale Power Cost Adjustment ("WPCA"), flows through to its consumers changes to fuel charges. Like other cooperatives, these fuel charges fluctuate monthly. As permitted in § 56-582 B(iv), Craig-Botetourt may also flow changes in its base wholesale power cost charges as they occur, through base rate riders. These riders will also affect the Cooperative's generation costs. It is the Cooperative's position that fuel adjustments can be applied monthly without violating §§ 56-582 and 56-583 of the Code of Virginia, and that changes in purchased wholesale power costs will be passed through monthly under the Cooperative's WPCA clause. We are not persuaded by the Cooperative's argument on this point. However, because it is not necessary that we resolve this issue prior to January 1, 2002, we will defer our consideration of it until next year. In the interim, we direct the Staff to (i) consult with Craig-Botetourt, the other electric cooperatives, and any other interested parties on this issue and (ii) submit a written recommendation to the Commission on or before March 1, 2002, on whether we should implement an annual fuel factor adjustment or WPCA for the cooperatives in lieu of the current fluctuating monthly fuel charge.

Accordingly, IT IS ORDERED THAT:

(1) Craig-Botetourt's Plan for functional separation pursuant to the Virginia Electric Utility Restructuring Act is hereby approved, subject to the modifications discussed herein.

(2) On or before March 1, 2002, the Staff shall submit a written recommendation to the Commission on whether we should transition to an annual fuel factor adjustment for the cooperatives from the current fluctuating monthly fuel charge, and if so, how such a transition should occur.

(3) Craig-Botetourt shall provide tariffs and terms and conditions of service to the Division of Energy Regulation that conform to this Order and all applicable Commission Rules and Regulations on hundred fifty (150) days prior to its implementation of retail choice.

(4) This case is hereby dismissed, and the papers shall be placed in the file for ended causes.

CASE NO. PUE010011
DECEMBER 18, 2001

APPLICATION OF
APPALACHIAN POWER COMPANY d/b/a AMERICAN ELECTRIC POWER-VIRGINIA

For approval of functional separation plan

ORDER ON FUNCTIONAL SEPARATION

On January 3, 2001, the Appalachian Power Company d/b/a American Electric Power-Virginia ("AEP-VA" or the "Company") filed with the State Corporation Commission ("Commission") an application pursuant to Virginia Code § 56-590 B of the Virginia Electric Utility Restructuring Act (the "Act") and §§ 56-88 through 56-90 of the Utility Transfers Act ("Transfers Act"). Virginia Code § 56-590 B requires each incumbent electric utility to submit a plan for the functional separation of the utility's generation, transmission and distribution assets and operations. Requests to transfer control or operation of utility facilities must also be processed according to the Transfers Act.

AEP-VA's plan involved the corporate separation of its generation assets and operations from its transmission and distribution assets and operations. AEP-VA proposed to form a non-regulated generation company, called Genco, to which the Company would transfer all generation-related operations and assets that it and its subsidiaries owned or held. The stock of Genco, in return, would be distributed to AEP-VA. The Company would then make a tax-free distribution to its corporate parent, America Electric Power Company, Inc. ("AEP"), of the Genco stock. Genco would be a subsidiary of a proposed, first-tier, wholly owned subsidiary of AEP, initially called "Holdco." AEP-VA would retain all its existing debt until the post-transfer capital structures of Genco and AEP-VA could be established. Genco would operate as an Exempt Wholesale Generator ("EWG"), not subject to regulation by the Commission.[1] The plan also called for the Commission to make certain findings required by the Public Utility Holding Company Act ("PUHCA") as necessary to effect the proposed plan. Finally, because information about certain aspects of its proposed plan were not known at the time of the filing of the application, AEP-VA requested waivers of certain filing requirements set out in our rules.

During its 2001 session, the Virginia General Assembly had before it and eventually enacted substantial revisions to portions of the Act that directly bear upon AEP-VA's filings. Accordingly, processing of AEP-VA's application was deferred, pending resolution of the legislative initiatives.

On April 11, 2001, we issued our Order for Notice and Hearing, which established the procedural schedule for this matter and described the application and plan in more particular detail.[2] The Company was directed to publish notice of its application in newspapers of general circulation throughout its service territory, and dates were established for filing protests and pre-filed direct and rebuttal testimony and for a public hearing to receive evidence and testimony on the application. The Order responded to the Company's waiver requests and, because the filing lacked a multitude of details needed by the Commission to rule upon the Company proposal, further directed AEP-VA to file all information necessary to effect a functional separation by divisions. In addition, the Order directed the Commission Staff ("Staff") to convene a meeting of all parties in the case on or before July 13 for the purpose of exploring the possibilities for narrowing the issues for hearing through settlement or stipulation.

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[1] Alternatively, the Company proposed that if corporate separation of the generation assets could not be accomplished, then the transmission and distribution assets instead would be transferred out of AEP-VA, which would retain the generation assets only.

[2] That Order may be found at http://www.state.va.us/scc/caseinfo/pue/case/e010011.pdf.

On May 15, 2001, as directed in the Order, AEP-VA supplemented its filing by submitting information needed to effect a plan of functional separation by division, as opposed to the corporate separation plan proffered in its application.

On July 3, 2001, the Staff filed a motion requesting that it be permitted to reschedule the initial prehearing conference until a date on or before August 31, 2001. Staff noted that AEP-VA had notified it that AEP would soon make a filing before the Federal Energy Regulatory Commission ("FERC") that would affect this proceeding. AEP proposed in its FERC filing to make substantial changes to the wholesale power supply agreement that historically governed relations among its operating companies, including AEP-VA. On July 13, 2001, we entered an order granting the motion for extension.

This matter was brought on for hearing on October 29, 2001. Appearances were entered by Anthony J. Gambardella, Esquire, H. Allen Glover, Esquire, and James R. Bacha, Esquire, for the Company; by Thomas B. Nicholson, Esquire, for the Town of Wytheville, Virginia, and the Virginia Association of Counties/Virginia Mutual League Appalachian Power Company Steering Committee ("Local Governments"); by Robert M. Gillespie, Esquire, for the Virginia Cable Telecommunications Association; by Edward L. Petrini, Esquire, for the Old Dominion Committee for Fair Utility Rates; by John F. Dudley, Esquire, for the Office of Attorney General, Division of Consumer Counsel; and by William H. Chambliss, Esquire, Arlen K. Bolstad, Esquire, and Rebecca W. Hartz, Esquire, for the Commission Staff. Ms. Irene Leech, President of the Virginia Citizens Consumer Council, appeared as a public witness.

At the hearing, the Staff and parties reported that they had been meeting for the purpose of discussing settlement and the narrowing of the issues, had reached conclusions and agreements as to some issues, and intended to continue discussions following the receipt of opening statements and the testimony of certain witnesses whose travel schedules required accommodation.

At the outset of the second scheduled day of hearing, the Staff and several parties offered two stipulations intended to resolve nearly all issues pending among them. One document effected a resolution of the manner of functional separation and the other effected a resolution of the rate unbundling issues, with limited exceptions discussed below. Copies of the Stipulations are appended hereto, but the salient features of each are as follows:

Functional Separation Stipulation. The signatories to this Stipulation agreed that:

(1) On and after January 1, 2002, AEP-VA will continue the current functional separation of its distribution, transmission and generation functions by division and operate under the terms of its Supplemental Filing (Functional Separation Plan) filed May 15, 2001;

(2) AEP-VA will not impose any wires charge during calendar year 2002;

(3) There will be a further inquiry into the terms and conditions for the proposed transfer of generation assets to an affiliate, to be conducted during calendar year 2002. This inquiry will examine, among other things, conditions necessary for the maintenance of reliable electric service and the development of an effectively competitive market for generation services; and

(4) AEP-VA will continue to use its best efforts to provide reliable service and to minimize generation costs to its retail customers.

Rate Unbundling Stipulation. The signatories to this Stipulation agreed that:

(1) Unbundled generation, transmission and distribution revenues should be those set forth on Exhibit 1, and as described in Paragraph 1.a., of the Stipulation;

(2) The Company's proposed rate designs, except as modified in Paragraph 1.b. of the Stipulation, should be adopted;

(3) The Standard and Open Access Distribution tariffs filed by the Company should be approved, as specifically revised by Paragraph 1.c of the Stipulation;

(4) The fees established in Paragraph 1.d of the Stipulation are reasonable and should be adopted, if the Commission finds the fees to be permissible under the Act;

(5) The Company will file a report regarding the replacement of power from the outage at the Cook Nuclear Power Plant by July 1, 2002; and

(6) Three issues remain to be contested—extension of service provisions, interval metering requirements, and the assignment of net generation related regulatory assets.

The signatories to both documents reserved all rights in all other pending matters both federal and state, and requested that we adopt the Stipulations in whole or, if not, allow any party to withdraw from its agreement and present evidence and testimony. All parties to the proceeding (except the Local Governments) and the Staff signed both documents. Later in the proceeding a third Stipulation, in which the parties agreed that the Company would make no change in its fuel factor recovery mechanism or its specific fuel factor for calendar year 2002, was offered. This document, too, was signed by the Staff and all parties other than the Local Governments, whose counsel offered a statement that these parties did not oppose the Commission's consideration of all the Stipulations. A copy of this last Stipulation is also attached. Evidence was received during the hearing only as to the issues identified in the Rate Unbundling Stipulation as unresolved.

NOW THE COMMISSION, having considered the evidence of record, the Stipulations offered herein, and the applicable statutes and rules, finds that the Stipulations are reasonable and in the public interest and should be adopted in full. With regard to the remaining contested issues, the Commission finds as follows:

Extension of service provisions. Nearly every utility, including AEP-VA, requires its customers to contribute toward the cost of extending the lines or pipes necessary to provide service, under certain defined conditions. In its application, AEP-VA proposed a significant revision in its line extension policies that would increase the amount of customer-contributed funds for extension of service facilities.

In its current tariffs, AEP-VA provides free service extensions up to 1000 feet for residential customers. Past 1000 feet, customers must pay any clearing costs in excess of $100 per customer to be served by the extension. For certain commercial customers, the free extension length is 150 feet, with extensions beyond this based upon an economic formula that compares the expected cost of the extension to the expected annual, non-fuel revenue that will result from the extension, multiplied by an annual carrying cost amount.

AEP-VA proposed that all its residential and relevant commercial connections should be determined through application of the formula. It also further proposed that only distribution related revenues be included in the formula's consideration. Previously, expected revenue from all functional components had been included in the calculation of any customer contribution under the formula.

The Commission finds that AEP-VA's proposal to amend its line extension policy should be denied. Under Code § 56-582, the rates for all customer services are capped[3] at the levels in effect as of July 1, 1999, unless a utility filed a rate application before January 1, 2001; AEP-VA did not do so. The capped rate provisions of Code § 56-582 are broad and encompass the rates for extension of service facilities. Further, the Company did not show that it would actually face any significant loss of revenue in the immediate future. Should it prove necessary, § 56-582 C of the Act does permit AEP-VA to apply for a distribution rate adjustment in 2004.

Interval Metering. The Company has proposed that customers with maximum monthly billing demands of 200 kW or greater be obligated to install interval metering if they take service from a competitive supplier. The Company cited as a rationale for this requirement that it would otherwise have no adequate way to profile the load characteristics of any particular departing customer and the process of market settlement might be less than perfectly accurate if the customer's hour-by-hour load is unknown. We are not persuaded that AEP-VA customers who shop for electricity from competitive suppliers should be required to install interval metering. While some incremental improvement in settlements may result, the requirement that departing customers pay $300 for an interval meter, plus additional monthly fees for maintenance of a dedicated business telephone line to permit instantaneous meter reading is discriminatory and would also have an anticompetitive effect. The Company does not require its remaining customers at 200 kW or greater to install such metering because it has developed representative load profiles for such customers based on "scientific selection." The Company has not made a sufficient showing that departing customers, if any, will have load characteristics sufficiently different from remaining similarly sized customers to merit this disparate treatment at this time. We will permit AEP-VA to offer interval metering to any customer that requests this service at the rates set forth in the rate unbundling stipulation.

Assignment of net generation related regulatory assets. Section 56-590 of the Code requires that we direct the separation of each incumbent electric utility's generation, transmission and distribution functions. This provision of the Act further requires that we establish rules prohibiting cost-shifting or cross-subsidies between functionally separate units. AEP-VA has requested that its generation related regulatory assets nonetheless be recategorized as and included within its distribution costs. The Company proposes this treatment for fear that accounting conventions will require the write-off of these costs from its books, on the argument that recovery of these costs is no longer assured by operation of regulated rates. We are not unsympathetic to the Company's position, but find that the Restructuring Act provisions cited above require that we reject it. All costs associated with the generation function must be assigned to the generation function.

While this assignment of costs to the generation function is dictated by the Act, it should not necessitate the write-off of the costs, which the Company wishes to avoid. First, Code § 56-577 A 3 provides that after January 1, 2002, generation will no longer be regulated "except as provided in this chapter." Similarly, Code § 56-581 A states that generation rates are not regulated *except* "subject to the provisions of this chapter after the date of customer choice[.]" The unbundled rates for generation that we approve in this proceeding pursuant to the Act are an example of continued regulation. The rates are based upon the Company's most recent cost of service study and should provide AEP-VA with a fair opportunity to recover all generation expenses, including the amortization of its regulatory assets. Further, any loss of sales resulting from competition may also be mitigated by the wires charge permitted by § 56-583 of the Act. Specifically, all power not sold to customers that choose to take service from a competitor may be sold on the open market. In addition, from now until 2007,[4] customers may be required to pay the Company a wires charge designed to recover any difference between the market price and the company's unbundled generation rate.[5] Further, by operation of the Stipulation and as provided by Code § 56-582 B, the Company will have assured recovery, on a dollar-for-dollar basis, of a primary component of its generation expense through continued operation of its fuel recovery factor. Finally, all incumbent electric utilities have the ability to petition for adjustment of their rates in the event of financial distress, also under Code § 56-582 B. AEP-VA should have ample opportunity through rates set as provided for by statute to recover all expenses associated with its generation related regulatory assets so long as capped rates are in place.

New service fees. Although not a contested issue, we must decide whether the Act permits the imposition of a variety of new service fees proposed by the Company. AEP-VA takes the position that the fees are allowed by Code § 56-582, while the Staff took no position on the legal issue, but stated that if we were to find that the Code permitted fees, then the fees and charges contained in the Stipulation were reasonable.

Section 56-582, which establishes the parameters for capped rates, states that capped rates shall "include rates for new services where, subsequent to January 1, 2001, rate applications for such services are filed by incumbent electric utilities with the Commission" and are thereafter approved by the Commission. The instant application, to the extent that it requests the approval of fees for new services, falls within the meaning of this provision. Accordingly, we will permit the fees set out in the Unbundling Stipulation to be imposed and collected by AEP-VA, except for the proposed fees for competitive supplier registration and customer switching, which we do not find to be "new services" provided by the Company within the meaning of the Act.[6] There will certainly be additional costs of doing business in the new choice environment, but like most other cost increases[7] they are not recoverable

[3] The statute permits certain adjustments to these capped rates, some of which are discussed below.

[4] The Company may, at its sole discretion, petition the Commission to terminate capped rates as early as July 1, 2004, pursuant to Code § 56-582 C.

[5] It is likely that the Company's unbundled rates for generation will often be less than the market price for generation, with the result that the wires charge will not apply. In this instance, of course, few customers will have reason to take service at higher rates from the Company's competitors.

[6] We so found for a similar fee proposed by another utility in our Final Order of April 28, 2000, in Case No. PUE980813, *Commonwealth of Virginia* ex rel. *State Corporation Commission, Ex Parte: In the Matter of considering an electricity retail access pilot program-Virginia Electric and Power Company.*

[7] Other than the adjustments permitted for tax changes, fuel expense and financial distress under Code § 56-582 B.

because of the capped rate limitation of the Act. When the Company is eligible to file its next distribution rate case, and we are free to examine both increasing and decreasing Company expenses, we will be able to consider the recovery of these costs.

The Staff offered alternative proposals for the treatment of metering costs; one option assigned the costs to the distribution function and the other allocated the costs among the distribution, transmission and generation functions. We concur with the Staff that there are practical difficulties at this time in allocating these costs and the rates approved herein reflect the assignment of these costs to the distribution function alone.

Finally, the Staff recommended that the Company conduct annual compliance audits to ensure that its internal controls are adequate and effective and we find such recommendations reasonable and appropriate.

Accordingly, IT IS ORDERED THAT:

(1) The Stipulations offered in this matter, and appended as exhibits hereto, are reasonable, in the public interest, and shall be adopted as modified in this Order.

(2) The proposed modification to the Company's line extension policy is denied.

(3) The Company's proposal regarding mandated installation of interval metering is denied; the Company may offer interval metering to any of its customers at the rate found reasonable herein.

(4) Net generation related regulatory assets and related amortization expense shall be assigned to the generation function and if booked shall be reflected in that function.

(5) The Company's proposed fees for new services are reasonable and are adopted, except for the proposed fees for customer switching and registration of competitive suppliers, which we find not to be new services.

(6) On or before July 1, 2002, AEP-VA shall submit a report to the Commission's Division of Energy Regulation regarding the replacement of power caused by the outage of the Cook Nuclear Power station.

(7) On or before May 1 of each calendar year until ordered otherwise, AEP-VA shall submit to the Division of Public Utility Accounting the results of its annual audit of its internal controls, and shall as well submit any proposed changes to these controls to the Division of Public Utility Accounting.

(8) The Commission Staff shall, as necessary, conduct audits and reviews of the Company books, records, and work papers and conduct meetings to ensure compliance with § 56-590 of the Code of Virginia and the regulations put forth by the Commission in Case No. PUA00029

(9) This matter is continued for further orders of the Commission.

NOTE: A copy of the Attachments are on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. PUE010013
JUNE 19, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of establishing rules for retail access

FINAL ORDER

On May 26, 2000, the State Corporation Commission ("Commission") entered an order in Case No. PUE980812 adopting interim rules governing retail access pilot programs in the electric and natural gas industries. In that order, the Commission recognized that the rules were developed for pilot programs of limited scope and duration and could require alteration to accommodate full-scale retail access and competition. The Commission stated that it would review and revise these rules as needed for the start and continuation of full retail access.

The Virginia Electric Utility Restructuring Act directs the Commission to establish a transition schedule for retail access, which will begin January 1, 2002.[1] In furtherance of this goal, the Staff of the Commission ("Staff") invited representatives of interested parties to participate in a work group to assist the Staff in developing proposed rules for the start of retail access in Virginia. The work group met at least twice a week, from January 10, 2001, to February 28, 2001, and approximately 30 organizations were represented at one or more of the meetings. According to the Staff, in developing the proposed rules, it strongly considered the input and perspectives of work group participants, relied on experience gained through the operation of the pilot programs, and gave consideration to retail access rules adopted by neighboring states and national/regional uniform business practice efforts.

[1] § 56-577 of the Code of Virginia.

On March 6, 2001, the Staff filed its proposed retail access rules, and on March 13, 2001, the Staff filed its report discussing the rules. By April 6, 2001, the Commission had received comments from 18 interested parties[2] on the Staff's proposed rules and one request for hearing from the Virginia Electric Cooperatives[3] (the "Cooperatives"). On April 23, 2001, we issued an order scheduling a hearing for May 10, 2001, to hear evidence only on the Cooperatives' several issues.[4] That order also directed the filing of testimonies, ordered the Staff to file revised proposed rules by May 4, 2001, and directed interested parties to file comments on both the Staff's revised proposed rules and issues raised at the hearing, as well as any comments in response to those previously filed by other parties, by May 21, 2001.

By May 1, 2001, four interested parties, Washington Gas Light Company ("WGL"), Dominion Virginia Power, Delmarva Power & Light Company ("Delmarva"), the Cooperatives, and the Staff filed testimony, and by May 7, 2001, one party, Allegheny Power, and the Staff filed rebuttal testimony. The Staff also filed its revised proposed rules on May 4, 2001.

The hearing was held on May 10, 2001. The Commission Staff, the Cooperatives, WGL, Dominion Virginia Power, Delmarva, Allegheny Power, the Division of Consumer Counsel, Office of the Attorney General ("Consumer Counsel"), and Appalachian Power Company, d/b/a American Electric Power, participated at the hearing. The Commission heard evidence primarily concerning the methods of release of customer information to competitive service providers – the so-called "opt-in" and "opt-out" methodologies – and the inclusion of certain information on customers' bills.

On May 11, 2001, the day after the hearing, the Staff reconvened the work group to further discuss the proposed rules and gather additional input from the participants. Based on the Staff's May 21, 2001 filing, it is our understanding that several of the outstanding issues were discussed and resolved at that meeting by further revisions to the rules. Also by May 21, 2001, we had received additional comments from numerous parties on the Staff's revised proposed rules, issues raised at the May 10, 2001 hearing, and also comments in response to those previously filed by other parties, or presented during work group discussions.

Although the hearing was limited to issues regarding the provisioning of customer information and the content of customer bills, we stated then and emphasize now that the fact that a particular issue was not addressed at the hearing does not diminish its importance and does not lessen the extent to which we have considered it. The Commission has carefully considered all the comments and testimony filed herein, and our decision adopting final rules to govern retail access reflects the balancing of objectives to afford reasonable customer protections, to ensure equitable treatment of market participants, and to promote the advancement of competition in the Commonwealth.

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, effective August 1, 2001, to be applicable to the start of retail access in Virginia.

The regulations we adopt herein contain several modifications to those that were originally proposed by Staff and published in the Virginia Register on March 26, 2001. These modifications have been made after our consideration of further proposed changes made to those rules by the Staff prior to the hearing in May of this year, other changes suggested by the parties at the hearing and in comments filed, and our analysis of how best to balance the interests of customers and other market participants. We will not review each rule in detail, but we will comment briefly on several of them.

First, we address the issue concerning the methods of release of certain customer information on a mass list to competitive service providers – the so-called "opt-in" versus "opt-out" methodologies contained in 20 VAC 5-312-60 B 2. The Cooperatives and Delmarva urged the Commission to reject the Staff's proposed "opt-out" method, which permits the release of certain customer information unless customers notify their local distribution companies that they do not want their information released to competitive service providers. The Staff and WGL countered that an "opt-in" method results in a list that is of little use to competitive service providers in marketing to potential customers. We understand and sympathize with the privacy concerns raised by the Cooperatives and Delmarva; however, we believe, based on the comments and testimony filed in this case, that an "opt-out" approach is necessary to help foster a competitive market.

Second, we address Dominion Virginia Power's proposal to add a new rule applicable to slamming complaints received beyond the contract cancellation period. While we recognize the potential significance of this issue, we believe it is premature at this time to adopt such a rule without much, if any, experience or history of slamming complaints received beyond the contract rescission period in the pilot programs. We believe that, initially, the Staff's proposed rules may provide an adequate basis for resolving slamming complaints. Once full-scale retail access is underway, we will revisit the need for slamming rules if problems with unauthorized switching activity surface.

Third, the Consumer Counsel recommended that the Commission permit customers to designate the application of a partial payment of a consolidated bill in 20 VAC 5-312-90 H. The Staff disagreed and proposed limiting such designation to cases involving disputed billing charges. We agree with the Consumer Counsel that the choice should be left to the customer as to which charges on the bill a partial payment should be applied. Indeed, where dual billing exists, customers can and do choose which bills to pay, and the order in which they are paid. This option should still be available to customers with consolidated billing.

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[2] The Commission received comments from Allegheny Energy Supply, AES NewEnergy, Inc., Energy Consultants, Inc., Wattage Monitor, Pepco Energy Services, Inc., Kentucky Utilities Company d/b/a Old Dominion Power Company, Washington Gas Energy Services, Allegheny Power, Washington Gas Light Company, Dominion Retail, Inc., the Division of Consumer Counsel, Office of the Attorney General, Columbia Gas of Virginia, Dominion Virginia Power, The New Power Company, the Virginia Committee for Fair Utility Rates and the Old Dominion Committee for Fair Utility Rates, Delmarva Power & Light Company, Appalachian Power Company, d/b/a American Electric Power, and the Virginia Electric Cooperatives.

[3] The Virginia Electric Cooperatives include 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, Southside Electric Cooperative, Inc., and the Virginia, Maryland & Delaware Association of Electric Cooperatives.

[4] All parties to this case agreed that this proceeding should be expedited in order to allow sufficient time for system changes that may be required by the rules. Accordingly, all parties agreed that the hearing could be limited to the Cooperatives' several issues regarding 12 specific rules enumerated by the Cooperatives in their supplemental comments filed on April 19, 2001.

We note that several parties may require additional time to comply with some of these rules. For example, WGL, pursuant to § 56-235.8 of the Code of Virginia and our final order in Case No. PUE000474, has already implemented its plan for natural gas retail access, and therefore may not be in compliance with many of the rules on the August 1, 2001 effective date. Also, Dominion Virginia Power and others have indicated that they may need additional time to comply with certain billing rules. Therefore, we direct WGL, Dominion Virginia Power, and any other parties needing additional time to comply with certain rules, to submit requests in writing to the Commission on or before July 9, 2001. Each such request shall: (1) specifically identify each rule for which additional time is needed to comply, and the reasons for such request, and (2) state how much additional time is desired to comply with the specified rules.

Finally, we direct each competitive service provider who wishes to convert its pilot license to a permanent license to participate in retail access to submit a request to do so in writing to the Commission on or before August 31, 2001. Each such request shall include an attestation that the information provided and updated in its application for a pilot license is true and correct, and that the applicant will abide by all applicable regulations of the Commission, as required by 20 VAC 5-312-40 B, and shall also include any changes to information previously provided to the Commission, as required by 20 VAC 5-312-20 R.

Accordingly, IT IS ORDERED THAT:

(1) We hereby adopt the Rules Governing Retail Access to Competitive Energy Services, appended hereto as Attachment A.

(2) Parties needing additional time to comply with certain rules shall submit such requests in writing to the Commission on or before July 9, 2001. Each such request shall: (1) specifically identify each rule for which additional time is needed to comply, and the reasons for such request, and (2) state how much additional time is desired to comply with the specified rules.

(3) Each competitive service provider who wishes to convert its pilot license to a permanent license to participate in retail access shall submit a request to do so in writing to the Commission on or before August 31, 2001. Each such request shall include an attestation that the information provided and updated in its application for a pilot license is true and correct, and that the applicant will abide by all applicable regulations of the Commission, as required by 20 VAC 5-312-40 B, and shall also include any changes to information previously provided to the Commission, as required by 20 VAC 5-312-20 R.

(4) Because these rules may require changes to effective or proposed tariffs currently on file at the Commission, local distribution companies shall be directed to file revised tariffs, if necessary, on or before July 20, 2001, incorporating changes required by these rules.

(5) A copy of this Order and the rules adopted herein shall be forwarded promptly for publication in the Virginia Register of Regulations.

(6) This case is dismissed and the papers herein shall be placed in the file for ended causes.

NOTE: A copy of Attachment A entitled "Chapter 312. Rules Governing Retail Access to Competitive Energy Services" 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. PUE010051
JUNE 11, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UNITED CITIES GAS 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 August 8, 2000, H. T. Bowling, Inc., damaged a two inch plastic gas main line operated by United Cities Gas Company ("the Company") located at or near 35 Oak Lane, Blacksburg, Virginia, while excavating;

(2) On or about September 6, 2000, Little B Enterprises, Inc., damaged a three-quarter inch plastic gas service line operated by the Company located at or near 121 Pendleton Street, Marion, Virginia, while excavating;

(3) On or about September 6, 2000, United Construction damaged a four inch plastic gas main line operated by the Company located at or near the intersection of Patrick Henry Drive and Mary Jane Circle, Blacksburg, Virginia, while excavating;

(4) On or about September 12, 2000, United Construction damaged a two inch plastic gas main line operated by the Company located at or near Patrick Henry Drive, Blacksburg, Virginia, while excavating;

(5) On or about September 15, 2000, Contracting Enterprises, Incorporated, damaged a one-half inch plastic gas service line operated by the Company located at or near 1829 Bob White Boulevard, Pulaski, Virginia, while excavating;

(6) On or about October 27, 2000, JWS Communications, Inc., damaged a one-half inch plastic gas service line operated by the Company located at or near 245 Arrowhead Trail, Christiansburg, Virginia, while excavating; and

(7) 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 $5,100 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.

(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 $5,100 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. PUE010062
SEPTEMBER 14, 2001

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 July 28, 2000, Henderson Construction Co., Inc., damaged a three hundred pair main telephone line operated by GTE South, Inc., located at or near Gordon Road, Spotsylvania, Virginia, while excavating;

(2) On or about October 3, 2000, Sure Shot Inc., damaged a fify pair telephone line operated by GTE South, Inc., located at or near Center Street, Manassas, Virginia, while excavating;

(3) On or about October 6, 2000, Virginia Electric and Power Company damaged a one hundred pair copper telephone line operated by GTE South, Inc., located at or near Perchwood Drive, Stafford, Virginia, while excavating;

(4) On or about October 9, 2000, Allan A. Myers, Inc., damaged a two inch plastic gas main line operated by Shenandoah Gas Company located at or near 4975 Valley Pike, Stephens City, Virginia, while excavating;

(5) On or about October 26, 2000, W. C. Spratt Corporation damaged a three hundred pair copper telephone service line operated by GTE South, Inc., located at or near 2101 Harpoon Drive, Stafford, Virginia, while excavating;

(6) On or about October 26, 2000, Phoenix Development Corporation damaged a three hundred pair copper telephone line operated by GTE South, Inc., located at or near 12531 Clipper Drive, Occoquan, Virginia, while excavating;

(7) On or about November 6, 2000, Winn Caribe Communications, Inc. damaged a fifty pair telephone line operated by GTE South, Inc., located at or near 1209 Sparrow Court, Harrisonburg, Virginia, while excavating;

(8) On or about November 16, 2000, Northern Pipeline Construction Co. damaged a six hundred pair telephone line operated by Verizon Virginia, Inc., located at or near Lot 23, Packard Drive, Prince William, 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 it will pay a civil penalty to the Commonwealth of Virginia in the amount of $7,700 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 $7,700 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. PUE010064
MAY 9, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CENTRAL LOCATING SERVICE, LTD.,
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 Act"). The Commission's Division of Energy Regulation ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents between May 24, 2000, and November 13, 2000, listed in Attachment A, involving Central Locating Service, Ltd., ("the Company") and alleges that:

(1) Central Locating Service, Ltd., is a contract locator as that term is defined in § 56-265.15 of the Code of Virginia;

(2) During the aforementioned period the Company violated the Act, by the engaging in the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A and D of the Code of Virginia.

(b) Failing on certain occasions to mark applicable utility lines within the time prescribed in the Act, in violation of § 56-265.17 B and § 56-265.19 A and D of the Code of Virginia.

(c) Failing on certain occasions to report to the notification center that lines had been marked or they were not in conflict with the proposed excavation, in violation of § 56-265.19 A, B, and D of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations presented to the Underground Utility Damage Prevention Advisory Committee on January 9, 2001, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $22,400 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

THE COMMISSION, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $21,400 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. PUE010065
NOVEMBER 2, 2001

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 Act"). The Commission's Division of Energy Regulation ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents between July 16, 2000, and December 1, 2000, listed in Attachment A, involving Utiliquest, LLC ("the Company"), and alleges that:

(1) Utiliquest, LLC, is a contract locator as that term is defined in § 56-265.15 of the Code of Virginia;

(2) During the aforementioned period the Company violated the Act, by committing the following conduct:
Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of §§ 56-265.19 A and D of the Code of Virginia.

(a) Failing on certain occasions to mark within the time prescribed in the Act, in violation of § 56-265.17 B and §§ 56-265.19 A and D of the Code of Virginia.

(b) Failing on certain occasions to report to the notification center that lines had been marked or they were not in conflict with the proposed excavation, in violation of §§ 56-265.19 A, B, and D of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $56,350 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 $56,350 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. PUE010066
MARCH 7, 2001

APPLICATION OF
THE POTOMAC EDISON COMPANY D/B/A ALLEGHENY POWER.

2000 Annual Information Filing

ORDER CONCERNING ANNUAL INFORMATION FILING

By letter application dated January 23, 2001, the Potomac Edison Company d/b/a Allegheny Power ("Allegheny" or "the Company") requested that the Commission permit it to file an abbreviated Annual Informational Filing ("AIF") for the year 2000. Such AIF covers a test period consisting of the twelve months ending December 31, 2000. The filing is due by the end of April 2001.

Specifically, the Company has requested that it be permitted to provide the following schedules on a per-books basis rather than filing pro forma information:

(a) Schedule 15 - Adjusted Rate of Return Statement

(b) Schedule 16 - Net Original Cost of Rate Base Statement - Adjusted

(c) Schedule 19 - Cash Working Capital - Adjusted

(d) Schedule 20 - Balance Sheet Analysis - Adjusted

The Company notes that the Virginia Electric Utility Restructuring Act ("Restructuring Act")[1] established a capped rate for the Company effective January 1, 2001, and, therefore, a fully adjusted pro forma filing would be of limited value to the Commission and the Commission Staff. According to the Company, its informal discussions with the Commission Staff indicate the Staff supports this part of their request concerning the Company's 2000 AIF.

The Company has further requested that it not be required to file in its 2000 AIF the following schedules:

(a) Schedule 9 - Rate of Return Statement - Earnings Test

(b) Schedule 10 - Net Original Cost Rate Base - Earnings Test

(c) Schedule 11 - Schedule of Regulatory Assets

(d) Schedule 12 - Detail of Earnings Test Adjustments

(e) Schedule 13 - Cash Working Capital - Earnings Test

(f) Schedule 14 - Balance Sheet Analysis - Earnings Test

(g) Schedule 21 - Work papers for Earnings Test and Ratemaking Adjustments

The Company states that it sees little value in an earnings test at this time, noting that in its Memorandum of Understanding ("MOU") negotiated between the Company and the Commission Staff in Case No. PUE000280, "the Company agreed to recover stranded generation costs solely through capped rates and will not assess a wires charge or make claim for additional stranded generation cost recovery in 2007." The Company also points out that (i) with the exception of a few minor hydroelectric facilities, it transferred all of its generation assets to an affiliate[2] effective August 1, 2000, and (ii) no regulatory assets exist on its books.

Upon inquiry of the Commission, the Commission Staff has advised the Commission of its view that filing fully adjusted financial information at present would be time consuming and of little value. Thus, the Staff agrees that the Company's 2000 AIF filing should be abbreviated to reflect only per books results.

However, the Staff is of the opinion that Virginia's incumbent electric utilities should continue to file all applicable AIF schedules, with the exception of Schedule 17 (Detail of Ratemaking Adjustments). The Staff's view is that incumbent electric utilities should continue to furnish earnings test-related information in light of the Restructuring Act's requirement that the General Assembly's Legislative Transition Task Force evaluate utilities' underrecovery or overrecovery of stranded costs.[3]

Furthermore, the Staff has pointed out that although Allegheny has no recorded regulatory assets at the present time and has agreed to forego a wires charge, the Company will recover stranded costs (with the potential for overrecovery) through capped rates paid by those of the utilities customers who do not shop during the capped rate period.

In summary, the Staff has recommended that (i) Allegheny be required to file all applicable schedules for its 2000 AIF, with the exception of Schedule 17 (Details of Ratemaking Adjustments), and (ii) the Company's 2000 AIF filing should be abbreviated to reflect only per books results.

NOW THE COMMISSION, upon consideration of the Company's application, and the Commission Staff's recommendations concerning such application, is of the opinion that the Company's application should be approved, in part. Accordingly,

IT IS ORDERED THAT:

(1) The Company shall file all applicable schedules for its 2000 AIF, with the exception of Schedule 17 (Details of Ratemaking Adjustments).

(2) The Company may furnish all such applicable schedules for its 2000 AIF on a per books basis rather than filing pro forma information.

(3) This matter is continued generally.

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[1] Chapter 23 (§ 56-576 et seq.) of Title 56 of the Code of Virginia

[2] Allegheny Energy Supply, LLC.

[3] § 56-595 of the Restructuring Act directs the Commission to assist the Legislative Transition Task Force ("LTTF") established by that act, in the LTTF's assessment of the underrecovery or overrecovery of utilities' just and reasonable net stranded costs.

CASE NO. PUE010069
SEPTEMBER 14, 2001

PETITION OF
FOX RUN WATER COMPANY, INC.
and
WARREN LAND COMPANY, INC.

For approval of the transfer of water utility assets and for a certificate of public convenience and necessity pursuant to §§ 56-265.2 and 56-265.3 of the Code of Virginia

FINAL ORDER

On February 6, 2001, Fox Run Water Company, Inc. ("Fox Run" or the "Company"), and Warren Land Company, Inc. ("Warren Land") (collectively, the "Petitioners"), filed a petition requesting Commission approval pursuant to the Utility Transfers Act, Chapter 5 of Title 56, § 56-88 through 56-92, of the Code of Virginia (the "Code"), for Warren Land to dispose of its water facility assets in the Merrymount Subdivision of Mecklenburg County, Virginia ("Merrymount"), and for Fox Run to acquire such assets. In addition, pursuant to §§ 56-265.2 and 56-265.3 D of the Code, Fox Run requests authority to amend its certificate of public convenience and necessity to include Merrymount. Fox Run proposes to bill Merrymount customers, with the exception of an availability fee, at the Company's existing tariff rates, charges, rules, and regulations.

On March 26, 2001, the Commission issued an Order directing the Petitioners to give notice of their petition to Merrymount customers and local officials, providing interested persons with an opportunity to comment and to request a hearing, and directing Staff to review its application and file a report detailing the results of its investigation.

On May 15, 2001, Fox Run filed proof of notice and service on Fox Run's customers and the Chairman of the Board of Supervisors. No comments or requests for hearing on the petition were filed.

On June 1, 2001, Staff filed its Staff Report. In regard to the requested certificate of public convenience and necessity, Staff recommends approval of the amendment to Fox Run's certificate and the proposed rates, charges, rules, and regulations for the Merrymount water system. Customers will experience an increase in rates from $8.00 to $15.00 per month, however, Staff states that such dollar amount is consistent with, or less than, the rates of other water utilities regulated by the Commission. Staff also indicates that the other proposed service charges, including turn-off and turn-on charges, a late payment fee, a customer deposit, and a bad check charge are consistent with Commission policy.

In regard to the proposed transfer of assets, Staff reports that Fox Run and Warren Land negotiated terms of payment for the water system such that Fox Run will pay to Warren Land 70% of the water connection fees collected by Fox Run over the next seven years. The Staff Report states that Fox Run represented to Staff that no records exist to establish the book value of the assets and that there are no schedules of assets, book depreciation, contributed property, or an exact cost of the Merrymount water supply system. The Staff Report also states that there is no indication that the proposed transfer will have any adverse impact on the provision of adequate service to the public at just and reasonable rates. However, Staff noted that it would file a Supplemental Staff Report upon receipt of additional information requested from Fox Run.

On August 24, 2001, Staff filed a Supplemental Staff Report stating that Fox Run had reported it would continue its effort to obtain records and determine the assets' book value. The Supplemental Staff Report stated that based on the information contained in the petition and responses to Staff interrogatories, it appears that the proposed transfer by Warren Land of the Merrymount water utility assets to Fox Run would neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates, and that the proposed transfer meets the test of the Utility Transfers Act. Therefore, Staff recommends the approval of the transfer, as well as requiring Fox Run to submit a report to the Commission's Director of Public Utility Accounting providing notice that the transfer has taken place within 30 days of such transfer and to book acquisition of the utility assets in accordance with the instructions provided for Account 104, Utility Plant Purchased or Sold, of the Uniform System of Accounts for Class C Water Utility.

On September 5, 2001, Fox Run indicated to Staff that it has no objections to the Staff Report.

NOW THE COMMISSION, having considered the petition, the Staff Report, and applicable law, is of the opinion and finds that the transfer of water utility assets should be approved pursuant to the Utility Transfers Act. We find that such transfer will not jeopardize or impair the provision of adequate water service at just and reasonable rates. We also find, pursuant to §§ 56-265.2 and 56-265.3 D of the Code, that the public convenience and necessity require us to issue a certificate to Fox Run to provide water service to Merrymount residents, and to approve Fox Run's proposed rates, charges, rules, and regulations of services.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the Utility Transfers Act, Warren Land is hereby granted authority to dispose of the assets of its water system as described in the petition.

(2) Pursuant to the Utility Transfers Act, Fox Run is hereby granted authority to acquire from Warren Land the assets of its water system as described in the petition.

(3) A Report of Action shall be submitted to the Commission's Director of Public Utility Accounting no later than 30 days after the closing of the transaction, subject to extension by the Director; such report shall detail the date of transfer, sales price, and accounting entries reflecting the transfer.

(4) Certificate No. W-281(a) is hereby canceled.

(5) Fox Run shall be granted an amended certificate of public convenience and necessity, Certificate No. W-281(b), to provide water service to those areas previously authorized in Certificate No. W-281(a), as well as to the residents of the Merrymount subdivision, at the Company's proposed rates, charges, rules, and regulations of service. Fox Run shall not charge an availability fee to its Merrymount customers.

(6) There being nothing further to be done, this matter is hereby dismissed from the Commission's docket of active cases.

CASE NO. PUE010072
MARCH 1, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
AUBON WATER COMPANY,
Defendant

ORDER APPOINTING RECEIVER

On February 28, 2001, the Staff of the State Corporation Commission ("Commission") filed an Agreed Motion Requesting Appointment of Receiver. The Commission, having reviewed the Agreed Motion[1] and attached consent of Aubon Water Company ("Aubon") to the appointment of a receiver and the attached certification from the Virginia Department of Health, now finds that an emergency requires the appointment of a receiver. The Commission finds that the water utility has been grossly mismanaged and that Aubon has failed to comply with this Commission's orders, as found in the Report of Michael D. Thomas, Hearing Examiner, filed in Case No. PUE000567 on January 24, 2001. The Hearing Examiner's Final Report filed in Case No. PUE980628 on February 23, 2001, further reports that Aubon continues to provide inadequate water service to its Alton Park customers and that it has failed to comply with the Special Order of the Department of Health to provide adequate quality of drinking water to its Long Island Estates customers. For these reasons, this Commission concludes that an emergency exists.

NOW THE COMMISSION, upon consideration of the foregoing and the Staff's recommendation of a receiver, is of the opinion and finds that David G. Petrus should be appointed emergency receiver of Aubon upon posting a fiduciary bond of at least seventy thousand dollars ($70,000). The Commission further finds that a hearing should be convened on March 28, 2001, at 10:30 a.m., following Notice given to all of Aubon's lienors and creditors, lien or general, to determine whether the emergency receivership should be extended and to review a Plan of Receivership to be filed as provided below. Aubon's lienors and creditors for the purpose of giving notice, shall be considered to be those individuals and entities listed by G. Ray Boone in Exhibit A of Staff's Agreed Motion.

IT IS ORDERED THAT:

(1) David G. Petrus is hereby appointed emergency receiver of Aubon and, upon posting a fiduciary bond in the amount of seventy thousand dollars ($70,000), is vested, in addition to the powers set forth herein, with all the powers and authority expressed or implied under the provisions of § 56-265.13:6.1 and of §§ 8.01-583 to -590 of the Code of Virginia.

(2) The Receiver is authorized to do all acts necessary or appropriate for the conservation or rehabilitation of Aubon including, but not limited to, the following:

(a) to maintain immediate and exclusive possession and control of Aubon, including its assets, cash, bank accounts, contracts, causes of action, books, records and property, including such property of Aubon which may be discovered hereafter;

(b) to acquire, invest, deposit, hypothecate, encumber, lease, improve, sell, transfer, or otherwise dispose of or deal with any of the assets and property of Aubon, including any real property;

(c) to borrow money on the security of Aubon's assets, with or without security, and to execute and deliver all documents necessary to that transaction for the purpose of facilitating the receivership;

(d) to operate and transact business for Aubon;

(e) to collect all debts and monies due and claims belonging to Aubon;

(f) to enter into any contracts necessary to carry out this Order, and to affirm any contracts to which Aubon is a party;

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

(h) to receive, examine, and pass upon claims made against Aubon, and the authority to sue, intervene in, and defend any actions in the name of the Receiver or its agent or in the name of Aubon;

(i) to remove any or all records and other property of Aubon to the offices of the Receiver or to such other place as may be convenient for the purposes of the efficient and orderly execution of the receivership; and to dispose of or destroy, in the usual and ordinary course, such of those records and property as the Receiver may deem or determine to be unnecessary for the receivership;

[1] The Commission also takes judicial notice of Case Nos. PUE980628 and PUE990002 which are referred to in the Agreed Motion.

(j) to assign, extend, discharge in whole or in part, or foreclose any mortgage of real or personal property standing in the name of Aubon individually or held by Aubon in any fiduciary capacity, and to subordinate the lien of any such mortgage to any other mortgage, lease, or other interest, and to initiate and to defend any action with respect to any such mortgage;

(k) to sell, lease, convey, grant assessments or other interest in, enter agreements with respect to, and to initiate and defend any action with respect to any real estate acquired by Aubon individually or held by Aubon in any fiduciary capacity;

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

(m) to employ and fix the compensation of such employees, counsel, accountants, consultants, assistants, and other personnel as the Receiver considers necessary;

(n) to change to the Receiver's own name the name of any of Aubon's accounts, funds, or other property or assets held with any bank, savings and loan association or other financial institution, wherever located, and to withdraw such funds, accounts, and other assets from such institutions or take any lesser action necessary for the proper conduct of the receivership;

(o) to perform such further and additional acts as the Receiver may deem necessary or appropriate for the accomplishment of or in aid of the purpose of the receivership; and

(p) to contract for and receive funding from the Virginia Department of Health, including the Drinking Water State Revolving Fund, and other sources as necessary to abate conditions threatening the public health or safety.

(3) The Receiver shall obtain the prior written approval of the Commission with respect to any action taken pursuant to subparagraphs (b), (c), (j), or (k) of paragraph (1) above.

(4) The current owners, officers, directors, trustees, agents, and employees of Aubon hereby are restrained from transacting any further business and are restrained from transferring, removing, or disposing of any property or business until further Order of the Commission.

(5) Aubon, its officers, directors, trustees, agents, and employees, and all other persons having any property or records belonging to Aubon, including data processing information and records of any kind, hereby are directed to assign, transfer, and deliver to the Receiver all of such property in whatever name the same may be held, and any persons, firms or corporations having any books, papers or records relating to the business of Aubon shall preserve the same and submit these to the Receiver for examination at all reasonable times.

(6) Until further order of the Commission, all persons, corporations, partnerships, associations and all other entities, wherever located, hereby are enjoined and restrained from interfering in any manner with the Receiver's possession of the property or its right therein and from interfering in any manner with the conduct of the receivership of Aubon, including wasting, transferring, selling, disbursing, disposing of, or assigning property or attempting to do so.

(7) No bank, savings and loan association or other financial institution shall, without first obtaining permission of the Receiver, exercise any form of set-off, alleged set-off, lien, or other form of self-help whatsoever or refuse to transfer property to the Receiver's control.

(8) All secured creditors or parties, pledge holders, lien holders, collateral holders, or other persons claiming secured, priority or preferred interest in any property or assets of Aubon, including any governmental entity, hereby are enjoined from taking any steps whatsoever to transfer, sell, encumber, attach, dispose of or exercise purported rights in or against the property. However, notwithstanding any other provision of this Order, the commencement of conservatorship, receivership, liquidation or other delinquency proceedings against Aubon in another jurisdiction by an official lawfully authorized to commence such a proceeding shall not constitute a violation of this Order.

(9) No judgment, order, attachment, garnishment sale, assignment, transfer, hypothecation, lien, security interest or other legal process of any kind with respect to or affecting Aubon or its property shall be effective or enforceable or form the basis for a claim against Aubon or its property unless entered by the Commission or unless the Commission has issued its specific order, upon good cause shown and after due notice and hearing, permitting same.

(10) Except as otherwise specifically provided by law, the Receiver and his employees, counsel, accountants, consultants, assistants, and other personnel are deemed to be public officers acting in their official capacity on behalf of the state and shall have no personal liability for or arising out of their acts or omissions performed in good faith in connection with this or related proceedings or pursuant to this or related orders.

(11) The Receiver shall make quarterly reports to the Commission's Division of Energy Regulation to keep the Commission informed of the status of operations at Aubon's utility facilities and the status of Aubon's debts and to provide any other information that the Commission's Staff may request.

(12) The Receiver forthwith shall provide notice of the receivership to all of Aubon's customers. Such notice shall inform the customers that David G. Petrus has been appointed Receiver for Aubon and will now operate all of Aubon's utility systems. The notice also shall instruct the customers how, where, and when to submit payments for services rendered by the Receiver and provide information for customers to contact David G. Petrus in case of service difficulties. The notice shall also inform the customers that a Plan of Receivership will be made available, upon request, after being filed, and of the hearing scheduled to review the receivership and Plan, all as provided below. The notice shall be approved by the Commission's Office of General Counsel before being sent to customers.

(13) All costs, expenses, fees, or any other charges of the Receivership, including but not limited to fees and expenses of those persons listed in paragraph (1)(m) above and the giving of notice required herein, shall be paid from the assets of Aubon.

(14) The Receiver may at any time make application for such further relief as he sees fit, including any application for an increase in rates or for other changes to the terms and conditions and rules and regulations of Aubon's water services.

(15) The Receiver is authorized to deliver to any person or entity a certified copy of this Order, or of any subsequent order of the Commission, such certified copy, when so delivered, being deemed sufficient notice to such person or entity of the terms of such Order. But nothing herein shall relieve from liability, nor exempt from punishment by contempt, any person or entity who, having actual notice of the terms of any such Order, shall be found to have violated the same.

(16) The Commission Staff shall confer with the Receiver on a Plan of Receivership and they shall file a Plan of Receivership on or before March 16, 2001. The Staff shall serve copies of the Plan of Receivership by U.S. mail, postage prepaid, to all leinors and creditors of Aubon.

(17) Aubon Water Company, through its President, G. Ray Boone, is hereby ordered to transfer to the receiver, upon his qualification, possession and control of all property of the utility, and to assist the receiver in establishing customer billing so that the receiver can collect all further utility revenues.

(18) A hearing is hereby scheduled to be convened on March 28, 2001, at 10:30 a.m. in the courtrooms of the Commission to consider whether to extend this emergency receivership and to consider the Plan of Receivership filed by Staff.

(19) By copy of this Order Appointing Receiver, notice shall be given to the leinors and creditors of Aubon Water Company of this receivership and of the hearing scheduled for March 28, 2001, at 10:00 a.m. to consider extension of the receivership and the Plan of Receivership.

(20) This matter is continued generally.

This Order is effective as of 5:00 p.m., Thursday, March 1, 2001, and shall remain in effect until modified or withdrawn by the Commission, which shall retain jurisdiction for all purposes necessary to effectuate and enforce this Order.

CASE NO. PUE010072
MARCH 30, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
AUBON WATER COMPANY,
Defendant

ORDER EXTENDING APPOINTMENT OF RECEIVER AND APPROVING AMENDED PLAN OF RECEIVERSHIP

On March 1, 2001, David G. Petrus was appointed emergency receiver of Aubon Water Company ("Aubon") and given certain authority and duties, as set out in the Order Appointing Receiver.

Pursuant to the Order Appointing Receiver, a hearing was convened on March 28, 2001, at 10:30 a.m. in the courtroom of the Commission to consider extending the receivership and review the Plan of Receivership filed by the Staff. The emergency receiver, Mr. Petrus, and his counsel participated in the hearing telephonically and the Commission's Staff appeared by counsel. No members of the public appeared or otherwise participated. The Staff, joined by the emergency receiver, moved for the extension of the receivership and the approval of the Plan of Receivership, as amended on the record by agreement of counsel for Staff and the emergency receiver.

The Commission is of the opinion that the receivership should be extended until further order and that the Plan of Receivership be approved as amended to reflect a revised paragraph (9) which shall read as follows:

> David G. Petrus shall continue to operate as Receiver for Aubon until such time as he elects to withdraw in accordance with paragraph (10) below, or until the Commission withdraws its Appointment of Receiver, whichever first occurs. It is understood that David G. Petrus may utilize or employ, to act on his behalf in the exercise of his duties, Petrus Environmental Services, Inc.

Accordingly, IT IS ORDERED THAT:

(1) The appointment of David G. Petrus as Receiver of Aubon is hereby extended until further order of the Commission. All provisions of the Order Appointing Receiver issued on March 1, 2001, in this case, are hereby continued and incorporated herein by reference.

(2) The Plan of Receivership filed on March 16, 2001, with paragraph (9) amended, as set forth above, is hereby approved, and the Receiver shall fulfill such additional duties as set out in the Plan of Receivership the same as if ordered herein.

(3) This matter is continued generally.

CASE NOS. PUE010072, PUE980628, and PUE000567
DECEMBER 21, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
AUBON WATER COMPANY,
Defendant

ORDER GRANTING REQUEST FOR APPROVAL TO TRANSFER ASSETS

Pursuant to the Suspension Order issued by the State Corporation Commission ("Commission") in the above-captioned consolidated cases on October 24, 2001, the Receiver, David G. Petrus, was ordered to file a completed Chapter 5 Transaction Summary in support of the Receiver's Request for Approval to Transfer Assets ("Receiver's Request") filed September 7, 2001.[1]

The Receiver filed his completed Chapter 5 Transaction Summary and an agreed extension of the agreement to transfer Aubon's Franklin Heights assets to the Town of Rocky Mount, which extended the agreement through December 31, 2001.

On December 18, 2001, a Staff Report was filed on the Receiver's Request. The Staff concluded that the proposed transfer of two parcels of real estate owned by Aubon Water Company ("Aubon") to the Town of Rocky Mount ("Town"), together with approval of the Commitment Agreement between Aubon[2] and the Town for the subsequent service and transfer of Aubon's customers to the Town, will not have any adverse impact on the provision of adequate service to the public at just and reasonable rates, thus satisfying the requirement of the Utility Transfers Act.

The Staff recommends approval of the transfer of the two parcels of real estate and of the Commitment Agreement, subject to two conditions. First, Staff recommends that a report be submitted on behalf of Aubon to the Commission's Director of Public Utility Accounting which provides notice of the dates the transfers take place and that said report be submitted within thirty (30) days of the final transfer. Said report shall include notice of the transfer of both parcels. Second, the Staff recommends that Aubon (by its Receiver) submit a report to the Commission's Division of Energy Regulation, within thirty (30) days of receipt of the $50,000 consideration paid by the Town, which includes a plan detailing how the $50,000 can best be expended for the benefit of Aubon's customers. Staff recommends that Aubon (and its Receiver) be prohibited from expending any portion of the $50,000 consideration received from the Town without prior approval of the Commission.

There being no objection to the Staff Report, the Commission now finds that the Receiver's Request should be granted, subject to both conditions recommended by the Staff.

Accordingly, IT IS ORDERED THAT:

(1) The Receiver's Request for Approval to Transfer Assets to the Town of Rocky Mount and for approval of the Commitment Agreement is hereby granted, subject to the conditions recommended by Staff, as found above.

(2) These cases are hereby continued, pending further order.

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[1] Pending receipt of the completed Chapter 5 Transaction Summary and Staff's filing of its report thereon, consideration of the Receiver's Request was suspended and the Receiver was further ordered to file any extensions obtained of the agreement to transfer Aubon's Franklin Heights assets to the Town of Rocky Mount.

[2] The Commitment Agreement is executed by the Receiver on behalf of Aubon.

CASE NO. PUE010073
SEPTEMBER 19, 2001

APPLICATION OF
S.E. MORAN UTILITIES, INC.

To cancel certificate of public convenience and necessity

ORDER CANCELING CERTIFICATE

By Final Order entered on October 13, 1988, the Commission granted S. E. Moran Utilities, Inc. ("S. E. Moran" or "the Company"), a certificate of public convenience and necessity, Certificate No. W-260 ("Certificate"), to provide water service to an area located near Bassett, Virginia, in Henry County, Virginia.

In an application completed on May 24, 2001, the Company asserts that it is no longer a public utility, pursuant to § 56-1.2 of the Code of Virginia (the "Code"), and requests that the Commission cancel such Certificate.[1] The Company states that it currently receives water service from the Henry County Public Service Authority ("Henry County PSA") and that it charges customers $15 per month for their water service. Such charge is less than that currently charged by the Henry County PSA ($16 per customer per month). In an affidavit filed on September 14, 2001, the owner of the Company, states that S. E. Moran has at least three years of billing records to support the above-referenced charges.

NOW THE COMMISSION, having considered the Company's application, subsequent filings, and applicable law, is of the opinion that the Company's certificate of public convenience should be cancelled as the Company is no longer providing water service as a public utility.

Accordingly, IT IS ORDERED THAT:

(1) Certificate No. W-260 authorizing S. E. Moran to provide water service to the above-referenced area of Henry County, Virginia, is hereby cancelled.

(2) There being nothing further to be done in this matter, this case is hereby dismissed from the Commission's docket of active cases.

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[1] Section 56-1.2 states, in part, that:

The term public utility . . . as used in Chapters 1 (§ 56-1, et seq.), 10 (§ 56-265.1, et seq.), 10.1 (§ 56.232, et seq.), and 10.2:1 (§ 56.265.13.1, et seq.) . . . shall not refer to any person who owns or operates property and provides . . . water to residents or tenants on the property, provided that (i) the . . .water provided to the residents or tenants is purchased by the person from a public utility, public service corporation, public service company . . ., or a county, city or town, or other publicly regulated political subdivision or public body, (ii) the person or his agent charges to the resident or tenant on the property only that portion of the person's utility charges for the . . . water which is permitted by § 56-245.3 [i.e., no charge in excess of that charge by the utility company to the owner, including taxes, except that there may be an additional charge not to exceed two dollars per unit, for administrative costs and billing], and (iii) the person maintains three years' billing records for such charges.

CASE NO. PUE010074
JULY 24, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
WASHINGTON GAS LIGHT COMPANY,
Defendant

ORDER OF SETTLEMENT

The Natural Gas Pipeline Safety Act, 49 U.S.C. § 60101 et seq. ("Act"), requires the Secretary of Transportation ("Secretary") to establish minimum federal safety standards for the transportation of gas and pipeline facilities. The Secretary is further authorized to delegate 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 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 exceeding 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 gas company's compliance with the Safety Standards, has conducted various inspections of construction, operation, and maintenance activities involving Washington Gas Light Company ("WGL" or "Company"), the Defendant, and alleges that:

(1) WGL 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) The Company violated the Commission's Safety Standards by the following conduct:

a) 49 C.F.R. § 192.273(b) – Failing to install an electrofusion joint in accordance with written Company Procedure P-12, Electrofusion;

b) 49 C.F.R. § 192.303 – Failing on several occasions to follow Company Procedure P-8, Installation of Plastic Mains and Services by not avoiding rough handling;

c) 49 C.F.R. § 192.303 – Failing on several occasions to follow Company Procedure P-8, Installation of Plastic Mains and Services by not using a plastic scratch gauge to measure and verify depth of scratches in the pipe wall;

d) 49 C.F.R. § 192.303 – Failing on several occasions to follow Company Procedure P-8, Installation of Plastic Mains and Services by using trench spoil against plastic pipe that contained stones and/or trash;

e) 49 C.F.R. § 192.303 – Failing to follow Company Procedure P-13, Plastic Pipe Installation by Directional Drilling, by not using the appropriate size backreamer pursuant to Table 1 of said procedure;

c) 49 C.F.R. § 192.303 – Failing to follow Company Procedure P-13, Plastic Pipe Installation by Directional Drilling, by not using rollers, skates, or other devices to protect the pipe from damage during pull-in along rough surfaces;

d) 49 C.F.R. § 192.303 – Failing to follow Company Procedure MP-1, Installation of Coated Steel Pipe, Section VIII, Field Coating, by not properly preparing the surface for coating;

e) 49 C.F.R. § 192.317(b) – Failing to protect an aboveground main properly from vehicular damage;

f) 49 C.F.R. § 192.353(a) – Failing to protect a customer meter properly from vehicular damage;

g) 49 C.F.R. § 192.461(a)(1) – Failing to install external protective coating properly, i.e., shrink sleeves;

h) 49 C.F.R. § 192.605(a) – Failing on numerous occasions to follow Company Procedure Section 7300, Storage and Handling of Materials, by not storing the pipe and fittings to minimize the possibility of damage;

i) 49 C.F.R. § 192.605(a) – Failing to follow Company Procedure MP-2, Magnesium Anode, by placing the anode on top on top of the main; and,

j) 49 C.F.R. § 192.605(a) – Failing to follow Company Procedure MP-20, Black Mastic Coating, by not properly cleaning the pipe and fitting and allowing an appropriate curing time before backfilling.

The Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this order. As an offer to settle all matters arising from the allegations made against it, WGL represents and undertakes that:

(1) The Company will pay a fine to the Commonwealth of Virginia in the amount of $10,000 to be paid contemporaneously with the entry of this Order. This payment will be made by check, payable to the Treasurer of Virginia, and directed to the attention of the Director of the Division of Energy Regulation;

(2) Any fines paid in accordance with this Order shall not be recovered in the Company's rates as part of WGL's cost of service. Any such fines and costs shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Commission's Division of Public Utility Accounting.

The Commission being fully advised in the premises and finding sufficient basis herein for the entry of this Order, and in reliance on the Defendant's representations and undertakings set forth above, is of the opinion and finds that WGL has made a good faith effort to cooperate with the Staff during the investigation of this matter, and therefore, the offer of compromise and settlement should be accepted. Accordingly,

IT IS ORDERED 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 WGL be, and it hereby is, accepted;

(2) Pursuant to § 56-5.1 of the Code of Virginia, WGL be and it hereby is, fined in the amount of $10,000;

(3) The sum of $10,000 tendered contemporaneously with the entry of this Order is accepted;

(4) This case is hereby dismissed and the papers herein shall be placed in the file for ended causes.

CASE NO. PUE010160
MAY 17, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
COLUMBIA GAS OF VIRGINIA, INC.,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about September 18, 2000, Best Grading Company damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc. ("the Company"), located at or near 3620 Candlers Mountain Road, Lynchburg, Virginia, while excavating;

(2) On or about September 20, 2000, First South Utility Construction, Inc., damaged a one and one-quarter inch plastic gas service line operated by the Company located at or near 15064 Carrollton Boulevard, Carrollton, Virginia, while excavating;

(3) On or about October 20, 2000, William T. Curd, Jr., Contractor, Inc., damaged a one inch steel gas service line operated by the Company located at or near 3120 Woodlawn Avenue, Colonial Heights, Virginia, while excavating;

(4) On or about October 24, 2000, Compton & Nichols, Inc., damaged a one and one-quarter inch plastic gas service line operated by the Company located at or near Route 668, Hurt, Virginia, while excavating;

(5) On or about October 26, 2000, Tidewater Utility Construction, Inc., damaged a one-half inch plastic gas service line operated by the Company located at or near 3708 Arbor Road, Suffolk, Virginia, while excavating;

(6) On or about November 5, 2000, Counts & Dobyns, Inc., damaged a one-half inch plastic gas service line operated by the Company located at or near 8766 Fort Avenue, Lynchburg, Virginia, while excavating; and

(7) The Company failed to mark the approximate horizontal location of the utility 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 $5,250 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 $5,250 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. PUE010164
MAY 21, 2001

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 Act"). The Commission's Division of Energy Regulation ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents between June 8, 2000, and December 12, 2000, listed in Attachment A, involving All Clear Locating Services, Inc. ("the Company"), and alleges that:

(1) All Clear Locating Services, Inc., is a contract locator as that term is defined in § 56-265.15 of the Code of Virginia;

(2) During the aforementioned period All Clear Locating Services, Inc., has violated the Act, by the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of §§ 56-265.19 A and D of the Code of Virginia.

(b) Failing on certain occasions to mark utility lines within the time prescribed in the Act, in violation of §§ 56-265.17 B and § 56-265.19 A and D of the Code of Virginia.

(c) Failing on certain occasions to report to the notification center that utility lines had been marked or they were not in conflict with the proposed excavation, in violation of § 56-265.19 A, B, and D of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations presented to the Underground Utility Damage Prevention Advisory Committee on March 6, 2001, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $9,050 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 $9,050 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. PUE010166
NOVEMBER 2, 2001

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 Act"). The Commission's Division of Energy Regulation ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents between September 6, 2000, and February 7, 2001, listed in Attachment A, involving Utiliquest, LLC ("the Company"), and alleges that:

(1) Utiliquest, LLC, is a contract locator as that term is defined in § 56-265.15 of the Code of Virginia;

(2) During the aforementioned period the Company violated the Act, by committing the following conduct:
Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of §§ 56-265.19 A and D of the Code of Virginia.

(a) Failing on certain occasions to mark within the time prescribed in the Act, in violation of § 56-265.17 B and §§ 56-265.19 A and D of the Code of Virginia.

(b) Failing on certain occasions to report to the notification center that lines had been marked or they were not in conflict with the proposed excavation, in violation of §§ 56-265.19 A, B, and D of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $40,500 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $40,500 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. PUE010167
MAY 9, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CENTRAL LOCATING SERVICE, LTD.,
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 Act"). The Commission's Division of Energy Regulation ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents between August 10, 2000, and January 16, 2001, listed in Attachment A, involving Central Locating Service, Ltd., ("the Company") and alleges that:

(1) Central Locating Service, Ltd., is a contract locator as that term is defined in § 56-265.15 of the Code of Virginia;

(2) During the aforementioned period the Company violated the Act, by engaging in the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A and D of the Code of Virginia.

(b) Failing on certain occasions to mark applicable utility lines within the time prescribed in the Act, in violation of § 56-265.17 B and § 56-265.19 A and D of the Code of Virginia.

(c) Failing on certain occasions to report to the notification center that lines had been marked or they were not in conflict with the proposed excavation, in violation of § 56-265.19 A, B, and D of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations presented to the Underground Utility Damage Prevention Advisory Committee on March 6, 2001, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $39,300 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 $39,300 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. PUE010173
JUNE 22, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
REGENCY REALTY GROUP, INC.,
Complainant,
v.
DALE SERVICE CORPORATION,
Respondent

To acquire easement to provide sewer service

DISMISSAL ORDER

On April 2, 2001, Regency Realty Group, Inc. ("Regency"), filed a petition with the State Corporation Commission ("Commission") requesting the Commission to compel Dale Service Corporation ("Dale") to exercise its right of eminent domain to condemn an easement for a sewer extension over Forestdale Plaza so that Dale's sanitary sewer utility line can be extended to Regency's property, Cheshire Station Shopping Center. By Commission Order dated May 1, 2001, this matter was docketed, assigned to a Hearing Examiner, and scheduled for hearing on June 19, 2001.

On June 18, 2001, Regency, by counsel, filed a Motion for Voluntary Dismissal. Regency stated that it had purchased an easement for sewer extension over Forestdale Plaza. Dale agreed that this easement is acceptable for sewer extension over Forestdale Plaza so that a sanitary sewer utility line can be extended to the above-referenced Regency property. Regency moved that its Petition be dismissed.

On June 18, 2001, the Hearing Examiner granted Regency's Motion, canceled the hearing scheduled for June 19, 2001, and recommended that the Commission enter an Order dismissing Regency's Petition from the Commission's docket of pending proceedings.

NOW THE COMMISSION, having considered the matter, is of the opinion that the Hearing Examiner's recommendation should be accepted and that the matter should be dismissed from our docket of cases.

Accordingly, IT IS ORDERED THAT the above-captioned matter shall be dismissed from the Commission's docket of active cases and the papers placed in the file for ended causes.

CASE NO. PUE010233
JULY 24, 2001

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 October 25, 2000, Garcia Cable Company damaged a twenty five pair telephone line operated by Verizon Communications, Inc., located at or near Coverstone Drive, Manassas, Virginia, while excavating;

(2) On or about November 6, 2000, S. W. Rodgers Company, Inc., damaged a two hundred pair copper telephone line operated by GTE South Incorporated located at or near Wyche Road, Stafford, Virginia, while excavating;

(3) On or about November 14, 2000, Winn Caribe Communications, Inc., damaged a fifty pair telephone line operated by GTE South Incorporated located at or near 881 Mockingbird, Harrisonburg, Virginia, while excavating;

(4) On or about December 7, 2000, APAC - Virginia, Inc. damaged a twenty four strand fiber telephone line operated by Verizon Communications, Inc., located at or near 10509 Wakeman Drive, Manassas, Virginia, while excavating;

(5) On or about January 7, 2001, Midland Asphalt, Inc., damaged a one hundred forty four strand fiber telephone line operated by Verizon Communications, Inc., located at or near 12877 Bristow Road, Prince William, Virginia, while excavating;

(6) On or about January 22, 2001, Prince William Pipeline Corporation damaged a three hundred pair copper telephone line operated by GTE South Incorporated located at or near Bixey Road, Woodbridge, Virginia, while excavating; and

(7) All Clear 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.

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 $5,850 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 $5,850 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. PUE010236
JUNE 19, 2001

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 August 2, 2000, Ward & Stancil, Inc., damaged an eight inch plastic gas main line operated by Columbia Gas of Virginia, Inc. ("the Company"), located at or near the intersection of Baileys Bridge Road and Route 360, Chesterfield, Virginia, while excavating;

(2) On or about December 4, 2000, City Signal Fiber Services, Inc., damaged a six inch plastic gas main line operated by the Company located at or near 1222 Turner Road, Chesterfield, Virginia, while excavating;

(3) On or about December 8, 2000, Shoosmith Bros., Inc., damaged a one and one-quarter inch plastic gas main line operated by the Company located at or near 6600 Krause Road, Extension, Chesterfield, Virginia, while excavating;

(4) On or about January 24, 2001, R & P Lucas Underground Utilities, Inc., damaged a one-half inch plastic gas service line operated by the Company located at or near 1017 Legends Way, Suffolk, Virginia, while excavating;

(5) On or about February 1, 2001, the Augusta County Service Authority damaged a two inch plastic gas main line operated by the Company located at or near 210 Greenville Road, Stuarts Draft, Virginia, while excavating;

(6) On or about February 1, 2001, Earth Tech damaged a one-half inch plastic gas service line operated by the Company located at or near the intersection of County Street and Chestnut Street, Portsmouth, Virginia, while excavating;

(7) On or about February 13, 2001, G & S Cable, Inc., damaged a one and one-quarter inch plastic gas service line operated by the Company located at or near 7540 Hull Street Road, Chesterfield, Virginia, while excavating;

(8) On or about February 26, 2001, Counts & Dobyns, Inc., damaged a one-half inch plastic gas service line operated by the Company located at or near 3209 Forest Brook Road, Lynchburg, 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 $7,400 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 $7,400 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. PUE010238
SEPTEMBER 10, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CENTRAL LOCATING SERVICE, LTD.
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 ("Act"). The Commission's Division of Energy Regulation ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents occurring between December 8, 2000, and February 23, 2001, listed in Attachment A, involving Central Locating Service, Ltd. ("Company" "Defendant"), and alleges that:

(1) Central Locating Service, Ltd., is a contract locator as that term is defined in § 56-265.15 of the Code of Virginia;

(2) During the aforementioned period the Defendant violated the Act, by undertaking the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A and D of the Code of Virginia.

(b) Failing on certain occasions to mark within the time prescribed in the Act, in violation of § 56-265.17 B and § 56-265.19 A and D of the Code of Virginia.

(c) Failing on certain occasions to report to the notification center that lines had been marked or they were not in conflict with the proposed excavation, in violation of § 56-265.19 A, B, and D of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations presented to the Underground Utility Damage Prevention Advisory Committee on April 3, 2001, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $10,300 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 $10,300 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. PUE010239
NOVEMBER 2, 2001

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 Act"). The Commission's Division of Energy Regulation ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents between August 23, 2000, and March 8, 2001, listed in Attachment A, involving Utiliquest, LLC ("the Company"), and alleges that:

(1) Utiliquest, LLC, is a contract locator as that term is defined in § 56-265.15 of the Code of Virginia;

(2) During the aforementioned period the Company violated the Act, by committing the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of §§ 56-265.19 A and D of the Code of Virginia.

(b) Failing on certain occasions to mark within the time prescribed in the Act, in violation of § 56-265.17 B and §§ 56-265.19 A and D of the Code of Virginia.

(c) Failing on certain occasions to report to the notification center that lines had been marked or they were not in conflict with the proposed excavation, in violation of §§ 56-265.19 A, B, and D of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $24,600 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 $24,600 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. PUE010246
JULY 12, 2001

JOINT APPLICATION OF
MARSHALL WATER WORKS, INC.
and
MARSHALL WATER WORKS II, INC.

For authority to transfer assets from Marshall Water Works, Inc., to Marshall Water Works II, Inc., and for a certificate of public convenience and necessity

FINAL ORDER

On May 4, 2001, Marshall Water Works, Inc. ("Marshall I"), and Marshall Water Works II, Inc. ("Marshall II") (collectively, the "Applicants"), filed a joint application requesting authority pursuant to the Utility Transfers Act, Chapter 5 of Title 56, § 56-88 through 56-92, of the Code of Virginia (the "Code"), for Marshall I to dispose of its water facility assets and for Marshall II to acquire such assets.[1]

On May 2, 2001, the Applicants had filed a joint application requesting, pursuant to § 56-265.3 of the Code, a certificate of public convenience and necessity for Marshall II to provide water service to the residents of Marshall, Virginia, during the intermediary period between acquisition by Marshall II and ultimate acquisition by the WSA. In addition, the Applicants requested approval of Marshall II's proposed rates and rules and regulations of service, which would be the same as those currently approved for Marshall I.

On May 15, 2001, the Commission issued an Order directing the Applicants to give notice of their application to the customers of Marshall I and local officials, providing interested persons with an opportunity to comment and to request a hearing, and directing Staff to review its application and file a report detailing the results of its investigation.

On June 12, 2001, Marshall I filed proofs of notice and service. There were no comments or requests for hearing on the application.

On June 21, 2001, Staff filed its Staff Report recommending approval of the application. In regard to the proposed transfer of assets, Staff noted that there are no current financial resources to make necessary additions or improvements to the water system, parts of which date back to the 1920s and do not meet applicable standards. Marshall II will use the funding it has available to make improvements so that the system eventually can be transferred to the WSA. Staff noted that Marshall II would need to file a separate application to transfer the water system to the WSA. Staff concluded that the proposed transfer would not jeopardize or impair the provision of adequate service to the public at just and reasonable rates.

In regard to the requested certificate of public convenience and necessity, Staff recommended approval of Marshall II's proposed rates, but that Marshall II combine the residential and commercial schedules in one schedule since the rates are the same in both. In lieu of certain charges currently established by Marshall I, Staff recommended that Marshall II charge a connection fee that is limited to its actual cost of providing the service, and that Marshall II charge a customer deposit in the amount of the customer's estimated bill for two months usage. Staff further recommended that Marshall II adopt the revised tariff attached to its Staff Report as Attachment A to replace what Staff believes is the inadequate and confusing tariff under which Marshall I is currently providing service. Staff concluded that it is in the public interest for Marshall II to be issued a certificate of public convenience and necessity to provide water service, and Staff recommended that Marshall II's tariff as modified by Staff be approved.

[1] The Applicants stated that the proposed transfer would enable Marshall II to provide operating funds and to make capital improvements prior to a planned transference of the water system to the Fauquier County Water and Sanitation Authority ("WSA").

On June 28, 2001, the Applicants filed a response to the Staff Report that requested additional language be added to the tariff as modified by Staff. Rule No. 3 – Application for Service would be amended to add the following:

> (e) In those cases where meters are installed, if the meter should fail to register for any reason, or if the meter reader should be unable to gain admittance to the premises at the time the meter is due to be read or if weather prevents a meter from being read, an estimated bill will be submitted. Such bill shall be based on an average of the consumption for the preceding 12-month period, or, in the case of a new customer where previous consumption cannot be so used for computing average consumption, reasonable estimated consumption shall be used.

Marshall II also proposes to amend Rule No. 6(b) – Meters and Meter Installations to read as follows:

> Meters will be furnished, installed and removed by the Company and shall remain its property. Meters will be installed on the property of the Customer or on a public way adjoining the Customer's property.

Staff has indicated it has no objections to these modifications.

NOW THE COMMISSION, having considered the application, Staff's Report, the Applicants' comments on the Staff Report, and applicable law, is of the opinion and finds that the transfer of water utility assets should be approved pursuant to the Utility Transfers Act. We find that such transfer will not jeopardize or impair the provision of adequate water service at just and reasonable rates. We also find, pursuant to § 56-265.3 of the Code, that the public convenience and necessity require us to issue a certificate to Marshall II to provide water service to the residents of Marshall, Virginia and to approve its proposed rates and rules and regulations of services. We will cancel the certificate authorizing Marshall I to provide water service to its customers.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to §§ 56-89 and 56-90 of the Code, Marshall Water Works, Inc., is hereby granted authority to dispose of the assets of its water system as described in its application.

(2) Pursuant to §§ 56-89 and 56-90 of the Code, Marshall Water Works II, Inc., is hereby granted authority to acquire from Marshall Water Works, Inc., the assets of its water system as described in its application.

(3) Applicants 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) Marshall Water Works, Inc.'s certificate of public convenience and necessity, Certificate No. W-262, is hereby cancelled.

(5) Marshall Water Works II, Inc., is hereby issued Certificate No. W-309 to provide water service to the residents of Marshall, Virginia under its proposed rates and rules and regulations of service.

(6) There being nothing further to be done, this matter is hereby dismissed from the Commission's docket of active cases.

CASE NO. PUE010294
SEPTEMBER 14, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CENTRAL LOCATING SERVICE, LTD.,
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 ("Act"). The Commission's Division of Energy Regulation ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents between October 30, 2000, and March 28, 2001, listed in Attachment A, involving Central Locating Service, Ltd. ("the Company"), the defendant, and alleges that:

(1) Central Locating Service, Ltd., is a contract locator as that term is defined in § 56-265.15 of the Code of Virginia;

(2) During the aforementioned period the Company violated the Act, by undertaking the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of §§ 56-265.19 A and D of the Code of Virginia.

(b) Failing on certain occasions to mark within the time prescribed in the Act, in violation of §§ 56-265.17 B and § 56-265.19 A and D of the Code of Virginia.

(c) Failing on certain occasions to report to the notification center that lines had been marked or they were not in conflict with the proposed excavation, in violation of §§ 56-265.19 A, B, and D of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations presented to the Underground Utility Damage Prevention Advisory Committee on May 1, 2001, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $24,850 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $24,850 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. PUE010295
NOVEMBER 2, 2001

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 Act"). The Commission's Division of Energy Regulation ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents between November 2, 2000, and April 12, 2001, listed in Attachment A, involving Utiliquest, LLC ("the Company"), and alleges that:

(1) Utiliquest, LLC, is a contract locator as that term is defined in § 56-265.15 of the Code of Virginia;

(2) During the aforementioned period the Company violated the Act, by committing the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of §§ 56-265.19 A and D of the Code of Virginia.

(b) Failing on certain occasions to mark within the time prescribed in the Act, in violation of § 56-265.17 B and §§ 56-265.19 A and D of the Code of Virginia.

(c) Failing on certain occasions to report to the notification center that lines had been marked or they were not in conflict with the proposed excavation, in violation of §§ 56-265.19 A, B, and D of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations presented to the Underground Utility Damage Prevention Advisory Committee on May 1, 2001, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $25,800 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $25,800 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 NOS. PUE010296, PUE010297, and PUE010298
MAY 15, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of establishing rules and regulations pursuant to the Virginia Electric Utility Restructuring Act for customer minimum stay periods

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of establishing rules and regulations pursuant to the Virginia Electric Utility Restructuring Act for consolidated billing services

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of establishing rules and regulations pursuant to the Virginia Electric Utility Restructuring Act for competitive metering services

ORDER ESTABLISHING PROCEEDINGS

The Virginia Electric Utility Restructuring Act (§ 56-577 et seq. of the Code of Virginia) ("the Act"), as amended by Senate Bill No. 1420,[1] directs the State Corporation Commission ("Commission") to promulgate certain rules and regulations as may be necessary to implement various provisions of the Act.

Section 56-577 E directs the Commission to promulgate regulations establishing whether and, if so, for what minimum periods, customers who request service from an incumbent electric utility at capped rates pursuant to § 56-582 D or from a default service provider, after a period of receiving service from other suppliers of electric energy, shall be required to use such service from such incumbent supplier or default provider, as determined to be in the public interest (hereinafter, "minimum stay period").

Section 56-581.1 of the Act directs the Commission to promulgate rules and regulations as may be necessary to implement the provisions of that statute concerning competitive billing services (including consolidated billing) and competitive metering services. Such rules and regulations shall include provisions regarding the licensing of persons seeking to sell, offering to sell, or selling competitive billing or metering services, pursuant to the license requirements of § 56-587 of the Act.

Because of important differences among these various subjects, including differing levels of complexity in the issues of each, we will proceed with specific schedules for each matter. In each case, however, we direct the Staff of the Commission to invite representatives of interested parties to participate in work groups to facilitate the development of the required regulations.[2] Work group participants and other interested persons will have an opportunity to comment and request a hearing on the Staff's proposed rules, regulations, and requirements.

For the minimum stay period issue pursuant to § 56-577 E, we will direct the Staff to reconvene the work group from the proceeding that developed proposed rules governing retail access to competitive energy services,[3] and will further direct the Staff to file proposed rules and a report.

The Commission is presently considering in Case No. PUE010013 proposed rules relative to the billing services to be offered by local distribution companies, and competitive service providers, effective January 1, 2002, pursuant to § 56-581.1 A. We now need to initiate the promulgation of rules to implement the offering of consolidated billing service by licensed competitive service providers to local distribution companies and retail customers, which may be offered after the first regular meter reading date after January 1, 2003, pursuant to § 56-581.1 B. We will direct the Staff to seek input on these rules from a work group of interested persons and will require the Staff to file proposed rules and a report.

The matter of competitive metering services promises to generate a number of complex and controversial issues.[4] As we noted in our December 12, 2000, Report to the Legislative Transition Task Force: there is very little market development in those states that have adopted competitive metering; substantial questions exist as to whether competitive metering would deliver economic benefits to residential and small commercial consumers at this time; and while significant benefits may accrue to larger customers through increased availability and accessibility of energy usage information, resolution of complex market and technical issues is required to determine the best competitive structure to accomplish this objective and ensure metering

[1] 2000 Va. Acts ch. 748

[2] Persons desiring to participate in any of the three work groups described herein should notify David R. Eichenlaub of the Commission's Division of Economics and Finance by electronic mail at deichenlaub@scc.state.va.us.

[3] Commonwealth ex rel. State Corp. Comm'n, Ex Parte: In the matter of establishing rules for retail access, Case No. PUE010013.

[4] See Report to the Legislative Transition Task Force of the Va. General Assembly, "Recommendation and Draft Plan, Retail Electric and Metering Services" at 18 (Dec. 12, 2000); Case No PUE000346.

integrity. In Case No. PUE000346, some Virginia utilities stated their desire to move quickly forward on developing structures for competitive metering while others, however, prefer delaying implementation.[5]

Due to the many complexities and uncertainties surrounding competitive metering, we will not at this time set a specific date for the Staff to submit proposed rules. As with the other matters, the Staff shall invite representatives of interested parties to participate in a work group on this issue. The work group should assist the Staff in advising the Commission on how best to proceed with its rulemaking obligations under § 56-581.1 F. The Staff should present such recommendations in an Interim Report to be filed with the Commission.

In light of the uncertainties surrounding competitive metering, we encourage the Staff and the work group to consider the feasibility and appropriateness of an approach that provides a reasonable level of flexibility for experimentation. In addition, pursuant to § 56-581.1 E 9, all investor owned electric distribution utilities shall expeditiously advise the Commission of any requested delay in implementing competitive metering services in their respective service territories.

Accordingly, IT IS ORDERED THAT:

(1) The matter of establishing rules for minimum stay periods pursuant to § 56-577 E of the Code of Virginia is docketed and assigned Case No. PUE010296.

(2) The matter of establishing rules for consolidated billing services pursuant to § 56-581.1 D of the Code of Virginia is docketed and assigned Case No. PUE010297.

(3) The matter of establishing rules for competitive metering services pursuant to § 56-581.1 F of the Code of Virginia is docketed and assigned Case No. PUE010298.

(4) On or before June 12, 2001, persons with an interest in any of these proceedings, including those already on the service list for this Order, who desire to remain on or be added to the service list(s) for future filings and orders shall file with the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, a statement of such interest, identifying the specific docket(s) by Case No. in which he or she is interested.

(5) The Commission Staff shall conduct an investigation, with input from a work group, and file with the Clerk of the Commission in Case No. PUE010296, an original and fifteen (15) copies of proposed rules and a report supporting such proposed rules for customer minimum stay periods, on or before June 26, 2001, and shall serve one (1) copy on all work group participants.

(6) On or before July 23, 2001, interested parties shall file with the Clerk an original and fifteen (15) copies of comments or requests for hearing on the Staff's proposed minimum stay period regulations, as well as any other comments pertinent to this proceeding.

(7) The Commission Staff shall conduct an investigation, with input from a work group, and file with the Clerk of the Commission in Case No. PUE010297, an original and fifteen (15) copies of proposed rules for consolidated billing services, on or before February 14, 2002, and shall serve one (1) copy on all work group participants; and shall file and serve copies of a report in support of its proposed consolidated billing rules on or before February 28, 2002, in the manner provided hereinabove.

(8) On or before March 22, 2002, interested parties shall file with the Clerk an original and fifteen (15) copies of comments or requests for hearing on the Staff's proposed rules and report on consolidated billing services, as well as any other comments pertinent to this proceeding in Case No. PUE010297.

(9) On or before July 16, 2001, the Commission Staff shall conduct an investigation, with input from a work group, and file with the Clerk of the Commission in Case No. PUE010298, an original and fifteen (15) copies of an interim report presenting recommendations on further procedures for promulgating proposed rules for competitive metering services, and shall serve one (1) copy on all work group participants.

(10) On or before May 31, 2001, pursuant to § 56-581.1 E 9, all investor owned electric distribution utilities shall file with the Commission their intended schedule for implementing competitive metering services in their respective service territory.

(11) On or before May 25, 2001, the Commission's Division of Information Resources shall publish the following notice as classified advertising in newspapers of general circulation throughout the Commonwealth of Virginia.

NOTICE TO THE PUBLIC OF PROCEEDINGS TO
ESTABLISH RULES AND REGULATIONS
PURSUANT TO THE VIRGINIA ELECTRIC
UTILITY RESTRUCTURING ACT FOR CUSTOMER
MINIMUM STAY PERIODS AND FOR COMPETITIVE
RETAIL BILLING AND METERING SERVICES
CASE NOS. PUE010296, PUE010297,
AND PUE010298

The Virginia Electric Utility Restructuring Act (§ 56-577 et seq. of the Code of Virginia) ("the Act"), as amended this year by Senate Bill No. 1420, directs the Virginia State Corporation Commission

[5] The Potomac Edison Company, d/b/a Allegheny Power ("AP") made such a filing on April 23, 2001, requesting that the Commission delay the requirement that AP provide competitive metering services in its Virginia service territory until January 1, 2003, for large industrial and large commercial customers, and until January 1, 2004 for residential and small business customers. (SCC Doc. Control Ctr. No. 010430043.)

("Commission") to promulgate certain rules and regulations as may be necessary to implement various provisions of the Act.

Section 56-577 directs the Commission to promulgate regulations establishing whether and, if so, for what minimum periods, customers who request service from an incumbent electric utility at capped rates pursuant to § 56-582 D or from a default service provider, after a period of receiving service from other suppliers of electric energy, shall be required to use such service from such incumbent supplier or default provider, as determined to be in the public interest ("minimum stay period").

Section 56-581.1 of the Act directs the Commission to promulgate rules and regulations as may be necessary to implement the provisions of that statute concerning competitive billing and metering services. Such rules and regulations shall include provisions regarding the licensing of persons seeking to sell, offering to sell, or selling competitive billing or metering services, pursuant to the license requirements of § 56-587 of the Act.

The Staff of the Commission will invite representatives of interested parties to participate in work groups to assist the Staff in developing these proposed regulations required by the Act.

The Staff will file with the Clerk of the Commission proposed rules and a report for any minimum stay periods on or before June 26, 2001, in Case No. PUE010296.

The Staff will file with the Clerk, in Case No. PUE010297, on or before February 14, 2002, proposed rules for consolidated billing services and will file a report in support of those proposed rules on or before February 28, 2002.

Any person desiring to comment in writing or request a hearing on the Staff's proposed rules for minimum stay periods may do so by directing such comments or requests for hearing on or before July 23, 2001, to the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, referencing Case No. PUE010296.

Any person desiring to comment in writing or request a hearing on the Staff's proposed rules for consolidated billing services may do so by directing such comments or requests for hearing on or before March 22, 2002, to the Clerk of the Commission at the address set forth above, referencing Case No. PUE010297.

For promulgating competitive metering services rules, the Commission Staff will file with the Clerk in Case No. PUE010298, on or before July 16, 2001, an interim report presenting recommendations on further procedures.

Persons interested in the full procedural details of these proceedings should obtain a copy of the Commission's May 15, 2001, Order Establishing Proceedings, which may be obtained from the Clerk of the Commission or from the Commission's Web site http://www.state.va.us/scc/caseinfo/orders.htm.

The Staff's proposed rules and reports in these proceedings will also be made available on the Commission's Web site and will be publicly available for inspection in the Clerk's office. The Clerk's office will provide a copy of the proposed regulations to any interested party, free of charge, in response to any written request. The proposed regulations will also appear in the Virginia Register of Regulations.

All written communications to the Commission should be directed to the Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, and should refer to the appropriate Case Number.

VIRGINIA STATE CORPORATION COMMISSION

CASE NO. PUE010296
OCTOBER 9, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of establishing rules and regulations pursuant to the Virginia Electric Utility Restructuring Act for customer minimum stay periods

FINAL ORDER

Section 56-577 E of the Virginia Electric Utility Restructuring Act (§ 56-576 et seq. of the Code of Virginia) ("the Act"), directs the State Corporation Commission ("Commission") to promulgate regulations establishing whether and, if so, for what minimum periods, customers who request service from an incumbent electric utility at capped rates pursuant to § 56-582 D or from a default service provider, after a period of receiving service from

other suppliers of electric energy, shall be required to use such service from such incumbent electric utility or default service provider, as determined to be in the public interest (hereinafter, "minimum stay period").

The Commission initiated this proceeding on May 15, 2001, to consider regulations for minimum stay periods. To facilitate the development of possible regulations, we directed our Staff to reconvene the work group from the Commission proceeding that developed proposed rules governing retail access to competitive energy services ("Retail Access Rules"),[1] and we further directed the Staff to file proposed rules and a report.

The Staff filed on June 26, 2001, its Staff Report on Proposed Rules Governing Minimum Stay Periods ("Report"). The Report explained that the different pricing mechanisms existing for regulated, or capped rate, electricity supply service versus competitive electricity supply service, coupled with an electric local distribution company's ("LDC") statutory obligation to make service available at capped rates within its service territory, give rise to the potential need for minimum stay periods. In combination, these two factors create the economic incentives for astute retail customers to seek, as well as competitive service providers ("CSP") to offer, electricity supply service from the competitive market during low demand periods when prices in the wholesale market are below the LDC's capped rate service, and for such customers to return to capped rate service for periods when market demand is high and wholesale prices are expected to exceed such capped rates.[2]

The Staff stated that price-induced switching between the competitive and regulated markets is economically rational and, if allowed, should be expected; however, customers that return to capped rate service during high cost periods, paying only average cost, could impose significant additional economic costs on the LDC and/or its customers through higher fuel or power supply costs and/or reduced competitive or regulated sales margins. The Staff reported that LDCs generally desire a 12-month minimum stay period for all customers returning to capped rate service from the competitive market, whereas CSPs and large industrial customers generally oppose the establishment of any minimum stay period.

The Report reviewed minimum stay periods adopted in other states implementing retail access. Rules in those states vary from no minimum stay requirement at all to a one-year minimum stay period, with some accompanied by a market-based pricing option as an alternative to the specified minimum stay period. The majority of other states' minimum stay requirements apply to non-residential customers only.

The Staff sought to balance the concerns of LDCs regarding the financial impact of the short-term return of customers to capped rate service during high cost periods against efforts to advance the development of a competitive market and to encourage customers to exercise their right to choose a CSP.

The Staff found that the adoption of a simple 12-month minimum stay period is appropriate for large customers, whose return to capped rate service pose significant financial risks to the LDC or other customers, but it had difficulty in drawing the line to define such customers, especially prior to any actual market development. The Staff concluded it would be preferable to start with a less restrictive minimum stay period in terms of customer applicability and to closely monitor market development to ascertain what adjustments may be needed or desirable, based on actual experience. The Staff proposed a customer applicability threshold ranging between 200 kW and 500 kW of demand, and used a 300 kW annual peak demand threshold in its proposed rule.[3]

The Staff further proposed that these minimum stay issues be re-evaluated in late 2002 to consider the experience gained during the 2002 summer peak demand period. Such re-evaluation could also include consideration of a market-based pricing option for a customer's short-term return to capped rate service that would allow a customer to avoid a required minimum stay period.

The following parties filed comments on the Report and the proposed minimum stay rules: Division of Consumer Counsel, Office of Attorney General; AES NewEnergy, Inc.; The New Power Company; the Virginia Committee for Fair Utility Rates and the Old Dominion Committee for Fair Utility Rates (the "Industrial Committees"); the Town of Wytheville and the VML/VACo APCo Steering Committee (collectively, "Public Authorities"); Appalachian Power Company, d/b/a American Electric Power ("AEP-VA"); Delmarva Power & Light Company ("Delmarva"); The Potomac Edison Company, d/b/a Allegheny Power; Virginia Electric and Power Company ("Dominion Virginia Power"); the Virginia, Maryland & Delaware Association of Electric Cooperatives, and thirteen member distribution cooperatives (collectively, the "Cooperatives"); and Washington Gas Light Company ("WGL").

The Consumer Counsel generally supports the Staff minimum stay proposal. It recommends that customers should receive written notification of minimum stay requirements before the restrictions become applicable, and suggests that notice be included in CSPs' written contracts with customers. AES

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[1] Commonwealth ex rel. State Corp. Comm'n, Ex Parte: In the matter of establishing rules for retail access, Case No. PUE010013, Final Order, June 19, 2001. Rules codified at 20 VAC 5-312-10 et seq.

[2] The Staff noted that its discussion and proposal is limited in applicability to the LDC provision of capped rate service, including default service under capped rates, as the provision of all aspects of default service pursuant to § 56-585 has not yet been established.

[3] The minimum stay period rule proposed by the Staff is set forth below as an amendment to the Commission's recently approved Retail Access Rules by adding a term to the "Definitions" section in 20 VAC 5-312-10 and a rule to the "Enrollment and Switching" provisions in 20 VAC 5-312-80:

20 VAC 5-312-10

"Minimum stay period" means the minimum period of time a customer who requests electricity supply service from the local distribution company, pursuant to § 56-582 D of the Code of Virginia, after a period of receiving electricity supply service from a competitive service provider, is required to use such service from the local distribution company.

20 VAC 5-312-80

Q. The local distribution company may require a 12-month minimum stay period for electricity customers with an annual peak demand of 300 kW or greater. Such customers that return to capped rate service provided by the local distribution company as a result of a competitive service provider's abandonment of service in the Commonwealth may choose another competitive service provider at any time without the requirement to remain for the minimum stay period of 12 months.

NewEnergy recommends that minimum stay periods be adopted only when all other means of deterring seasonal contracting are exhausted; and that if minimum stay provisions are imposed, customers should be given more flexibility to contract with a CSP for supply service. The New Power Company states that it opposes minimum stay rules as harmful to customers, but it generally supports the Staff proposal. It, however, urges the Commission to adopt a 500 kW threshold instead of the 300 kW threshold proposed by Staff. New Power states that customers that would be subject to the minimum stay rule at this higher threshold are able to exercise some control over usage, and therefore price, and it notes that 500 kW is the cut-off for the standard tariff provision of interval metering in the case of Dominion Virginia Power.

The Industrial Committees oppose the Staff's proposed rule as being unduly restrictive of customer choice and the development of a retail competitive market in Virginia. They argue that the experience from electric retail access pilot programs in the Commonwealth does not provide the basis for concluding there is potential for significant impact on either the LDC or capped rate customers from not having a minimum stay requirement.

The Public Authorities are concerned that any limitation on retail customers to choose an alternative supplier will have a negative impact on the development of a competitive retail electricity market in Virginia. They urge the Commission to either defer establishment of a minimum stay period or to raise the kW threshold for imposing such a requirement. They also contend any minimum stay requirement should be limited to periods of high cost and high demand.

AEP-VA, Delmarva, Allegheny Power, and the Cooperatives contend there should be a 12-month minimum stay requirement applicable to all customers. Dominion Virginia Power supports a 12-month requirement applicable to customers on a rate schedule, rather than a kW, basis.[4] If the Commission were to adopt an explicit kW demand level, Dominion Virginia Power urges that it be imposed at 30 kW.

WGL noted that the proposed minimum stay rule would apply only to electric LDCs and their customers, and stated that such is not necessary or appropriate at this time for natural gas LDC retail access programs.

Several parties proposed various alternatives to the proposed rule to offer greater flexibility to customers, CSPs and LDCs. Such proposals include grace periods for returning customers before minimum stay provisions would become effective, limiting the minimum stay period to 6 months, and exit fees or market-based pricing alternatives that would allow a returning customer to leave an LDC before expiration of the minimum stay period.

NOW THE COMMISSION, upon consideration of the Staff Report, the parties' comments, and the requirements of the Restructuring Act, is of the opinion and finds that rules should be promulgated governing customer minimum stay periods. We make this finding with reluctance, however. We would prefer to allow all customers unfettered access to their choice of electricity suppliers so as to encourage the creation of a competitive market void of artificial constraints inhibiting economically rational behavior. In determining what rules, if any, to impose, we recognize the potential for material adverse financial impact on LDCs (and, in some instances, their capped rate customers) caused by significant customer switching between competitive and regulated markets with seasonal changes in wholesale prices of electricity.

The Staff sought in its proposal to strike a balance between concerns with the financial impact of the short-term return of customers to capped rate service during high cost periods versus efforts to advance the development of a competitive market and to encourage customers to exercise their right to choose alternative suppliers. We believe the Staff approach of a simple and limited rule is the correct approach at this time, and we will adopt its proposed rule, 20 VAC 5-312-80 Q, with modification. We will raise the customer annual peak demand threshold for imposing a minimum stay requirement from 300 kW to 500 kW.[5] We retain a kW-based threshold rather than using a rate schedule basis since rate schedules differ among the LDCs and the kW-based threshold we adopt applies uniformly to only the largest customers.

We considered strongly imposing no minimum stay requirement as there is insufficient evidence at this preliminary stage of retail competition in Virginia to demonstrate conclusively that it is warranted. We would rather permit retail competition in the Commonwealth to operate without regulatory restrictions on a customer's choice of electricity suppliers until there is clear evidence that some material harm to LDCs will indeed result absent a minimum stay requirement. However, we recognize that many large customers of the LDCs are sophisticated and may reasonably be expected to respond to economic opportunities that could expose the LDCs to potentially significant economic harm.

The rule we adopt should protect LDCs from the major loads that return for short-term capped rate service while minimizing regulatory obstacles to the development of a competitive market. To the extent the LDCs will be subject to some risk under the 500 kW threshold, this is simply a risk they will be required to incur as a partner in the incipient competitive marketplace for electricity in Virginia. We will, however, afford LDCs the opportunity to collect and furnish to the Commission data that would support alternative minimum stay requirements including making a minimum stay period applicable to customers with annual peak loads of less than 500 kW. Rule 20 VAC 5-312-80 R will permit any LDC to seek alternative requirements upon application to the Commission provided a request for such is supported with detailed information collected from the LDC's experience with retail choice in its Virginia service territory.[6]

To ensure that reasonably adequate data is available for an evaluation of any proposed expansion to the customer applicability of minimum stay period requirements, LDCs should include in any request for imposing such a more expansive requirement, at a minimum, the following information, or its equivalent, to demonstrate the specific scope, nature, and financial impact of customers' short-term return to capped rate service relative to potentially

[4] AEP-VA, Allegheny Power, and Delmarva also support basing any threshold on rate service classifications if the Commission does not accept their proposal to impose minimum stay requirements on all customers.

[5] While we do not alter the rule as proposed in other respects, we do note that the exception to the rule for customers dropped by a CSP that has abandoned service in Virginia would not extend to a CSP that only dropped its customers for a high cost period yet otherwise remains in business in the Commonwealth. The exception applies to CSPs that actually cease to be suppliers.

[6] We recognize that the provisions of the rule we adopt will necessarily limit the scope of data available to be collected and studied once retail choice begins. Obviously, there will be no short-term switching back and forth among CSPs and LDCs by customers whose peak demand is at or above the threshold level adopted in the rule. The ability to monitor and analyze the activity of many customers unencumbered by restrictions in a competitive market further favors the setting of a higher threshold for minimum stay requirements.

affected customers for the most recent summer peak demand switching cycle (April through November) and/or winter peak demand switching cycle (November through April):

> 1) The total number of the LDC's distribution service customers subject to the proposed expanded applicability of the rule and the respective corresponding load at the time of the filing, categorized by customer type (residential and non-residential) and size (reasonably-sized increments of annual peak demand);[7]
>
> 2) The total number and corresponding load of retail customers subject to the proposed expanded applicability of the rule that received competitive electricity supply service as of the end of each month, categorized by above customer type and size;
>
> 3) The total number and corresponding load of retail customers subject to the proposed expanded applicability of the rule that switched from capped rate service to competitive electricity supply service in each month, categorized by above customer type and size;
>
> 4) The number and corresponding load of retail customers subject to the proposed expanded applicability of the rule that returned to capped rate service from competitive electricity supply service in each month, categorized by above customer type and size:
>
> > a) With respect to each customer type and size category of retail customers that returned to capped rate service from competitive electricity supply service for each month of April through August, the number and corresponding load of retail customers within each such category and month subsequently returning to competitive electricity supply service in each of the months of August through November;
> >
> > b) With respect to each customer type and size category of retail customers that returned to capped rate service from competitive electricity supply service for each month of November through February, the number and corresponding load of retail customers within each such category and month subsequently returning to competitive electricity supply service in each of the months of February through April; and
>
> 5) The estimated net financial impact on the LDC and/or its other capped rate customers resulting from the short-term return of retail customers subject to the proposed expanded applicability of the rule to capped rate service during peak demand periods, including all supporting assumptions, documentation, and calculations.

As noted, several parties proposed various alternatives to the proposed rule such as market-based pricing by LDCs in lieu of a minimum stay requirement, exit fees, grace periods, and a shorter 6-month minimum stay period. We will direct the Staff to study such alternatives that may offer flexibility to customers, CSPs and LDCs and to submit a report on its findings.

Although premature at this time, the applicability of customer minimum stay periods may be considered upon the Commission's determination of one or more default service providers pursuant to § 56-585 of the Code of Virginia.

Finally, we will adopt rules relative to the recommendation of the Consumer Counsel for customers to receive notice of the minimum stay period requirement. Specifically, we will amend Retail Access Rule 20 VAC 5-312-70 C 3 to add a requirement that CSP customer service contracts include disclosure of any potential minimum stay requirements of the LDC. We also adopt Rule 20 VAC 5-312-80 S requiring an LDC to give customers 30 days written notice of its minimum stay period requirements, and stating that customers who have selected a CSP prior to receiving notice from the LDC will not be subject to a minimum stay period until the customer renews an existing contract or chooses a new CSP.

Accordingly, IT IS ORDERED THAT:

(1) Rules governing customer minimum stay periods are hereby adopted as set forth in the Attachment to this Order, amending the Commission's Rules Governing Retail Access to Competitive Energy Services.

(2) Electric local distribution companies shall conform their respective tariffs to comply with the requirements of the minimum stay rule adopted herein.

(3) Competitive service providers and electric local distribution companies shall provide written notice of minimum stay requirements to customers subject to the rule pursuant to Retail Access Rules 20 VAC 5-312-70 C 3 and 20 VAC 5-312-80 S as adopted and set forth in the Attachment to this Order.

(4) Any electric local distribution company desiring to impose a minimum stay requirement more expansive than Retail Access Rule 20 VAC 5-312-80 Q adopted herein must make an application to the Commission for approval of a different requirement. Any such application shall, at a minimum, be supported with the data detailed above in this Order.

(5) The Commission Staff shall investigate and give further consideration to alternatives to the minimum stay rule that would advance the development of competition in the Commonwealth. The Staff shall file a report with the Commission on or before March 31, 2003, detailing its re-evaluation of minimum stay issues.

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[7] We note that increment size based on certain rate schedules are too broad to allow adequate analysis for making a critical decision that potentially will limit the competitive choices of retail customers. For example, certain rate schedules encompass a customer demand range of over 400 kW. Generally we would expect the increment sizes to approximate 50 kW to 100 kW.

(6) This matter is dismissed and the papers herein shall be placed in the file for ended causes.

NOTE: A copy of the Attachment entitled "Rules Governing Customer Minimum Stay Periods" 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. PUE010298
DECEMBER 21, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of establishing rules and regulations pursuant to the Virginia Electric Utility Restructuring Act for competitive metering services

ORDER

In the State Corporation Commission's ("Commission") May 15, 2001, Order establishing this proceeding, the Commission directed investor-owned distribution utilities to file by May 31, 2001, their intended schedules for implementing competitive metering services; and directed the Staff to file, with input from a work group, an interim report by July 16, 2001, presenting recommendations on further procedures for promulgating proposed rules for competitive metering services pursuant to § 56-581.1 of the Virginia Electric Utility Restructuring Act.[1]

Three of the four investor-owned electric distribution utilities beginning full or phased-in retail access in Virginia on January 1, 2002 — Delmarva Power & Light, Virginia Electric and Power Company ("Dominion Virginia Power"), and The Potomac Edison Company, d/b/a Allegheny Power ("AP")-- requested a delay in implementing competitive metering within their distribution service territories until January 1, 2003, for large industrial and large commercial customers, and after January 1, 2004, for residential and small business customers. Appalachian Power Company, d/b/a American Electric Power ("AEP-VA") initially filed a notice of intent to begin the implementation of competitive metering on January 1, 2002, for large industrial and large commercial customers, and on or after January 1, 2003, for residential and small business customers. Subsequently, on July 3, 2001, AEP-VA notified the Commission that it "will not press for the issuance of competitive metering rules by January 1, 2002." AEP-VA requested, however, that the Commission not foreclose the possibility that early entrants into the competitive metering market could be accommodated under the company's existing tariffs between January 1, 2002, and January 1, 2003.

Kentucky Utilities Company, d/b/a Old Dominion Power Company ("ODP"), which will transition to retail choice in its Virginia service territory on or before January 1, 2004, requested a delay in the implementation of competitive metering services in its Virginia service territory until after January 1, 2004.

In its July 16, 2001, interim report, the Staff recommended that: (1) competitive metering should initially provide meter data availability and access choices, including access to meter data on a near real-time basis by January 1, 2003; (2) the Staff, with input from the work group, should submit a draft of proposed rules by February 14, 2002, relative to meter data availability and access choices; and (3) upon implementation of such rules, the Staff and work group should continue to meet and conduct an ongoing examination of the development of competitive metering markets and make recommendations regarding additional competitive metering market elements.

On August 21, 2001, the following parties filed comments on the utilities' intended schedules and the Staff's interim report: the Division of Consumer Counsel, Office of the Attorney General; AEP-VA, AP; Dominion Virginia Power; AES NewEnergy, Inc.; The New Power Company, the Virginia Committee for Fair Utility Rates and the Old Dominion Committee for Fair Utility Rates ("Industrial Committees"); and the National Energy Marketers Association ("NEM").

Few substantial objections were raised to the Staff's recommendation that competitive metering be implemented beginning January 1, 2003 with meter data availability and access choices. On a separate matter, Dominion Virginia Power urged the Commission specifically to include customer meter ownership as part of the initial implementation of competitive metering for large customers on January 1, 2003, and to establish a target date of January 1, 2004, for the competitive provision of all metering services to large customers, with the Commission having the flexibility to adjust this schedule due to changing market conditions. The Industrial Committees did not specifically oppose an initial implementation of only certain elements of competitive metering, but favored a more compressed schedule. NEM urged the Commission immediately to unbundle the fully embedded monopoly costs associated with metering.

NOW THE COMMISSION, upon consideration of the filings in this matter and the applicable statutes, is of the opinion that the requested delays of the electric distributions companies for the implementation of competitive metering for large customers should be granted; that AEP-VA should be permitted to offer competitive metering to early entrants through its approved tariffs; that the Commission Staff and the competitive metering work group should continue to meet to address rules relative to the competitive metering elements of meter data availability and access choices; and that the Staff should file proposed rules by February 14, 2002.

We find it appropriate to grant the requests of Delmarva, Dominion Virginia Power, and AP to delay implementation of competitive metering in their respective service territories until January 1, 2003, for large industrial and large commercial customers.[2] It is premature for the Commission to rule on requests to delay the implementation of competitive metering for residential and small business customers. We recognize that the issues surrounding

[1] Code § 56-576 et seq.

[2] ODP is granted a delay in the implementation of competitive metering services for large industrial and commercial customers until the later of January 1, 2003, or the implementation of retail choice in its Virginia service territory on or before January 1, 2004.

competitive metering are complex and controversial, and there has not been adequate time to fully develop rules in a fashion timely enough to allow utilities to put into operation the processes and systems needed to implement competitive metering services by January 1, 2002. In addition, little or no competitive metering activity has developed at the current time in other states in which competitive metering has been authorized. We believe a one year delay in the implementation of competitive metering, as permitted by § 56-581.1 E, will help avoid confusion in the marketplace and facilitate a more orderly transition to retail access.

We agree with the Staff that the availability and accessibility of meter data by customers and competitive service providers may be the elements of metering services most critical to advancing the development of a competitive electricity market in Virginia. Therefore, we will adopt the Staff's recommendation and direct the Staff to proceed, with the assistance of the work group, to develop and propose rules by February 14, 2002, that provide customers and competitive service providers with reasonable options regarding meter data availability and accessibility.

The comments of Dominion Virginia Power and certain other interested parties include recommendations for the implementation of additional competitive metering elements on January 1, 2003. We will refer consideration and evaluation of such additional elements of competitive metering services to the Staff with the assistance of the work group. Such evaluations should carefully consider the nine statutory implementation criteria set forth in 56-581.1 E of the Code of Virginia. It is these statutory criteria that will guide this Commission with respect to how implementation will be accomplished. We will also direct the Staff to file a report by June 30, 2002, providing the status of its evaluations and recommendations for additional implementation efforts.

AEP-VA's request for it to offer competitive metering through approved tariffs for calendar year 2002 will be granted pursuant to our approvals in AEP-VA's functional separation proceeding in Case No. PUE010011. This approach is consistent with our May 15, 2001, order wherein we encouraged an approach that provides a reasonable level of flexibility for experimentation. Additionally, we continue to encourage the active work group participation of competitive metering and energy service providers, including the presentation of specific proposals for experimentation.

Accordingly, IT IS HEREBY ORDERED THAT:

(1) The requests for delays in implementation of competitive metering are granted as set forth herein. AEP-VA may offer competitive metering under its approved tariffs during 2002.

(2) The Commission Staff shall, with the assistance of the work group, develop and propose rules by February 14, 2002.

(3) The Commission Staff shall proceed, with the assistance of the work group, to further examine additional elements of competitive metering services and to submit a report providing its findings and recommendations for additional implementation efforts by June 30, 2002.

(4) This matter shall be continued generally.

CASE NO. PUE010299
OCTOBER 10, 2001

APPLICATION OF
METROMEDIA ENERGY, INC.

For a license to conduct business as a competitive service provider in a natural gas retail access program

ORDER GRANTING LICENSE

On May 4, 2001, Metromedia Energy, Inc. ("Metromedia" or "Applicant") filed an application for a license to conduct business as a natural gas competitive service provider ("CSP") in a retail access pilot program that has been approved by this Commission as provided by the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs ("Interim Rules"), 20 VAC 5-311-10 et seq. Metromedia completed its application with supplements filed on July 14 and August 29, 2001. The Company intends to serve commercial and industrial customers participating in the natural gas retail access program of Washington Gas Light Company ("WGL"). According to the application, Metromedia has served a copy of its application on WGL.

On September 6, 2001, the Commission issued its Order for Notice and Comment, establishing the case, providing for the receipt of comments from the public, and requiring the Commission's Staff to analyze the reasonableness of Metromedia's application and present its findings in a Staff Report to be filed on or before September 24, 2001. No comments from the public on Metromedia's application were received.

The Staff filed its Report on September 24, 2001, concerning Metromedia's fitness to provide competitive natural gas service. The Staff concluded that Metromedia meets the technical and financial fitness requirements for licensure. As such, the Staff recommended that a license be granted to Metromedia Energy, Inc., for the provision of natural gas service to commercial and industrial customers in the WGL retail access program. Metromedia filed a response to the Staff Report.

NOW UPON CONSIDERATION of the application, the Staff Report, the Company's response and the applicable law, the Commission finds that Metromedia's application to provide natural gas service should be granted. However as we have noted, WGL has been authorized to implement natural gas retail choice to all of its customers, consequently, it no longer has a pilot program. In Case No. PUE010013, by Order dated June 19, 2001, the Commission adopted Rules Governing Retail Access to Competitive Energy Services, 20 VAC 5-312-10 et seq. ("Retail Access Rules"), effective August 1, 2001. Since WGL no longer has a pilot program, we will treat Metromedia's request to participate in WGL's pilot as a request to participate in its natural gas retail choice program.

Accordingly, IT IS ORDERED THAT:

(1) Metromedia Energy, Inc., is hereby granted license No. G-4 to provide competitive natural gas service to commercial and industrial customers in association with the retail access program of WGL. This license to act as a competitive service provider is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) Failure of Metromedia Energy, Inc., to comply with the Retail Access 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 matter shall remain open pending the receipt of any reports required by the Retail Access Rules.

CASE NO. PUE010305
SEPTEMBER 25, 2001

APPLICATION OF
UNITED CITIES GAS COMPANY (a Division of Atmos Energy Corporation)

For approval of an amendment to purchased gas adjustment rider

FINAL ORDER

On May 22, 2001, United Cities Gas Company (a Division of Atoms Energy Corporation) ("United Cities" or the "Company") filed an application with the State Corporation Commission ("Commission") requesting approval of an amendment to its Purchased Gas Adjustment Rider ("PGA"). The Company has begun to engage in financial hedging activities as a part of its gas purchase strategy. United Cities requests that its PGA be amended to include the costs associated with gas price hedging contracts in the definition of the cost of purchased gas.

On June 6, 2001, the Commission issued an Order for Notice and Hearing which, among other things, required Staff to investigate the reasonableness of the Company's application and to present its findings and recommendations in a report to be filed with the Clerk of the Commission on or before July 27, 2001. Accordingly, Staff filed its report on July 27, 2001. In its report, Staff states that hedging can be an appropriate component of a prudently managed gas supply portfolio. Staff further believes that it would be appropriate to recover prudently incurred costs through the PGA so that there is a match between the recovery of the hedging costs and the recovery of the costs of the associated gas supply. Staff notes that the costs should be recovered without reference to other hypothetical or imputed gas supply costs.

The Staff Report also contains recommendations for the Company to employ in its hedging activities. Such recommendations include that the PGA mechanism be amended to allow for the recovery of prudently incurred costs associated with hedging, and that the Company be authorized to enter into futures contracts, forward contracts, and call options, including caps and collars, in conjunction with 50% of its expected gas purchases under normal conditions, net of storage, through the 2003-2004 heating season. Staff further recommends that United Cities should use caution since the reasonableness of the costs are subject to review, and that the Company's Board of Directors should adopt a risk management policy to define the Company's objectives in its risk management activities. Finally, Staff recommends that the Company file a report on or before June 30, 2002, 2003, and 2004 detailing each gas cost-hedging transaction into which United Cities entered.

On August 2, 2001, United Cities filed a motion requesting that it be allowed to respond to the Staff Report by August 24, 2001. We granted the Company's motion on August 3, 2001. United Cities filed comments on the Staff Report on August 23, 2001. In its comments, United Cities took issue with the Staff's recommendation that the Board of Directors adopt a risk management policy. The Company argues that its gas procurement strategies require flexibility for quick reaction to market changes, and that since its activities are under constant oversight and approval by senior management, a formal policy is unnecessary.

To address this concern, Staff and United Cities discussed alternatives to a policy adopted by the Board of Directors. On September 19, 2001, the Company filed with the Commission Risk Management Control Guidelines approved by the Company's senior management. Staff agrees with the adoption of these guidelines which will assist the Company in its risk management practices.

NOW THE COMMISSION, having considered the application, the Staff Report, and the Risk Management Control Guidelines, is of the opinion and finds that the Company's proposed amendment to the PGA should be implemented. United Cities should conduct its hedging activities in accordance with the recommendations made by Staff and the Risk Management Control Guidelines filed herein.

Accordingly, IT IS ORDERED THAT:

(1) United Cities may enter into futures contracts, forward contracts, and call options, including caps and collars, in conjunction with 50% of its expected gas purchases under normal conditions, net of storage, through the 2003-2004 heating season in accordance with the Staff recommendations and the Risk Management Control Guidelines described herein.

(2) The Company is hereby authorized to amend the definition of the cost of purchased gas in its PGA to allow for the recovery of prudently incurred costs associated with gas price hedging contracts as described in Ordering Paragraph (1) above.

(3) The Company shall file a detailed report with the Commission's Divisions of Economics and Finance, Energy Regulation, and Public Utility Accounting to account for each gas cost-hedging transaction on a yearly basis on or before June 30, 2002, 2003, and 2004.

(4) The Company shall forthwith revise the appropriate portions of its tariff on file with the Commission.

(5) This case shall remain open for receipt of the reports to be filed by United Cities as described in Ordering Paragraph (3) above.

CASE NO. PUE010306
JUNE 13, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of considering requirements relating to wires charges pursuant to the Virginia Electric Utility Restructuring Act

ORDER ESTABLISHING PROCEEDING

Section 56-583 of the Virginia Electric Utility Restructuring Act, (§ 56-577 et seq. of the Code of Virginia) ("the Act"), directs the State Corporation Commission ("Commission") to establish wires charges for each incumbent electric utility, effective upon the commencement of retail access in the selection of electric suppliers. Such wires charges are to provide utilities a method to recover any just and reasonable net stranded costs pursuant to § 56-584 of the Act.[1]

Section 56-583 of the Act further directs that wires charges calculated pursuant to that statute be adjusted by the Commission not more frequently than annually and that the Commission seek to coordinate such adjustments with any adjustments of capped rates pursuant to § 56-582 of the Act.

The Commission is of the opinion that the Staff of the Commission should invite representatives of incumbent electric utilities and other interested parties to participate in a work group that will help the Staff identify and resolve issues in furtherance of our statutory obligations under § 56-583.[2]

While the Staff and work group members may identify a number of issues for consideration, we particularly seek input and recommendations on the following:

(a) Whether capped rate changes should be tied to fuel factor changes for the purposes of determining wires charges, and the timing of any fuel-related change in capped rates as it relates to the Commission's determination of market price, as related to the calculation of wires charges;

(b) The advisability of developing rules of general application for the determination of market prices for generation, the scope of such rules, and the rules themselves; and

(c) Wires charges rate design, including the manner in which aggregate wires charges are transformed into rate element specific wires charges.

We will direct each utility to file a proposal[3] that details the following wires charge issues: timing and coordination of adjustments; market price determination; and rate design. The Staff shall file responses to the utilities' proposals, and interested parties may also file responses.

We will also direct the Staff to assist utilities in expediting the determination of fuel factors applicable to the utilities' unbundled generation rates. These determinations are critical to the introduction of retail competition in a timely fashion.

By way of background, our recent Order concerning the phase-in of retail access[4] established retail choice implementation schedules in the incumbent electric utilities' service territories. Pursuant to that Order, all customers of Appalachian Power Company d/b/a American Electric Power ("AEP Virginia"), Delmarva Power and Light Company ("Delmarva"), and The Potomac Edison Company d/b/a Allegheny Power ("Allegheny") will have retail access for electric generation on and after January 1, 2002. The Virginia Electric and Power Company ("Virginia Power") will inaugurate and complete the phase-in of retail access within its service territory between January 1, 2002, and January 1, 2003. Virginia's electric cooperatives and Kentucky Utilities, d/b/a/ Old Dominion Power Company ("Kentucky Utilities"), are directed under this Order to complete their phase-in by January 1, 2004.

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[1] The Act permits the recovery of any stranded costs through either capped rates as provided in § 56-582 or wires charges as provided in § 56-583.

[2] Persons desiring to participate in the work group described herein to be held at the Commission on June 22, 2001, should, on or before June 20, 2001, notify by e-mail Howard Spinner, Senior Utilities Specialist, in the Commission's Division of Energy Regulation at hspinner@scc.state.va.us.

[3] Because Kentucky Utilities Company d/b/a Old Dominion Power Company and the Virginia electric distribution cooperatives have been afforded, in Case No. PUE000740, a more extended phase-in period for implementing retail choice in their service territories (until 2004, if they so elect), we invite but will not require those incumbent electric utilities to submit proposals. However, utilities who elect not to participate in this proceeding will, in all likelihood, be subject to any wires charge methodologies that are determined in this proceeding.

[4] Commonwealth of Virginia, ex. rel. State Corporation Commission, Ex Parte: In the matter concerning a draft plan for phase-in of retail electric competition, Case No. PUE000740, Order dated March 30, 2001.

We recognize that fuel factors are, or have been, key features of incumbents' functional separation filings made pursuant to § 56-590 of the Act.[5] Virginia Power seeks as part of its functional separation filing to establish an indexed fuel factor. AEP Virginia has not proposed a new fuel factor as part of its current functional separation filing but has indicated that it may address fuel costs in some future amended filing in that proceeding.

We recognize that Commission orders in the functional separation cases may not be issued until the end of 2001. Nevertheless, wires charges must be established sufficiently in advance to facilitate retail access within most incumbents' service territories on and after January 1, 2002. Since wires charges cannot be calculated without unbundled generation rates incorporating fuel factors (unless the right to receive such factor has been waived), it is imperative that incumbent utilities assign the highest possible priority to establishing these fuel factors quickly. Equally important, in those cases where a utility's unbundled generation rate (including its fuel factor) is lower than the market price of generation, the unbundled generation rate will serve as the price to compare for shopping customers.

In sum, timely fuel factor filings constitute one critical way that utilities can help keep on target the phase-in of retail access on the dates established in our Order in Case No. PUC000740. We urge incumbent utilities to work with the Commission Staff to ensure that these filings synchronize with that Order's phase-in schedules.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUE010306.

(2) The Commission Staff shall forthwith invite representatives of incumbent electric utilities and other interested parties to participate in a work group to assist the Staff in identifying and resolving the wires charge issues described herein in furtherance of the Commission's obligations under § 56-583 of the Virginia Electric Utility Restructuring Act. The work group shall be held in the Commission's third floor training room on June 22, 2001, beginning at 9:30 a.m.

(3) On or before June 22, 2001, persons with an interest in this proceeding (other than incumbent electric utilities), including those already on the service list for this Order, who desire to remain on or be added to the service list for future filings and orders in this docket shall file with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, a statement of such interest.

(4) On or before July 17, 2001, each incumbent electric utility shall file with the Clerk of the Commission in this docket an original and fifteen (15) copies of its wires charge proposal that, at a minimum, details the issues of timing and coordination of adjustments, market price determination, and rate design, and shall serve a copy of its proposal on the Office of Attorney General's Division of Consumer Counsel, all work group members, and interested parties who have filed pursuant ordering paragraph (3).

(5) On or before August 6, 2001, the Commission Staff shall file responses to the utilities' proposals, and any interested party may also file a response by that date.

(6) The Commission's Staff and incumbent electric utilities shall work together to establish, on a timely and expeditious basis, fuel factors to be utilized as a critical part of determining unbundled generation rates for purposes of calculating wires charges.

(7) This matter is continued for further orders of the Commission.

[5] In the case of Delmarva, we established their fuel factor for these purposes in PUE000086, and further authorized in that proceeding a mechanism for re-calculating such fuel factor in 2004. In the case of Allegheny, this company has relinquished its claim to any further fuel factors as part of our proceeding in PUE000280.

CASE NO. PUE010306
NOVEMBER 19, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of considering requirements relating to wires charges pursuant to the Virginia Electric Utility Restructuring Act

FINAL ORDER

The State Corporation Commission ("Commission") instituted this proceeding on June 13, 2001, pursuant to our obligations under § 56-583 of the Virginia Electric Utility Restructuring Act (§ 56-577 et seq. of the Code of Virginia)("the Act"), to establish wires charges for each incumbent electric utility to be effective upon the commencement of retail customer choice in the selection of electric suppliers.

Section 56-583 A directs that wires charges shall be the excess, if any, of the incumbent electric utility's capped unbundled rates for generation over the projected market prices for generation. The projected market prices for generation as determined by the Commission shall be adjusted for any projected cost of transmission, transmission line losses, and ancillary services subject to FERC jurisdiction that the utility must incur to sell its generation and cannot otherwise recover in rates subject to state or federal jurisdiction. The Commission shall adjust wires charges not more frequently than annually and shall seek to coordinate such adjustments with any adjustments of capped rates pursuant to § 56-582.

Our June 13, 2001, Order Establishing Proceeding directed, among other things, each utility initiating retail customer choice in its service territory in 2002 to file a wires charge proposal that, at a minimum, details the issues of timing and coordination of adjustments, market price determination, and rate design issues. The order directed the Commission Staff, and permitted interested parties, to file a response to the utilities' proposals.

Wires charge proposals were filed on July 17, 2001, by Appalachian Power Company, d/b/a American Electric Power ("AEP"), Virginia Electric and Power Company, d/b/a Dominion Virginia Power ("DVP"),[1] and the Virginia electric distribution cooperatives[2] together with the Virginia, Maryland & Delaware Association of Electric Cooperatives (collectively, "the Cooperatives"). DVP's proposal included a wires charge rate design. AEP did not include a specific rate design proposal in its filing. AEP stated that it intended to address this in its functional separation filing, Case No. PUE010011.

The Cooperatives, which are not required to implement retail choice in their service territories until 2004, did not make a comprehensive wires charge proposal although their filing did include proposals relative to certain elements of wires charge determinations. The Cooperatives proposed the use of forward market prices of sufficiently liquid, nearby markets, and that there be a single market price for use in each cooperative's service territory. The Cooperatives also noted that their current bundled rates do not contain seasonal pricing features, but that they may, at a later date, propose establishing wires charges that vary by season.

The Cooperatives also made a proposal concerning monthly fuel adjustments through the Wholesale Power Cost Adjustment ("WPCA") clause for members of Old Dominion Electric Cooperative. In addition to having the fuel adjustment provision of the WPCA continue to be applied for bundled service on a monthly basis consistent with past practice, the Cooperatives propose that, for customers who shop for generation, the projected market price be adjusted along with monthly fuel adjustments resulting in the fuel adjustment not causing a change in the wires charge. Thus, the Cooperatives propose that there be a monthly fuel adjustment to market prices to track the Cooperatives' WPCA fuel adjustments in order to maintain a stable annual wires charge.

The Potomac Edison Company, d/b/a Allegheny Power, also made a filing on July 20, 2001, although not a wires charge proposal per se. It stated its interest in the concepts that will be developed to determine market prices in this proceeding, but noted that it will have neither a fuel factor nor a wires charge during the capped rate period of the Act.

On August 6, 2001, the Commission Staff filed a report on the utilities' proposals, and comments responding to the proposals were also filed by AES New Energy, Inc. ("New Energy"); The New Power Company ("New Power"); the Virginia Committee for Fair Utility Rates and the Old Dominion Committee for Fair Utility Rates ("Industrial Committees"); AEP; and the Cooperatives. Michel A. King of the Old Mill Power Company filed comments on the proposals on September 7, 2001.

DVP proposed using forward-looking data from EnronOnline, a wholesale electric energy trading exchange available on the Internet, for the purpose of determining market prices pursuant to § 56-583. AEP, however, asserted that the use of futures prices at this time is "premature and inappropriate" and it proposed the use of "stable and verifiable" historical prices. Because these proposals of Virginia's two largest investor owned electric utilities contained very different approaches with respect to the use of historical or forward-looking data for the determination of market prices for generation, we scheduled a hearing to receive evidence on the issue of market price determination. We directed AEP and DVP to file testimony addressing the specific recommendations contained in the Staff's August 6, 2001 Report,[3] and we permitted the parties and Staff to also file testimony or additional comments. New Energy and the Industrial Committees filed additional comments on September 7, and, as noted, Mr. King filed his initial comments at this time.

In DVP's testimony filed September 6, 2001, and AEP's testimony filed September 7, 2001, these incumbent electric utilities made significant changes to their original market price determination proposals in response to the Staff Report. DVP proposed four principal changes: (1) using Platts Energy Trader ("Platts"), a reporting service publication, as an alternative data source to EnronOnline for on-peak pricing data; (2) reducing the number of trading hubs from five (Cinergy, Commonwealth Edison, PJM West, TVA, and Southern Company) to two (Cinergy and PJM West); (3) expanding the base data collection period for forward market information from one to five days; and (4) using a different load-weighted ratio for the purpose of developing shaped prices than what was proposed in its initial filing.

DVP proposed Platts as its data source for forward on-peak prices after the Staff expressed concerns about the transparency of pricing information from EnronOnline given its proprietary nature. DVP stated that Platts is a readily accessible publication providing daily forward market "assessments" that, according to Platts, are based on market surveys of active buyers and sellers and reflect actual transactions and bids and offers. Platts characterizes its assessments as the most representative prices of the day.[4]

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[1] DVP filed revisions to its proposal on July 27, 2001.

[2] 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, Inc.

[3] Those recommendations were:

1) DVP's proposed method should be seriously considered for adoption for as large a geographic portion of the Commonwealth as possible, subject to the eventual RTO structure applicable to Virginia and the caveats expressed in Section V of [the Staff] Report relating to transmission cost adjustments and base data collection time periods.

2) The Commission should further explore the bedrock issue regarding the appropriateness of the use of EnronOnline data for the purpose of projecting market prices for generation.

3) Should a market price determination method based on historical data be adopted for use in the AEP-VA service territory for 2002, the method should be the one approved by the Commission for the AEP-VA pilot in Case No. PUE980814.

[4] Platts states that its assessments "take[] into consideration both transactions and bids and offers that occur after those deals are done and reflects changes in the market up to the end of the day." Exh. DFK-2, Rev. Appendix 1, at 2.

Platts publishes daily forward market assessments for six trading hubs across the country; however, those six include only two of the five trading hubs included in DVP's original EnronOnline proposal, Cinergy and PJM West. DVP therefore proposes to reduce the number of price points to these two trading hubs.[5]

Because Platts does not currently provide forward market assessments for off-peak contracts for 2002, DVP addressed concerns of liquidity and price transparency at trading hubs for off-peak contracts by using pricing data from two Internet-based electricity trading exchanges, Intercontinental Exchange ("ICE") and TradeSpark, together with EnronOnline. DVP proposed this as an interim arrangement until a news source such as Platts begins reporting forward market assessments for off-peak contracts. DVP would take the off-peak forward market bids and offers from Cinergy and PJM West from the three sources, ICE, TradeSpark, and EnronOnline; select the source with the smallest spread between the bid and offer prices; and then use the offer side of the market price quote.

Next, DVP responded to Staff's concern with the company's original proposal of using a single day's price data by now proposing to use five consecutive and concurrent business days, with the days selected as late in the year as possible to ensure the most accurate determination.

The final change from DVP's initial proposal was to substitute month-end and year-end load-weighted ratios for on-peak and off-peak hours, respectively, instead of using maximum load-weighted ratios, to develop load-shaped forward market prices.

DVP also addressed, in its September 6, 2001, pre-filed testimony, the Staff recommendation that the company use actual net transmission expense information obtained from DVP's on-going pilot program to develop a transmission cost adjustment to market prices pursuant to § 56-583 A of the Act. DVP had proposed a method that adjusts forward market price data by transmission costs that are expected to prevail in the Alliance RTO. DVP contends that it would be inconsistent to use a transmission adjustment based on actual historical expenses when using forward market information to determine market prices. DVP also noted that its pilot is on-going and thus the information in its transmission cost report for the pilots filed May 15, 2001, is incomplete.

AEP modified its original proposal by offering to use forward prices instead of historical prices for market price determination. It proposed using the highest bid price from among four independent exchanges (ICE, Bloomberg PowerMatch, Altra AlTrade, and TradeSpark) at a single hub, Cinergy. AEP proposed taking forward prices on the last trading day of September at 2:00 p.m. Eastern Time.

AEP stated that the use of a forward price at the Cinergy hub is the most representative of the price for which its displaced power would be sold. AEP pointed out that from among the five Midwestern trading hubs used in the market price calculation in its retail pilot, the Cinergy hub accounted for 60 percent of the market's total transactions over the period from January 28 to October 31, 2000, with the next highest accounting for only 17 percent.

AEP stated that the PJM West trading hub is not representative of the market for its displaced power because it is not directly interconnected to that hub. AEP further stated that hubs other than Cinergy have been subject to transmission constraints and congestion that have restricted sales of power from Midwest markets including AEP. AEP noted that it could not sell all of its displaced power at the highest priced hub every time because of transmission constraints.

As noted, both DVP and AEP proposed to adjust the market price for generation for transmission and ancillary service charges that assume the Alliance RTO is operational.[6] The Staff recommended that actual net transmission expense information obtained from the retail access pilot (in the case of DVP) be used to develop transmission cost adjustments to market prices. New Energy recommended that market prices be increased by transmission, ancillary, and transmission loss expenses incurred in purchasing electricity. New Energy also contended that market prices should include retail administrative costs associated with retail sales.

Mr. King proposed that no utility should be able to collect wires charges during a period for which it anticipates to make a profit on its off-system sales of displaced generation. Mr. King did not object to short-term profits being netted against short-term losses, but opposed the collection of wires charges where profits are earned over a year or more.

Certain wires charge issues related to rate design were also raised in this proceeding, although not the subject of the hearing limited to market price determination. DVP proposed as a wires charge solution to "seasonal gaming" issues that any negative wires charge "revenue"[7] that occurs from a seasonal market price exceeding the embedded cost of generation in any rate element of a particular rate schedule not be netted against any positive wires charge revenue in other rate elements within the same rate schedule.[8] The Staff stated it does not object to the use of seasonal wires charges where feasible to deal with seasonal gaming issues. The Staff advocated netting any "revenues" received as a result of not having a negative wires charge against positive wires charge revenues collected in rate elements where the wires charge was positive.

New Energy shared the Staff's view in supporting seasonal wires charges, and the netting of any positive wires charges in one season with any revenues from zero wires charges in another season where they would have been negative. New Energy explained that such netting would prevent potential

[5] DVP stated that it would be appropriate to include any of the additional three hubs if the hub(s) were to become more active and liquid and Platts began publishing their on-peak forward price data prior to the Commission setting market prices for generation for 2002.

[6] AEP stated that it proposed such adjustments as part of its functional separation filing in Case No. PUE010011.

[7] Although DVP, and others in this case, including the Staff, have used the term negative wires charge "revenue," it is understood that by statute there will be no negative wires charges and, thus, no actual "revenues" will be generated from its theoretical application. In summer months, however, when the incumbent utilities' capped unbundled generation rate might be exceeded by the market price for generation, the actual wires charge will be zero by law, even though mathematically the wires charge would be less than zero. The issue is whether revenues from a positive wires charge in base months should be offset by the effect of what mathematically would have been a negative summer wires charge in summer months.

[8] DVP stated that it would net negative wires charges against positive wires charges for rate schedules that have a minimum stay provision. The Commission has recently promulgated regulations concerning customer minimum stay period requirements in a separate proceeding. See Case No. PUE010296, Final Order, October 9, 2001.

gaming by a utility loading up one season with high wires charges, while creating a large negative wires charge position (which by law would be zero) in another season.

The Industrial Committees also supported netting what would have been a negative wires charge for one rate element against any positive wires charges occurring in the other rate elements of the same rate schedule. They stated that DVP's proposal would result in a windfall to the utility and a shopping credit to customers and competitive service providers ("CSPs") below the market price. The Industrial Committees submitted that the prohibition in the Act against negative wires charges was intended to prevent a situation in which the utility would, in effect, be paying customers to shop. They noted that this does not occur when the utility, with respect to a specific customer on a specific rate schedule and account, has different rate elements for its wires charges, some of which would be negative and some positive. In this instance, the Industrial Committees asserted, the revenue not returned to the customer when the negative rate element is zeroed out should be reflected in a lowering of the rate element for the positive wires charge.

Mr. King opposed seasonal wires charges and contended that capped rates should be restructured away from seasonally levelized rates. Mr. King also opposed not netting any revenues from negative rate elements against positive ones in establishing wires charges.

As to the issue of timing and coordination of adjustments, all parties and the Staff generally agreed that any adjustments to wires charges should be timed to coordinate with changes in fuel factor adjustments and capped generation rates, and that these changes should be in place no later than November 1 of each year to be effective for the following calendar year.[9] The parties recognized the challenge in achieving such coordination this year in view of the current status of related restructuring proceedings at the Commission.

The hearing to receive evidence on the market price determination issues was convened at the Commission on September 19, 2001. Appearances were made by counsel for the Commission's Staff, DVP, AEP, the Cooperatives, Allegheny Power, AES New Energy, The New Power Company, and the Industrial Committees. Mr. King appeared pro se. Testimony was received from Mr. David F. Koogler, Mr. Gregory J. Morgan, Dr. James R. Haltiner, and Mr. Andrew J. Evans for DVP; Mr. Bruce Braine and Ms. Laura J. Thomas for AEP; and Mr. Howard M. Spinner for the Staff.

Mr. Koogler testified that DVP and AEP had entered discussions among the companies to attempt to further narrow the differences between the companies' proposals. He stated that the companies concluded that it is reasonable for the same source or sources of forward market information to be used to determine projected market prices for generation.

Mr. Braine for AEP testified that his company agrees with DVP in using the electronic exchange format for off-peak prices, but also that it prefers to use the exchanges for on-peak prices as well. He states that ICE is by far the most liquid of the exchanges and that AEP would agree to use that exchange solely rather than all four of the exchanges it initially proposed.

NOW THE COMMISSION, upon consideration of the record and the applicable statutes and rules, is of the opinion and finds that the wires charge proposals of DVP and AEP should be adopted, as modified herein, for the 2002 calendar year period.[10] We will not at this time seek to adopt by rule any particular methodology for determining market prices as many aspects of the process for determining wires charges, including the relevant markets for generation, are evolving and thus maintaining flexibility is warranted.[11]

For DVP, we will accept in part its revised proposal for determining market prices using forward price data from the Cinergy and PJM West trading hubs as reported in Platts for on-peak electricity, and, for off-peak, using pricing data from EnronOnline, and the Internet exchanges ICE and TradeSpark. However, we will also incorporate for DVP elements of AEP's proposal, namely the use of ICE for on-peak electricity prices. We believe it is appropriate to include prices from an actual exchange and the evidence demonstrates that ICE has significantly more trading volume for the relevant markets than other exchanges.[12]

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[9] The Industrial Committees, however, urged that initial market prices and wires charges be set for a period longer than 12 months so as to create an incentive for customers and CSPs to contract for more than 12 months and have contracts that straddle more than one calendar year. They proposed that market prices and wires charges be set for a 20-month period.

New Energy stated that annual filings for market prices, wires charges, and fuel adjustments only 60 days prior to their effective date will render CSPs' compliance with the Commission's "class drop" provisions impossible. Our Retail Access Rules require CSPs to give 60 days notice to the Commission, the incumbent electric utility, and the customer before terminating an entire customer class of customers. New Energy recommended that we either shorten the drop notification requirements to 30 days, or extend the timing of annual filings to 75 days prior to becoming effective.

[10] On October 30, 2001, in AEP's functional separation proceeding (Case No. PUE010011), AEP, the Staff, and other parties presented to the Commission a Stipulation wherein AEP agreed not to impose a wires charge during calendar year 2002. The Stipulation did not preclude annual review and establishment of wires charges for periods after calendar year 2002, and the Stipulation stated that, except as otherwise specified, it shall not be deemed to constitute a waiver of any right or argument in any state or federal proceeding. Commission approval of this Stipulation is pending in Case No. PUE010011. Because the effect of AEP's waiver of a wires charge is limited to 2002, and the company does not waive its rights or arguments raised in other proceedings, we will decide the litigated issues in this proceeding and, absent subsequent findings to the contrary, our decisions herein will be binding on AEP at such time that it may seek to impose a wires charge. We will also direct that it perform the calculations and make the filings required by this Order. Then, should AEP seek to impose a wires charge in the future there should be no misunderstandings concerning how the calculations and determinations leading to the wires charge should be made.

Since no electric distribution cooperative has advised the Commission that it intends to implement customer choice in its service territory beginning January 1, 2002, and due to the lack of a comprehensive wires charge proposal, we do not at this time adopt a wires charge methodology for any of the Cooperatives and we will defer ruling on proposals unique to them, including the issue of monthly adjustments in market prices to correspond with fuel adjustments. Any cooperative intending to offer retail access in its service territory should submit a comprehensive, detailed wires charge proposal for review 150 days in advance of the proposed effective date for retail access.

[11] Nor will we adopt at this time the Industrial Committees' request for establishing initial market prices and wires charges for a longer period than 12 months.

[12] Tr. at 111.

All parties and the Staff now agree that it is proper to use forward-looking pricing data, and we will adopt their use at this time as the basis for establishing market prices for determining wires charges. Depending on market development, however, reversion to historic pricing figures may be needed in the future and such approach is not being foreclosed by our use of forward prices at this time.

To obtain meaningful and reliable forward pricing data at particular hubs from transparent sources it is necessary that the selected hubs be sufficiently liquid. We find it is appropriate to forego collecting prices from three of the five hubs originally proposed by DVP (Commonwealth Edison, TVA, and Southern Company) that are not reported by Platts due to their current illiquidity. The record indicates that the elimination of these three hubs from consideration should not unduly influence the ultimate determination of market prices based on Cinergy and PJM West.[13]

To arrive at on-peak base market prices for prices into Cinergy, DVP shall take the daily forward assessments from Platts, and the weighted average price/midpoint from ICE,[14] and average the two prices from these sources to arrive at average market prices for Cinergy. The same procedure shall be followed to arrive at average market prices at PJM West. The higher of the two averaged prices for Cinergy and PJM West, for each contract period, shall then be used as the on-peak base market prices.[15]

We will adopt DVP's proposal for off-peak prices whereby DVP will collect data from the Internet exchanges EnronOnline, ICE, and TradeSpark, for each of the two hubs, Cinergy and PJM West. For each day from which prices are taken at the three exchanges, the exchange with the smallest spread between the bid and ask prices shall be selected for each hub, with the midpoints of such spread then used to arrive at an average price for each of the two hubs. The higher of the two averaged prices for Cinergy and PJM West shall then be used as the off-peak market price.[16]

AEP proposed to use forward prices from the Cinergy hub only, with both on-peak and off-peak prices obtained from an electronic exchange, using either ICE solely, or ICE with Bloomberg PowerMatch, Altra AITrade, and TradeSpark. We will have AEP use the same data sources as DVP for on-peak prices, ICE and Platts. The evidence shows that prices posted on ICE are consistent with the assessments reported by Platts for the same hubs. Considering both pricing sources should ensure that comprehensive on-peak data is obtained.

As with data collection for on-peak prices, we will also have AEP use the same multiple data sources as DVP for off-peak pricing data, EnronOnline, ICE, and TradeSpark. The use of these three exchanges should adequately capture activity across the entire market, and by taking an averaged midpoint price from the exchange with the narrowest bid and offer spread should ensure the elimination of any upward bias in prices in the event of any "out of market" offers.

We will also require that AEP use prices at the PJM West hub in addition to Cinergy in determining both on-peak and off-peak market prices for its displaced generation. AEP shall employ the same method as we have prescribed for DVP to arrive at base market prices from the higher of Cinergy and PJM West.

AEP contends that PJM West is a less relevant market for its displaced power than is Cinergy and that to base its wires charges on market prices from the higher of these two hubs might result in AEP under-collecting for its displaced power sales.[17] The evidence shows that AEP does however, sell power to both Cinergy and PJM West, as well as at other hubs.[18] The company also has the ability to, and indeed does, make direct bilateral sales to

[13] See DVP July 17, 2001, filing, Appendix 1.

[14] We agree with the position of New Energy that a balanced approach to the issue of whether to use the bid or offer price would be to use the midpoint of the bid and offer spread. New Energy notes that many broker transactions that are consummated come close to this midpoint position. As noted, the Platts daily assessment takes into consideration both bids and offers, and thus it would appear to render prices consistent with the average/midpoint prices from trading exchanges such as EnronOnline, ICE, and TradeSpark.

[15] Specifically, on-peak pricing data shall be collected for a one-year forward "strip" incorporating forward contracts for the periods from December 2001 through November 2002. As discussed in this Order, infra, we will require that data be collected on 10 days. Thus, for each price point (Cinergy and PJM West) there will be 10 days of data for each forward contract period from Platts, and 10 days of data for each forward contract period from ICE. For Cinergy, the 10 daily prices from Platts for each contract period shall be averaged to arrive at an average Platts price for each of the contract periods for delivery into Cinergy. Similarly, the 10 daily prices from ICE for each contract period shall be averaged to arrive at an average ICE price for each of the contract periods for delivery into Cinergy. These Cinergy prices (for each contract period) from Platts and ICE shall then be averaged to arrive at an average Cinergy price for each on-peak contract period. Average PJM West contract prices shall be determined in the same manner using Platts and ICE. For each contract period, the higher of the average contract price for Cinergy and PJM West will then be used as the base on-peak market price for generation.

[16] Specifically, data shall be collected from EnronOnline, ICE, and TradeSpark, for December 2001 through November 2002, for off-peak prices at both Cinergy and PJM West. Prices shall be collected on the 10 days specified in this Order. Each day, taking the 3 bid and offer prices from each exchange for Cinergy, the exchange with the narrowest bid and offer spread shall be selected, with the midpoint of this narrowest spread determined. The 10 midpoints from whichever exchange has the narrowest spread on each of the 10 days data is collected shall then be averaged to arrive at what will be considered the forward off-peak market price for Cinergy. The off-peak market price for PJM West shall be calculated in the same manner, using the three exchanges and determining each day the exchange with the narrowest bid and offer spread, with the midpoints of the 10 narrowest bid and offer spreads from each day averaged to become the forward off-peak market price for PJM West. The higher of these Cinergy and PJM West prices shall be used as the base off-peak market price for generation.

[17] AEP Witness Braine stated PJM West is physically accessible to AEP "probably less than half the time." Tr. at 155.

[18] Mr. Braine explained at the hearing that the figures in his pre-filed testimony showing 60 percent of "total transactions" at the Cinergy hub, with the next highest hub only accounting for 17 percent, apply to market transactions as a whole among 5 hubs rather than to the percentage of AEP's transactions. Tr. at 128-31. Mr. Braine testified that he does not know if AEP has studied or performed any analysis to determine precisely what percentages of its sales occur where and at what prices, but that these figures are representative of where AEP's transactions take place. He stated that Commonwealth Edison is the hub with the next highest sales and that while he did not have the exact figure, the 17 percent figure for market transactions at that hub is approximately representative of AEP's sales there. Id. at 131-34.

neighboring utilities. It presumably will continue to make such bilateral sales when a higher price can be obtained there than at one of the trading hubs through an exchange.

While it is true that AEP may not always be able to sell its power at the higher of the Cinergy and PJM West hubs, it is also true that AEP can and does sell power to other hubs[19] and through bilateral transactions. These bilateral transactions and sales through other hubs may well be at prices above either the Cinergy or PJM West prices. Presumably each such sale would be at prices higher than it could receive from Cinergy or PJM West.

Using the 60% figure for sales at Cinergy as representative of AEP's transactions, Mr. Braine acknowledged that the remaining 40% of the company's sales at other hubs (or bilateral transactions) could occur at prices higher than those obtained at the Cinergy hub.[20]

Thus, while Cinergy may account for a majority of AEP's sales, AEP does make sales for delivery at places other than Cinergy, and it does so in order to get the best price for power that it can.

The use of forward-looking pricing data mandates the selection of certain trading hubs as proxies in the determination of market prices for generation. By employing Cinergy and PJM West for this purpose it is not suggested that AEP will always sell power only at the higher of these two hubs. Instead, considering both hubs should result in a more representative proxy price than looking only at Cinergy. Using Cinergy alone would not be appropriate because AEP will in fact make sales at a variety of points other than Cinergy, and we can assume that AEP would not make these sales at other points when the prices there are below prices at Cinergy.

If we permit AEP to consider only a single hub, Cinergy, where the company purportedly transacts approximately 60 percent of its sales, it will likely be over-collecting because it can, and indeed does, sell displaced power at other points. When AEP makes sales at places other than Cinergy, as it does approximately 40 percent of the time, it presumably would not have done so unless it could net a higher price for its power at those other points than it could at Cinergy. Thus, we believe that requiring AEP to use the higher price from two liquid hubs creates a proper balance, and fairly reflects what the company may expect to receive from the various options available to it for the sale of any displaced power.

On the issue of adjustments to the projected market price for generation for any projected transmission costs, as required by § 56-583 A, DVP should use actual net transmission expense information obtained from its pilot program to develop a transmission cost adjustment to market prices. We find it to be inappropriate at this time to forecast what transaction costs would prevail inasmuch as rules governing the Alliance RTO charges are evolving. DVP should use actual net transmission expense from its pilot program to develop a transmission cost adjustment. DVP shall continue to collect data on their actual expense for unitized third party sales per kWh as filed in its report of May 15, 2001, in Case No. PUE980813, and shall update this data through the latest period practicable and file it with its market price calculations as directed herein.

AEP lacks meaningful data on such transmission expenses because it has no actual experience with transmission costs incurred for displaced power in its pilot. We will require AEP to identify transmission costs, on a per kWh basis, paid to third party transmission suppliers, associated with off-system sales sourced by units that would otherwise serve Virginia jurisdictional load. It is the sale from these units that would be transmitted if AEP's Virginia customers choose a CSP under retail access. AEP shall develop proxy transmission cost data and file such on or before December 3, 2001, along with work papers that support its estimates.

For the time over which market-pricing data should be collected, we agree with New Energy that a sufficiently long period should be used to avoid any undue impact from unusually low or high prices over a few days. We find that it is appropriate to select ten days, spread over a six to eight week period, and weighted towards the most recent weeks. The following days shall be used: October 8, 16, and 24, 2001, and November 1, 9, 12, 13, 14, 15, and 16, 2001.[21]

We accept DVP's proposal for seasonal wires charges, except that we will require that any revenues that would have been returned in a particular season via the wires charge calculation for a rate element shall be considered in establishing any positive wires charges. The company will have the opportunity to be made whole. There has been no showing of harm to the company in its pilot caused by customers leaving and then returning to capped rate service.

We cannot adopt Mr. King's recommendation to restructure utilities' capped rates away from seasonally levelized rates toward rates more reflective of the expected cost of wholesale electricity on a seasonal basis. Redesigning rates would necessarily raise some rates and lower others. Section 56-582 of the Act does not permit us to do that. Rates may be adjusted only in connection with five limited situations, none of which fall within the scope of Mr. King's proposal rate adjustment proposal.

Nor can we impose Mr. King's recommendation that a utility should not be allowed to collect wires charges during a period for which it expects to make a net profit on selling its displaced energy over an appreciable period of time.[22] As with our inability to adjust base rates, we do not read the Act so as to permit disallowance of properly calculated wires charges under the circumstances Mr. King describes. Although the Act does cap the rates a utility may charge, it does not cap a utility's revenues or its profits.

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[19] The evidence shows that the Commonwealth Edison hub ranks second behind the Cinergy hub for AEP's sales. Because the Commonwealth Edison hub is not sufficiently liquid, it is not an appropriate price point for use in establishing market prices. However, it is still a viable alternative for AEP to sell into, and sales there will likely exceed either Cinergy or PJM West prices from time to time.

[20] Tr. at 132-34.

[21] We realize that for data collected in October the full December 2001 through November 2002 12-month strip might not be available. Market prices may be calculated on the data available.

[22] It is not clear how "profit" would be defined under Mr. King's proposal as utilities incur both fixed and variable costs in the generation of electricity.

New Energy proposed that market prices for generation include costs such as retail administrative costs and transmission costs that a CSP will incur in supplying electricity to retail customers. Because CSPs will incur these costs to serve its customers, such "retail adders" to market prices for generation would enable a true comparison of such rates with the retail generation rates of a CSP.[23]

New Energy stated that such cost adjustments are needed in order to make a fair and equitable comparison of the market price and the utility's price to compare, and that the adjustments would promote competition. We do not disagree that allowing for "headroom" by incorporating retail costs in market prices would fairly recognize the costs CSPs will incur to serve customers, and would likely promote competition. However, it would not be revenue neutral to the incumbent utility.

The Act, in our view, is designed to make the incumbent utility whole, with the wires charge priced to make the utility indifferent as to whether it recovers stranded costs through capped rates or wires charges. Including retail costs in the calculation of market prices would not likely leave the utility in a revenue neutral position as the Act is designed to do. We cannot, therefore, find that the Act authorizes such action. If the General Assembly determines that this measure is appropriate to advance competition it, of course, may amend the Act to allow it.

Finally, on the issue of the timing of adjustments to wires charges and their coordination with changes in fuel factors and capped generation rates, we find that going forward, utilities shall make filings by July 1 of each year for any proposed revisions in their fuel factor and corresponding changes in capped rates, along with market price proposals, so that market prices and wires charges can be determined by the Commission by October 1 for the following calendar year.

We recognize that the timing of restructuring proceedings at the Commission in this initial year of phasing in full retail access will present challenges for competitive suppliers in initiating their marketing efforts at the commencement of customer choice in the Commonwealth. The schedule going forward should enable CSPs to formulate and implement pricing and marketing strategies sufficiently in advance to facilities their participation in the competitive marketplace.[24]

Accordingly, IT IS ORDERED THAT:

(1) The generation market price methodologies for purposes of establishing wires charges for DVP and AEP for 2002, as revised by the companies in this proceeding, are approved as modified herein.

(2) DVP's wires charge rate design proposal is approved, as modified herein.

(3) To the extent not otherwise addressed herein, AEP's wires charge proposal shall be considered in its functional separation proceeding, Case No. PUE010011.

(4) On or before December 3, 2001, DVP and AEP shall file reports showing the results of their base market price calculations and authorized adjustments, with supporting data, and after load shaping for each rate class, the rate class specific market prices for generation.

(5) Incumbent electric utilities seeking to impose a wires charge in calendar year 2003 and beyond shall make annual filings by July 1 of each year for any proposed revisions in their fuel factor and corresponding changes in capped rates, and for market price proposals.

(6) This docket shall remain open for the receipt of reports to be filed herein and for consideration of other matters concerning market price determination and wires charges, as they may arise.

[23] Alternatively, New Energy would support a wholesale pricing comparison where an incumbent utility's retail-related costs would be subtracted from the generation component of the utility's rates to reflect the true wholesale cost of serving customers.

[24] The determination of market prices and wires charges 90 days prior to their effective date should also eliminate New Energy's concerns in complying with the Retail Access Rules' class drop notice requirements.

CASE NO. PUE010310
DECEMBER 21, 2001

APPLICATION OF
VIRGINIA GAS PIPELINE COMPANY

For an Annual Informational Filing

ORDER ADOPTING RECOMMENDATIONS AND DISMISSING PROCEEDING

On May 25, 2001, Virginia Gas Pipeline Company ("VGPC" or "the Company") filed its application for an Annual Informational Filing ("AIF") with the State Corporation Commission ("Commission"). This application included financial and operating data for the twelve months ended December 31, 2000.

On November 30, 2001, the Commission Staff filed its report on the captioned application, which included a financial and accounting analysis. Staff noted in its report that it used a 13.5% return on equity for illustrative purposes only. It explained that in VGPC's application for certificates of public convenience and necessity for the Company's storage and pipeline facilities, the Company assumed a cost of equity of 13.5%. The Staff used the consolidated capital structures of Virginia Gas Company ("VGC"), VGPC's former parent, in its financial analysis for this AIF because VGC is the primary

entity that raised capital on behalf of VGPC for the test period. This consolidated capital structure, together with a 13.50% cost of equity, produced an overall weighted cost of capital of 10.627%.

Staff noted that NUI Corp ("NUI"), an exempt natural gas holding company, consummated the acquisition of VGC and VGC's ownership and control of VGPC's sister companies on March 28, 2001. Staff reported that it did not consider NUI's consolidated capital structure for purposes of its report because NUI's acquisition of VGC and VGPC was not authorized or executed during the test year. Staff advised that it intended to re-evaluate the appropriate ratemaking capital structure for VGPC in the Company's next AIF or rate proceeding. Staff stated that if VGPC's maturing operations push its adjusted return on equity closer to 13.5%, Staff may request the Commission to initiate a proceeding to investigate an appropriate return on equity specific for the Company.

In its accounting analysis, the Staff noted that it had reached an agreement that had been accepted by the Commission in Case No. PUE980627, regarding the treatment of capitalized interest. Based on Staff's analysis of the Company's earnings for the test year, the Company had not recovered its interest costs. Staff adjusted VGPC's cost of service to remove $558,095 of cumulative jurisdictional capitalized interest from the Company's rate base.

Staff has advised the Company that the agreed upon treatment regarding capitalized interest is an exception to the Commission's long standing approach regarding capitalized interest. Staff acknowledged that there may come a time when it may no longer be appropriate to capitalize VGPC's interest. Staff observed that inclusion of capitalized interest in VGPC's rate base should continue to be scrutinized in VGPC's next AIF or rate case, and that the Company should reflect capitalized interest at a level consistent with the use of the agreed upon methodology in its future filings.

With regard to the treatment of costs associated with Segment 5 of VGPC's pipeline project, Staff reported that VGPC's certificate of public convenience and necessity to construct the Radford to Roanoke leg of its P-25 pipeline has been revoked. In view of these circumstances, Staff recommended that the costs associated with Segment 5 should be reclassified to Account 182.3, Other Regulatory Assets, and Account 107, Construction Work in Progress, should be credited. Further, the Staff recommended that VGPC should capitalize property taxes on amounts relating to property under construction.

Staff stated that the Company's 3.28% adjusted return on equity fell below any return on equity recently authorized by the Commission as well as the 13.50% cost rates used in the Staff Report. Based upon these measures, Staff did not propose any action concerning the Company's rates.

Finally, the Staff noted that the Commission's Rules Governing Utility Rate Increase Applications and Annual Informational Filings adopted in Case No. PUA990054 specify that AIFs be filed within 120 days after the end of a test period. Staff reminded VGPC that should it require a waiver from filing its AIF within 120 days after the end of its test period, it should do so before the end of the 120 day period.

By letter dated December 14, 2001, the Company, by counsel, advised that it did not intend to file comments in response to the Staff Report.

NOW, UPON consideration of the Company's application, the Staff's Report, and the applicable statutes, the Commission finds that the Staff's recommendations found in Staff's November 30, 2001 Report are reasonable and should be adopted. We note that the inclusion of capitalized interest in rate base for the test year ending 2000, is subject to our continuing evaluation of the propriety of this ratemaking treatment, monitoring the Company's growth rate, construction activity, plans for future expansion, earnings trends, and financial condition.

We further find that for ratemaking purposes, VGPC should present its capitalized interest in a manner consistent with the agreement regarding capitalized interest accepted in Application of Virginia Gas Pipeline Company, For an Annual Informational Filing, Case No. PUE980627, 1999 S.C.C. Ann. Rept. 443. In the event VGPC books its capitalized interest in a manner that differs from that accepted herein for ratemaking purposes, the Company shall maintain sufficient records to track the resulting differences in plant in service, Construction Work In Progress, accumulated depreciation, and accumulated deferred income taxes.

Finally, we adopt Staff's recommendations regarding the treatment and booking of the costs associated with Segment 5 of VGPC's pipeline project as well as its recommendations regarding the capitalization of property taxes relating to property under construction.

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 30, 2001, Report are hereby adopted. VGPC shall incorporate these recommendations in its next AIF or rate application.

(2) 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. PUE010312
JUNE 20, 2001

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY

For a general increase in rates

ORDER FOR NOTICE AND HEARING

On May 30, 2001, Virginia-American Water Company ("Virginia-American" or the "Company") completed an application for an expedited increase in rates for services. In its application, the Company proposes that the rates become effective June 28, 2001. The proposed rates would produce

additional annual operating revenues of $997,436, an increase of approximately 4.23% over the current rates approved in the Company's last rate case.[1] The Company proposes that the additional annual operating revenues be allocated among the Company's three operating districts as follows:

$181,430 increase for the Alexandria District

$816,006 increase for the Hopewell District

$ 0 increase for the Prince William District

In addition to revising its rates, the Company proposes to reword Tariff Rule 14. The rule currently states:

> A customer who has made application for or received water service at a premise shall be held liable for all water service furnished to such premises until such time as the customer properly notifies the Company to discontinue the service for his account.

To preclude an owner of a property with two or more living units from requiring one tenant to maintain the water service to the entire property in his name, the Company proposes to add:

> However, if a premises contains more than one single family unit (e.g. duplex or apartments), then the owner of that premises, or the management company of that premises, shall be held responsible for the water service furnished to that premises until the Company is notified to discontinue service to the premises.

On June 7, 2001, Commission Staff filed a motion requesting that Virginia-American's application for an expedited increase in rates be treated as an application for a general increase in rates.[2] In support of its motion, Staff notes that the Company is proposing rates in this proceeding that do not include schedules for non-potable water service to industrial customers as were approved in the Company's last rate case, Case No. PUE990677. Although the Company had been moving toward providing a non-potable level of water service for certain industrial customers to forego the cost of replacing wood tub filters in the Hopewell District, Virginia-American's largest customer notified the Company that it could not utilize non-potable water. The costs previously allocated to the approved non-potable classes therefore are to be reallocated to other classes. Staff believes this represents a substantial change in circumstances and that the application should not be considered on an expedited basis. Staff indicates that it has no objection to permitting the Company to implement its proposed rates on an interim basis subject to refund after appropriate notice to the public and to file supplemental testimony and exhibits consistent with a general rate case proceeding.

On June 13, 2001, Virginia-American filed a response stating that all facilities constructed in anticipation of non-potable service are in-service and currently providing necessary service or can be incorporated in the design of the remaining filter replacement work. Therefore, the Company indicates that it does not believe the change from non-potable service would require the transformation to a general rate case. Nevertheless, Virginia-American states that it would not oppose changing the expedited rate case to a general rate case on the basis that its rates would be allowed to go into effect immediately following appropriate notice to the public.

NOW UPON CONSIDERATION of the application, the Commission is of the opinion and finds this matter should be docketed as a general rate case; that the Company should give notice to the public of its application; that Commission Staff should conduct an investigation of the application; that interested persons should be given an opportunity to participate in this matter; that a Hearing Examiner should be appointed; and that a public hearing should be scheduled. The Commission is of the further opinion that the Company's proposed rates and charges and tariff revisions should be suspended for a period of thirty (30) days from the issuance of this Order pursuant to § 56-238 of the Code of Virginia.

Accordingly, IT IS ORDERED THAT:

(1) This Application shall be docketed and assigned Case No. PUE010312, and all associated papers shall be filed therein.

(2) The Company's proposed rates and charges and tariff revisions are hereby suspended for thirty (30) days from the date of the issuance of this Order and shall take effect for service rendered on and after July 20, 2001, subject to refund with interest.

(3) Interested persons may obtain copies of Virginia-American's application and supporting testimony and exhibits, free of charge, by making a written request to the Company's counsel: Richard D. Gary, Esquire, and Jason T. Jacoby, Esquire, Hunton & Williams, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23218-4074. Copies are also available for review Monday through Friday, 8:15 a.m. to 5:00 p.m. at the Commission's Document Control Center, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia. A copy of this Order is available from the Commission's Web site, www.state.va.us/scc/caseinfo/orders.htm.

(4) Pursuant to Rule 120 of the Rules of Practice and Procedure ("Practice Rules"), 5 VAC 5-20-120, 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.

(5) A hearing on the application shall be held beginning at 10:00 a.m. on November 14, 2001, in the Commission's Second Floor Courtroom, 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 Second Floor 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.

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[1] Application of Virginia-American Water Company, For a general increase in rates, Case No. PUE990677, Final Order (November 30, 2000).

[2] Under the Rules Governing Utility Rate Increase Applications and Annual Informational Filings ("Rate Case Rules"), 20 VAC 5-200-30, only those applicants which have not experienced a "substantial change in circumstances" since its last rate case may file an expedited rate application.

(6) On or before July 13, 2001, 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. PUE010312

On May 30, 2001, Virginia-American Water Company ("Virginia-American" or the "Company") completed an application with the State Corporation Commission (the "Commission") for an increase in rates and to revise its tariff. The Company's proposed rates and tariff revisions are effective July 20, 2001, 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 $997,4316 or 4.23% increase in total annual operating revenues. The Company proposed to allocate the annual increase to its operating districts as follows:

	Revenue Increase	Percent Increase
Alexandria	$181,430	1.78%
Hopewell	$816,006	9.88%
Prince William	$ 0	0%

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 1,000 Gallons
First	2,000	6,000	minimum charge
Over	2,000	6,000	$1.3543

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	$ 8.15	$ 24.45
3/4 inch	$ 12.23	$ 36.69
1 inch	$ 20.39	$ 61.17
1-1/2 inch	$ 40.77	$ 122.31
2 inch	$ 65.24	$ 195.72
3 inch	$122.33	$ 366.99
4 inch	$203.88	$ 611.64
6 inch	$407.77	$1,233.31
8 inch	$652.42	$1,957.26

The Company intends to notify customers with 10 inch meters on an individual basis of the proposed minimum charge per month and per quarter.

PLEASE TAKE NOTICE that while the total revenue requirement that may be approved is limited to the amount requested by Virginia-American, individual rates and charges, revenue apportionment, and the tariffs approved by the Commission may differ from those proposed by the Company.

In addition to revising its rates, the Company proposes to reword Tariff Rule 14. The rule currently states:

> A customer who has made application for or received water service at a premise shall be held liable for all water service furnished to such premises until such time as the customer properly notifies the Company to discontinue the service for his account.

To preclude an owner of a property with two or more living units from requiring one tenant to maintain the water service to the entire property in his name, the Company proposes to add:

However, if a premises contains more than one single family unit (e.g. duplex or apartments), then the owner of that premises, or the management company of that premises, shall be held responsible for the water service furnished to that premises until the Company is notified to discontinue service to the premises.

The Commission has scheduled a hearing to begin at 10:00 a.m. on November 14, 2001 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 copy of the Company's application and accompanying materials and this Order 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. 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, any supplementary direct testimony and exhibits also may be obtained free of charge by contacting Virginia-American's counsel, Richard D. Gary, Esquire, and Jason T. Jacoby, Esquire, Hunton & Williams, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074.

On or before August 17, 2001, any interested person may comment on the application by filing such written comments with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Such comments shall refer to Case No. PUE010312. A copy shall simultaneously be served on counsel for the Company at the address set forth above. Any person desiring to make a statement at the public hearing, either for or against the application, need only appear in the Commission's Second Floor 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.

Any person who expects to present evidence, cross-examine witnesses, or otherwise participate in the proceeding as a respondent pursuant to Rule 80 B of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-80 B, 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. A copy of the Commission's Order establishing the proceeding, outlining details for participation, and setting forth the complete procedural schedule is available from the Commission's Web site, www.state.va.us/scc/caseinfo/orders.htm.

VIRGINIA-AMERICAN WATER COMPANY

(7) On or before July 13, 2001, the Company shall complete publication of the following notice to be published as 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. PUE010312

On May 30, 2001, Virginia-American Water Company ("Virginia-American" or the "Company") completed an application with the State Corporation Commission (the "Commission") for an increase in rates and to revise its tariff. The Company's proposed rates and tariff revisions are effective July 20, 2001, subject to refund with interest with interest, pending a final determination by the Commission in this matter.

The proposed rates are designed to produce an overall increase of $997,4316 or 4.23% increase in total annual operating revenues. The Company proposed to allocated the annual increase to its operating districts as follows:

	Revenue Increase	Percent Increase
Alexandria	$181,430	1.78%
Hopewell	$816,006	9.88%
Prince William	$ 0	0%

Virginia-American's proposed rates for the Hopewell District are as follows:

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	$3.0734
For the next	48,000	144,000	$2.4727
For all over	50,000	150,000	$2.2957

MINIMUM CHARGE:

No bill will be rendered for less than the minimum charges set forth below:

Size of Meter	Minimum Charge Per Month	Per Quarter
5/8 inch	$ 11.34	$ 34.02
3/4 inch	$ 17.01	$ 51.03
1 inch	$ 28.35	$ 85.05
1-1/2 inch	$ 56.69	$ 170.07
2 inch	$ 90.71	$ 272.13
3 inch	$170.07	$ 510.21
4 inch	$283.46	$ 850.38
6 inch	$566.91	$1,700.73
8 inch	$907.06	$2,721.18

The Company intends to notify customers with 10 inch meters on an individual basis of the proposed minimum charge per month and per quarter.

AVAILABILITY OF SERVICE:

Available to all metered service for water not 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	100 Cubic Feet
For the first	600,000	$3.2352
For all over	600,000	$0.6215

MINIMUM CHARGE:

No bill will be rendered for less than the minimum charges set forth below:

Size of Meter	Minimum Charge Per Month	Per Quarter
5/8 inch	$ 11.34	$ 34.02
3/4 inch	$ 17.01	$ 51.03
1 inch	$ 28.35	$ 85.05
1-1/2 inch	$ 56.69	$ 170.07
2 inch	$ 90.71	$ 272.13
3 inch	$170.07	$ 510.21
4 inch	$283.46	$ 850.38
6 inch	$566.91	$1,700.73
8 inch	$907.06	$2,721.18

The Company intends to notify customers with 10 inch meters on an individual basis of the proposed minimum charge per month and per quarter.

PLEASE TAKE NOTICE that while the total revenue requirement that may be approved is limited to the amount requested by Virginia-American, individual rates and charges, revenue apportionment, and the tariffs approved by the Commission may differ from those proposed by the Company.

In addition to revising its rates, the Company proposes to reword Tariff Rule 14. The rule currently states:

> A customer who has made application for or received water service at a premise shall be held liable for all water service furnished to such premises until such time as the customer properly notifies the Company to discontinue the service for his account.

To preclude an owner of a property with two or more living units from requiring one tenant to maintain the water service to the entire property in his name, the Company proposes to add:

> However, if a premises contains more than one single family unit (e.g. duplex or apartments), then the owner of that premises, or the management company of that premises, shall be held responsible for the water service furnished to that premises until the Company is notified to discontinue service to the premises.

The Commission has scheduled a hearing to begin at 10:00 a.m. on November 14, 2001 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 copy of the Company's application and accompanying materials and this Order 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. 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, any supplementary direct testimony and exhibits also may be obtained free of charge by contacting Virginia-American's counsel, Richard D. Gary, Esquire, and Jason T. Jacoby, Esquire, Hunton & Williams, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074.

On or before August 17, 2001, any interested person may comment on the application by filing such written comments with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Such comments shall refer to Case No. PUE010312. A copy shall simultaneously be served on counsel for the Company at the address set forth above. Any person desiring to make a statement at the public hearing, either for or against the application, need only appear in the Commission's Second Floor 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.

Any person who expects to present evidence, cross-examine witnesses, or otherwise participate in the proceeding as a respondent pursuant to Rule 80 B of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-80 B 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. A copy of the Commission's Order establishing the proceeding, outlining details for participation, and setting forth the complete procedural schedule is available from the Commission's Web site, www.state.va.us/scc/caseinfo/orders.htm.

VIRGINIA-AMERICAN WATER COMPANY

(8) On or before July 13, 2001, the Company shall complete publication of the following notice to be published as 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. PUE010312

On May 30, 2001, Virginia-American Water Company ("Virginia-American" or the "Company") completed an application with the State Corporation Commission (the "Commission") for an increase in rates and to revise its tariff. The Company's proposed rates and tariff revisions are effective July 20, 2001, 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 $997,4316 or 4.23% increase in total annual operating revenues. The Company proposed to allocated the annual increase to its operating districts as follows:

	Revenue Increase	Percent Increase
Alexandria	$181,430	1.78%
Hopewell	$816,006	9.88%
Prince William	$ 0	0%

PLEASE TAKE NOTICE that while the total revenue requirement that may be approved is limited to the amount requested by Virginia-American, individual rates and charges, revenue apportionment and the tariffs approved by the Commission may differ from those proposed by the Company.

In addition to revising its rates, the Company proposes to reword Tariff Rule 14. The rule currently states:

> A customer who has made application for or received water service at a premise shall be held liable for all water service furnished to such premises until such time as the customer properly notifies the Company to discontinue the service for his account.

To preclude an owner of a property with two or more living units from requiring one tenant to maintain the water service to the entire property in his name, the Company proposes to add:

> However, if a premises contains more than one single family unit (e.g. duplex or apartments), then the owner of that premises, or the management company of that premises, shall be held responsible for the water service furnished to that premises until the Company is notified to discontinue service to the premises.

The Commission has scheduled a hearing to begin at 10:00 a.m. on November 14, 2001, 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 copy of the Company's application and accompanying materials and this Order 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. 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, any supplementary direct testimony and exhibits also may be obtained free of charge by contacting Virginia-American's counsel, Richard D. Gary, Esquire, and Jason T. Jacoby, Esquire, Hunton & Williams, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074.

On or before August 17, 2001, any interested person may comment on the application by filing such written comments with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Such comments shall refer to Case No. PUE010312. A copy shall simultaneously be served on counsel for the Company at the address set forth above. Any person desiring to make a statement at the public hearing, either for or against the application, need only appear in the Commission's Second Floor 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.

Any person who expects to present evidence, cross-examine witnesses, or otherwise participate in the proceeding as a respondent pursuant to Rule 80 B of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-80 B 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. A copy of the Commission's Order establishing the proceeding, outlining details for participation, and setting forth the complete procedural schedule is available from the Commission's Web site, www.state.va.us/scc/caseinfo/orders.htm.

VIRGINIA-AMERICAN WATER COMPANY

(9) On or before July 13, 2001, the Company 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.

(10) At the commencement of the hearing scheduled herein the Company shall provide the Commission with proof of notice as required by Ordering Paragraphs (6),(7),(8), and (9) above.

(11) On or before August 17, 2001, the Company shall file with Joel H, Peck, Clerk of the Commission, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118 an original and fifteen (15) copies of any additional direct testimony it intends to present at the public hearing.

(12) On or before August 17, 2001, any interested person may comment on the application by filing written comments with the Clerk of the Commission at the address set forth in Ordering Paragraph (11) above. All comments shall refer to Case No. PUE010312. A copy of such comments shall simultaneously be served on counsel for Virginia-American at the address set forth in Ordering Paragraph (2) above.

(13) On or before August 17, 2001, any person who expects to present evidence, cross-examine witnesses, or otherwise participate in this proceeding as a respondent shall file a notice of participation as required by Rule 80 B of the Practice Rules, 5 VAC 5-20-80 B, with the Clerk of the Commission at the address set forth in Ordering Paragraph (11) above. All notices of participation shall contain: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. All notices of participation shall refer to Case No. PUE010312. A copy of a notice of participation shall simultaneously be served on counsel for Virginia-American at the address set forth in Ordering Paragraph (2) above. A copy of the notice of participation shall also be served on every other respondent on or before August 27, 2001.

(14) Within five days of receipt of a notice of participation, Virginia-American shall serve upon the respondent a copy of this Order, its application, supporting testimony and exhibits, unless copies of these materials already have been provided to that person pursuant to Ordering Paragraph (2).

(15) On or before September 10, 2001 each respondent shall file with the Clerk of the Commission at the address set forth in Ordering Paragraph (11) above an original and fifteen (15) copies of the testimony and exhibits that it intends to offer in support of its notice of participation. Each respondent also simultaneously shall serve copies of such testimony and exhibits on counsel for Virginia-American at the address set forth in Ordering Paragraph (2) above and on all other respondents.

(16) On or before October 22, 2001, the Commission Staff shall investigate the application and shall file with the Clerk of the Commission at the address set forth in Ordering Paragraph (11) above an original and fifteen (15) copies of the testimony and exhibits that it intends to offer and shall serve one (1) copy on each party.

(17) On or before November 2, 2001, Virginia-American may file with the Clerk of the Commission at the address set forth in Ordering Paragraph (11) above 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 each party.

(18) Discovery shall be conducted in accordance with Part IV of the Practice Rules, 5 VAC 5-20-240 through 5 VAC 5-20-280, except that responses shall be served within ten (10) days after receipt of interrogatories and special motions upon the validity of any objections raised by answers shall be filed within five (5) days of receipt.

CASE NO. PUE010313
JUNE 12, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of amending filing requirements for applications to construct and operate electric generating facilities

ORDER ESTABLISHING PROCEEDING AND PRESCRIBING NOTICE

By Final Order dated December 17, 1990, in Case No. PUE900044, the Commission adopted filing requirements for applications submitted by independent power producers ("IPP") for construction of electric generating facilities pursuant to §§ 56-234.3 and 56-265.2 of the Code of Virginia.[1]

Since the adoption of the IPP filing requirements, significant changes have occurred in the electric utility industry in Virginia. Moreover, the statutes that govern the Commission's granting of certificates of public convenience and necessity for the construction of electric generating facilities have also been amended significantly.[2] Therefore, we are initiating this proceeding to establish new filing requirements for all entities seeking authority to construct and operate electric generating facilities in Virginia.

Our Staff has advised us that it has distributed informally to stakeholders proposed revisions to the filing requirements; has received written comments on the proposed revised rules from some stakeholders; has convened a stakeholder meeting to discuss the proposed rule changes; and has heard numerous comments and opinions expressed concerning how the Act affects the continuing applicability of §§ 56-234.3 and 56-265.2 of the Code of Virginia. Some stakeholders expressed the opinion that pursuant to the Act, those sections will have no applicability after January 1, 2002, with regard to the certification of electric generating facilities. After January 1, 2002, the generation of electric energy shall no longer be subject to regulation under Title 56, except as specified in the Act.[3] Some stakeholders apparently believe that § 56-580 D will become the exclusive framework for permitting the construction and operation of electric generating facilities. However, our Staff has advised the Commission that it, as well as other stakeholders, believe that §§ 56-234.3 and 56-265.2 do not necessarily cease to have continuing applicability beyond January 1, 2002, when generation is "deregulated" pursuant to § 56-577 A 3.

In order to incorporate written comments as well as the comments received in the stakeholder meeting, our Staff has further revised its proposed filing requirements. A copy of these proposed filing requirements is attached to this Order as Appendix B. We emphasize that these new rules are our Staff's proposal and do not at this point reflect any finding by the Commission.

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[1] Now codified at 20 VAC 5-302-10 et seq.

[2] For example, effective March 13, 1998, § 56-265.2 of the Code of Virginia was amended to permit the construction of "merchant plants." In addition, Chapter 23 of Title 56, the Virginia Electric Utility Restructuring Act ("the Act"), was enacted in 1999. It significantly changed the regulation of the generation of electricity in Virginia, and includes § 56-580 D pertaining to the construction and operation of generating facilities.

[3] See § 56-577 A 3.

We are requesting formal comments on our Staff's proposed amendments to the filing requirements. In addition, we believe that the issue as to the continuing applicability of §§ 56-234.3 and 56-265.2 of the Code of Virginia is a threshold issue that should be decided. Therefore, we are requesting the filing of briefs on this issue by July 13, 2001. Accordingly,

IT IS ORDERED THAT:

(1) This case is docketed and assigned Case No. PUE010313.

(2) On or before July 13, 2001, interested parties may file with the Clerk of the Commission legal briefs regarding whether §§ 56-234.3 and 56-265.2 of the Code of Virginia continue to be applicable after January 1, 2002, in proceedings in which the Commission is requested to permit the construction and operation of electric generating facilities.

(3) On or before June 15, 2001, the Commission's Division of Information Resources shall make a downloadable version of Staff's proposed rules and this Order available at the Commission's Web site, http://www.state.va.us/scc/caseinfo/orders.htm.

(4) On or before August 13, 2001, any person desiring to participate in this proceeding shall file with the Clerk of the Commission an original and fifteen copies (15) of comments or requests for hearing, as well as justification for such request, on the Staff's proposed rules and any other comments pertinent to these proceedings.

(5) On or before June 29, 2001, the Commission's Division of Information Resources shall publish the following notice as classified advertising in newspapers of general circulation throughout the Commonwealth of Virginia.

NOTICE TO THE PUBLIC OF A PROCEEDING TO ADOPT REVISED FILING REQUIREMENTS FOR APPLICATIONS SEEKING AUTHORITY TO CONSTRUCT ELECTRICAL GENERATING FACILITIES IN VIRGINIA
CASE NO. PUE010313

By Final Order dated December 17, 1990, in Case No. PUE900044, the Commission adopted filing requirements for applications submitted by independent power producers ("IPP") for construction of electric generating facilities pursuant to §§ 56-234.3 and 56-265.2 of the Code of Virginia. (See 20 Va. Admin. Code 5-302-10 et seq.)

Since the adoption of the IPP filing requirements, significant changes have occurred in the electric utility industry in Virginia. Moreover, the statutes that govern the Commission's granting of certificates of public convenience and necessity for the construction of electric generating facilities have also been amended. For example, effective March 13, 1998, § 56-265.2 of the Code of Virginia was amended to permit the construction of "merchant plants." In addition, Chapter 23 of Title 56, the Virginia Electric Utility Restructuring Act ("the Act"), was enacted in 1999. It significantly changed the regulation of the generation of electricity in Virginia and includes § 56-580 D pertaining to the construction and operation of generating facilities.

By Order entered June 12, 2001, the Commission established a proceeding to adopt new filing requirements for all entities seeking authority to construct and operate an electric generating facility in Virginia. After receiving input from certain stakeholders, the Commission's Staff has developed proposed revisions to the existing filing requirements. In addition, the Staff has advised that an issue has arisen concerning the continuing applicability of §§ 56-234.3 and 56-265.2 of the Code of Virginia, and whether these statutes will be superceded by § 56-580 D after January 1, 2002, with regard to the certification of electric generating facilities. On and after that date, the generation of electric energy will no longer be subject to regulation under Title 56, except as specified in the Act.

Interested parties may obtain a copy of Staff's proposed rules and the Commission's June 12, 2001, Order from the Commission's Web site; http://www.state.va.us/scc/caseinfo/orders.htm. The Clerk's office will also provide a copy of the Order and proposed rules to any interested party, free of charge, in response to any written request for one.

Any person desiring to participate in this proceeding shall file comments on the proposed rules, or any other issue pertinent to these proceedings, or may request a hearing, by directing an original and fifteen (15) copies of such comments or request on or before August 13, 2001, to the Clerk of the State Corporation Commission at the address set forth below.

In addition, the Commission has invited interested parties to file legal briefs on the issue of the continuing the applicability of §§ 56-234.3 and 56-265.2 of the Code of Virginia beyond January 1, 2002. Any such briefs on this issue should be filed with the Clerk of the Commission, at the address set forth below, by July 13, 2001.

All written 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, and should refer to Case No. PUE010313.

VIRGINIA STATE CORPORATION COMMISSION

(6) All written communications to the Commission concerning this case should be directed to Joel H. Peck, Clerk, State Corporation Commission, Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, and must refer to Case No. PUE010313.

(7) This matter is continued for further orders of the Commission.

CASE NO. PUE010313 and PUE010665
DECEMBER 14, 2001

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of amending filing requirements for applications to construct and operate electric generating facilities

ORDER ADOPTING RULES AND PRESCRIBING ADDITIONAL NOTICE

On June 12, 2001, the State Corporation Commission ("Commission") entered its Order Establishing Proceeding and Prescribing Notice in Case No. PUE010313 ("June 12 Order") to establish new filing requirements to be applicable to all entities seeking authority to construct and operate electric generating facilities in Virginia. The new regulations to be promulgated in this proceeding will amend the Commission's existing filing requirements for applications submitted by independent power producers pursuant to §§ 56-234.3 and 56-265.2 of the Code of Virginia.[1] We noted in our June 12 Order that significant changes have occurred in the electric utility industry in Virginia since the adoption in 1990 of the current filing requirements, and that, moreover, statutes governing the Commission's approval of electric generating facilities have been amended significantly. These statutory changes include amendments to § 56-265.2 and the enactment in 1999 of the Virginia Electric Utility Restructuring Act ("the Restructuring Act" or "the Act").[2]

The proposed amendments to the existing filing requirements were developed by our Staff after receiving suggestions from numerous interested parties. Before new rules were proposed formally and noticed by our June 12 Order, the Staff informally solicited input on rule revisions from interested parties and held a meeting attended by stakeholders to review and discuss an initial draft of amendments to the rules.

After receiving briefs from the Commission Staff and certain interested parties,[3] we ruled in our Order of August 3, 2001, on a threshold legal question as to whether §§ 56-234.3 and 56-265.2 of the Code of Virginia will continue to have applicability after January 1, 2002, with regard to applications to construct and operate generating facilities, or if instead § 56-580 D of the Restructuring Act becomes the primary statutory mechanism for the approval of electric generating facilities. We found that although the Restructuring Act is not as clear as it could have been on the issue, § 56-580 D does supplant §§ 56-234.3 and 56-265.2 in the Commission's approval process of electric generating facilities on and after January 1, 2002.

After resolution of the threshold legal issue, we received comments on the proposed amendments to the rules from the following parties: AEP-Virginia; the American Lung Association of Virginia; CPV; Columbia Gas of Virginia, Inc., together with Washington Gas Light Company, and Virginia Natural Gas, Inc. ("the Gas Companies"); AP; Dominion Virginia Power; Dynegy; Mirant Danville, LLC; Virginia electric distribution cooperatives[4] together with Old Dominion Electric Cooperative and the Virginia, Maryland & Delaware Association of Electric Cooperatives; PG&E National Energy Group; Piedmont Environmental Council; Reliant Resources, Inc.; Tenaska; the Virginia Department of Environmental Quality ("DEQ"); and the Virginia Department of Conservation and Recreation.

NOW THE COMMISSION, upon consideration of the record established herein and the applicable law, is of the opinion and finds that the filing requirements in support of applications for authority to construct and operate an electric generating facility as amended and attached hereto as Attachment A should be adopted, effective as of the date of this Order for applications filed on and after January 1, 2002. In addition, because of increasing concerns expressed in this proceeding and elsewhere regarding the environmental impacts that may be caused by the many proposed new electric generating facilities, and because the law requires that we give consideration to the environmental effects of the construction and operation of such new power plants, we find it appropriate to consider these issues in the context of a rulemaking.[5] Accordingly, we also are publishing additional proposed rules for further comment and consideration in a new docket (Case No. PUE010665).

We also include in the proposed additional rules filing requirements related to market power. The Commission has made revisions to the Staff proposal on this issue that was noticed initially. The revisions are sufficiently substantial that we find that it is appropriate that the parties should have an additional opportunity to offer further comments before we make a final determination.

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[1] 20 VAC 5-302-10 et seq.

[2] Chapter 23 of Title 56 of the Code of Virginia, §§ 56-576 et seq.

[3] Appalachian Power Company d/b/a/ American Electric Power ("AEP-Virginia"); Competitive Power Ventures, Inc. ("CPV"); Dynegy Power Corp. ("Dynegy"); Tenaska, Inc. ("Tenaska"); The Potomac Edison Company, d/b/a Allegheny Power ("AP"); and Virginia Electric and Power Company ("Dominion Virginia Power").

[4] 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, Inc.

[5] As noted at p. 7, infra, the issue of cumulative environmental impacts and other issues addressed in the adopted and proposed rules are before the Commission in presently pending cases. Such issues will be addressed in the pending cases.

Finally, § 56-578 D states that the Commission "shall consider developing expedited permitting processes for small generation facilities of fifty megawatts or less." Our Staff advises us that, although this matter was considered in the meeting of stakeholders, parties were unable to provide guidance as to how the process may be streamlined for smaller facilities. We invite the Staff and parties to consider this issue further as part of the continuation of this matter in the new docket and to make recommendations to the Commission. We note that distributed generation facilities, as they may be defined by the Commission in future proceedings, are excluded from the rules we are adopting.

Rules Adopted (Case No. PUE010313)

Our amendments to the rules have been made after consideration of proposals from the Staff and parties, and reflect our earlier ruling as to the future inapplicability of certain Code provisions after January 1, 2002, with respect to generation. While we will not elaborate on each change we have made, we do address certain key provisions of the amended rules.

In the "Applicability and scope" provision of the rules, 20 VAC 5-302-10, we are removing the references to §§ 56-234.3 and 56-265.2 consistent with our ruling on August 3, 2001. We were urged to exclude the reference to § 56-46.1 from this provision in new rules. We decline to do so as this statute will continue to constitute a critical component of our review process for applications for approval of electric generating facilities.

Some parties expressed a concern that certain information required by the proposed rules may be considered confidential or proprietary by the applicant. This is presently the case with various provisions of the existing filing requirements. Procedures for the filing of confidential or proprietary information are expressly provided for within the Commission's existing Rules of Practice and Procedure at 20 VAC 5-20-170. The rules we adopt here provide that such material shall be treated in accordance with our procedural rules.

In 20 VAC 5-302-20 6, we retain the requirement that applicants include a discussion of the operational history of any other projects developed or managed by the applicant. Some comments questioned the scope of this requirement. "Operational history" should include such information as equivalent availability factors, capacity factors, and other similar data. Detail beyond a summary of such data may be obtained through informal discussion with the applicant or through formal discovery.

While we are eliminating much of the information formerly required concerning applicant's construction plans, we will continue to require certain basic information about the applicant's proposed facility, such as a description of major systems and configuration, estimated costs, and project schedules. The Commission must know precisely what it is that an applicant would have us approve. Moreover, a facility's design features affect its environmental impacts, which we must consider pursuant to §§ 56-46.1 and 56-580 D.

At 20 VAC 5-302-20 9, we include a requirement that applicants furnish specific information concerning any natural gas facilities associated with applicant's proposed generating plant. Such information is needed to understand all aspects of the proposed project.[6] In addition, as requested by the Gas Companies, the rules will require that when natural gas facilities are to be constructed to serve the proposed generating facility the applicant shall serve notice of its application upon any natural gas local distribution company in whose service territory the natural gas facilities will be constructed or operated. An applicant's natural gas facilities could impact local distribution companies and thus it is appropriate for these potentially affected companies to receive notice.

Subsection 20 VAC 5-302-20 12 requires that an applicant submit the designated information to DEQ simultaneously with its filing with the Commission.[7] We recognize that applicants may be eager to initiate the certification process at the Commission before information relative to every environmental issue is available. However, by requiring that the information identified in the rules be submitted to DEQ simultaneously with its filing at the Commission, the DEQ should be able to present a timely and complete environmental assessment report to the Commission. This should help ensure that the Commission's procedural schedule established for an application at the time of its filing is not interrupted, thus resulting in a more expeditious proceeding and a more timely decision.

As part of the discussion relative to the public interest, 20 VAC 5-302-20 14 requires an analysis of any reasonably known impacts the proposed facility may have on service to, and rates paid by, customers of any regulated public utility service in the Commonwealth, including water service, gas distribution service, electric distribution service, and electric transmission service. While on and after January 1, 2002, the generation of electric energy will no longer be subject to regulation under Title 56 of the Code except as specified in the Restructuring Act, we cannot ignore possible implications affecting the rates and services that we continue to regulate. Thus, we find that the public interest criterion of § 56-580 should include, but is not limited to, a consideration of these factors.

Rule 20 VAC 5-302-30 is repealed.[8]

The amended rules we are adopting will be effective as of the date of this Order and applicable to applications filed on and after January 1, 2002.[9] A number of applications are presently pending before the Commission. Issues in those cases may relate to matters covered by the rules we adopt in this Order or matters included in the proposed rules we offer for publication and comment today. Neither the adopted nor proposed rules limit what we may consider in those pending cases; such matters or issues will be considered on a case-by-case basis in each proceeding.

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[6] Section 56-580 D refers not merely to an applicant's proposed electric generating facility but to such facility "and associated facilities."

[7] The rules require a discussion of any necessary air and water permits, but do not necessarily require that the permit applications themselves be filed with the Commission in order to make the certificate application complete. We note, however, that many applicants routinely do file copies of their permit applications with the Commission. If such applications are not filed they may be obtained through the discovery process.

[8] This subsection dealt with need, viability, and cost effectiveness of proposed projects.

[9] For applications filed prior to January 1, 2002, information required by the amendments to the rules we adopt herein need not be included by the applicant. The Staff and other parties may, of course, obtain this information through discovery.

Additional Rules Proposed (Case No. PUE010665)

In the past, when facilities were not constructed absent a showing of need, projects were brought on line in an incremental fashion and were dispersed among the various service territories of Virginia's incumbent electric utilities. New power plants were proposed, most often, one at a time, although sometimes several were proposed over a period of a few years. Presently, Virginia has power plants with a total capacity of approximately 20,000 megawatts ("MW")[10] that were constructed over the last half-century.

With the Federal Energy Regulatory Commission's efforts in recent years in providing "open access" for electricity transmission and developing competition in wholesale markets, and with the elimination of the "need" requirement for plants in Virginia, the Commonwealth, like much of the nation, has been inundated with proposed power plant projects. Nationwide, power plant projects proposed to be built in the next few years total more than 368,000 MW.[11] In Virginia the story is the same. Depending on who is counting and how, more than 30 new power plants are proposed in the Commonwealth totaling almost 20,000 MW.[12] Additional new plants are also being announced on a regular basis. A recent industry-government task force focusing on attracting high-technology industries to Virginia concluded that it is not possible at this time to predict accurately how many or which projects will be successful.[13] Another report from industry and economic development interests estimated that only 40 to 50 percent of the proposed plants would be constructed.[14] If that prediction is correct then perhaps 12 to 15 new power plants with 8,000 to 10,000 MW of new capacity will be added in Virginia in the next few years. That would represent a 40 to 50 percent increase over our current capacity.

Due to this dramatic increase in proposed generating facilities, there have been concerns voiced about the cumulative environmental impacts from the growth of these new sources of air emissions. Such concerns have not been limited to electric plant proceedings at the Commission. The Virginia State Advisory Board on Air Pollution ("SAB") selected the issue of cumulative impacts of new power plants for evaluation this year.[15] The SAB formed a Cumulative Effects Work Group ("CEWG"), consisting of members representing industrial, economic development, environmental, and health interests. The CEWG could not reach a consensus on the issues and ultimately split into two subgroups, one representing industrial and economic development interests and the other representing environmental and health interests.[16] Each subgroup presented separate reports to the Air Pollution Control Board on November 7, 2001.

The Environment and Health Subgroup stated in its report:

> No existing policies require state regulatory agencies or applicants to analyze the cumulative effects of historically significant new emissions growth embodied by Virginia's current energy development program levels. However, current impacts of air pollution on environmental health combined with rapidly expanding power plant development has greatly elevated the need for a state-wide, cumulative "environmental and human health" effects analysis on an expedited time line to inform key VDEQ and SCC decisions. The Commonwealth needs to assure balance between environmental impacts, one of two primary SCC considerations, and economic development that is a secondary SCC consideration. . . . based on agency and nonprofit missions, the Environment and Health Subgroup believes we must err on the side of protecting public health and welfare, including but not limited to sensitive Class I and Piedmont resources.[17]

While the Industrial and Economic Development Subgroup did not embrace cumulative effects modeling, it did recognize that:

> The proliferation of announcements of new power plant developments in the state is a valid reason to continue to investigate cumulative impacts even when the emissions from each of the individual plants are below the threshold levels for a major source category.[18]

The issue of the overall impacts of new power plants on the environment was also raised as a concern in a recent study conducted by Virginia Tech's Alexandria Research Institute, which was guided by the Task Force on Electric Power for Virginia's High-Technology Industry ("Virginia Tech

[10] This does not include purely private generation facilities.

[11] Electric Power Supply Association, Announced Merchant Plants, October 26, 2001.

[12] The reports referenced herein provide figures on the number of proposed plants ranging from 28 (Report of Industrial and Economic Development Subgroup, see infra pp. 8-9, at 8) to 33 (Virginia Tech Study, see infra pp. 9-10 and note 19, at 45-46).

[13] Virginia Tech Study, see infra pp. 9-10 and note 19, at 45.

[14] Report of Industrial and Economic Development Subgroup, see infra pp. 8-9, at 7.

[15] The State Advisory Board on Air Pollution was organized to evaluate key air quality issues of concern and to offer recommendations to the State Air Pollution Control Board for consideration and further action.

[16] The Industry and Economic Development Subgroup consisted of individuals representing American Electric Power, Consolidated Energy, Dominion Virginia Power, International Paper, Virginia Economic Development Partnership, Virginia Independent Power Producers, and Yokohama Tire Corp.

The Environmental and Health Subgroup members represented the American Lung Association of Virginia, the National Park Service, and the Piedmont Environmental Council.

[17] Environment & Health Subgroup Report at 14-15 (emphasis in original).

[18] Industrial and Economic Development Subgroup Report, Conclusion No. 1 at 16.

Study").[19] The Task Force was composed of individuals representing technology and energy services industries in Virginia.[20] The Virginia Tech Study began by stating that the Commonwealth must now confront a critical question:

> How can Virginia continue to improve its already competitive position in attracting high-technology industries, by meeting energy infrastructure challenges without negatively impacting its citizens or degrading the quality of our environment?[21]

The Task Force's conclusions in the Virginia Tech Study included the following:

> There are 33 new electric power plant projects under development that, if completed, will be located in Virginia. If less than half of the projects planned are successful, the Commonwealth will change from an electricity importing state (~30%) to that of a significant exporter in a relatively short period, the natural gas consumption could double, the demand for water use would increase significantly, and the air quality would be impacted. The overall impacts of these projects on Virginia's resources, infrastructures, and environment need to be assessed and better understood.[22]

The Task Force also included the following as one of its recommendations:

> An assessment should be undertaken to examine the impacts on Virginia's existing industries of the pending expansion of the Commonwealth's Ozone Nonattainment Areas. The assessment also needs to include both the impacts on and impacts by the proposed power plant projects, the existing fossil-fueled power plants, fuel switching options for already installed industrial and commercial facilities, and potential new applications and technologies, such as distributed generation.[23]

The cumulative impact issue is not limited to Virginia. Neighboring states Kentucky, Tennessee, and Maryland, as well as Georgia, have begun to take measures for cumulative effects analysis of new power plants; it also appears that in Georgia, Kentucky and Tennessee, moratoriums have been issued on new plant construction pending cumulative impacts analyses.[24] In the Pacific Northwest, the Bonneville Power Administration ("BPA")[25] has initiated measures to analyze and disclose pertinent impacts on regional air quality from the combined emissions of all proposed combustion-related generation projects in Washington, Oregon, and Idaho.[26] The BPA states that more than 40 new electric generation projects in those three states, providing more than 25,000 MW of power, have requested access to the transmission grid it administers. The concentration of proposed power plants in Virginia is far greater than in the BPA area of concern.[27]

The BPA has described the issue in the following manner:

> Impacts from generation and transmission carry both site specific and cumulative implications. Both must be examined. Single facility impacts to resources like air and water may not be so significant, but when considered together with similar impacts from other plants the cumulative effects may warrant appropriate mitigation actions, including the curtailment of site development. For example, the air emissions from one turbine may have slight impacts on an airshed but when combined with the emissions from several plants within the same airshed their cumulative impacts may prove to be considerable.[28]

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[19] Rahman, Saifut, and Bigger, John, "Improving Virginia's Attractiveness for High-Technology Industries," Task Force on Electric Power for Virginia's High Technology Industry, Alexandria Research Institute, Virginia Polytechnic Institute and State University, October 31, 2001.

[20] The organizations represented were: America Online, Inc.; Columbia Gas of Virginia; Distributed Power Coalition of America; Dominion Semiconductor, Inc.; Dominion Virginia Power; Einhorn, Yaffee, Prescott Mission Critical Facilities, Inc.; EPRI-Power Electronics Applications Center, Corp.; McGuireWoods LLP; National Institute of Standards and Technology; Northern Virginia Electric Cooperative; Old Dominion Electric Cooperative; Rappahannock Electric Cooperative; Resource Dynamics, Corp.; Virginia's Center for Innovative Technology; Virginia Economic Development Partnership; Virginia Tech Alexandria Research Institute; and 7x24 Exchange, Mid-Atlantic Chapter.

[21] Virginia Tech Study at 2.

[22] Id. at 82.

[23] Id. at 84.

[24] Industrial and Economic Development Subgroup Report, Conclusion No. 11 at 17; Environment & Health Subgroup Report at 12-13.

[25] The BPA is an agency of the U.S. Department of Energy that owns and operates 15,000 miles of high-voltage transmission facilities serving substantial portions of the Pacific Northwest, including Washington, Oregon, and Idaho. In addition, BPA markets power produced primarily by federally owned facilities. According to BPA, when it enables a generation plant by providing transmission service to it, the National Environmental Policy Act requires and evaluation of the environmental effects of both the generation unit and the ancillary transmission facilities required to integrate the plant.

[26] Regional Air Quality Modeling Protocol, Bonneville Power Administration, March 30, 2001 ("BPA Protocol").

[27] On a per square mile basis, the concentration of proposed plants in Virginia measured by both the number of plants and total megawatts, far exceeds that of the proposed plants in Washington, Oregon, and Idaho combined. According the United States Census Bureau, the land area in Virginia is 39,594 square miles. Washington (66,544), Oregon (95,997), and Idaho (82,747) are all larger, with an aggregate land area of 245,288 square miles. On a per square mile basis, Virginia has approximately 5 times the amount of proposed new generation than do these states in the Pacific Northwest.

[28] BPA Protocol at 1.

The BPA found that "[a]ll past, present, and reasonably foreseeable actions potentially affecting relevant environmental resources need to be addressed in the cumulative impact analysis." It recognized that it is unlikely all of the proposed plants will be built. However, BPA plans to consider all of them "'reasonably foreseeable' because, at this time, all of them are concrete proposals and [BPA is] unable to determine which plants will be built and which will not be built."[29]

The objective of BPA's Modeling Protocol dated March 30, 2001, is "[t]o analyze and disclose pertinent impacts to regional air quality from the combined emissions of all proposed combustion-related generation projects in Washington, Oregon and Idaho."[30] The BPA Protocol presents a regional modeling approach designed to assess the cumulative air quality impacts from the proposed power projects. BPA completed Phase I of its study on August 1, 2001.

The cumulative environmental impacts of proposed new power plants are not limited to air quality issues. The proposed growth in construction also presents questions as to cumulative impacts on Virginia's water resources. The Virginia Tech Study notes that:

> Depending upon how many of these [new power generation] projects are successful, they could individually become a significant factor in the demand for water in specific areas and in aggregate have a significant impact on the Commonwealth's overall water requirements.[31]

In light of the foregoing activity in Virginia and throughout the country in response to the issue of cumulative environmental impacts caused by new power plant construction, coupled with the Commission's statutory obligations under §§ 56-46.1 A and 56-580 D, we believe that it is appropriate to consider this issue in the context of our rules governing the filing requirements for proposed electric generating facilities. Accordingly, we have developed additional rules to address cumulative impacts in our approval process for plant applications. With respect to impacts on air quality, the newly proposed amendment to 20 VAC 5-302-20 12 a would require the presentation of data that identifies the cumulative impacts on air quality resulting from the applicant's proposed facility, other proposed projects, and existing emitting facilities. We have attempted to have these rules, on the one hand, be sufficiently expansive in scope to include consideration of all proposed facilities that require air permits (not just electric plants), while at the same time limited so that only those projects where there has been significant action taken toward development (zoning, permitting, etc.) need be included in the analysis.

We have proposed similar amendments to 20 VAC 5-302-20 12 b and 20 VAC 5-302-20 9 i to address cumulative impacts on water sources and fuel supplies, respectively. We are concerned with the cumulative impacts on water quality and levels, and on the infrastructure and transmission capacities and supply for natural gas and fuel oil.[32]

In addition, new rule 20 VAC 5-302-20 15 is proposed to address market power issues. A variation of this rule was proposed originally at 20 VAC 5-302-25, but it applied only to incumbent electric utilities and their affiliates. The new rule we propose would be applicable to all applicants and therefore we believe further comment is warranted on this issue.

We recognize that these proposed rules will likely be controversial and generate significant debate. The Commission welcomes full and vigorous debate on these issues; we expect and welcome comments and advice on all aspects of the rules we present today. We also direct our Staff to convene one or more work groups of interested parties to explore the ramifications of the additional rules we are proposing.[33] In addition, the Staff and interested parties should continue to explore and provide recommendations on whether, and, if so, how the Commission might develop expedited permitting processes for small generating facilities of 50 MW or less. The Staff shall file a report detailing the work groups' efforts and making Staff's recommendations. Participants will have the opportunity to file their own comments on the Staff report and the proposed rules. Finally, there will be an opportunity to request a hearing in this matter. We will fully consider all comments and procedures prior to taking any final action with respect to the proposed rules.

Accordingly, IT IS ORDERED THAT:

(1) Regulations amending the filing requirements for applications to construct and operate electric generating facilities are hereby adopted in Case No. PUE010313 as set forth in Attachment A to this Order, effective as of the date of this Order and applicable to applications filed on and after January 1, 2002.

(2) A proceeding for consideration of further amendments to the rules as set forth in Attachment B to this Order, as well as to consider development of expedited permitting processes for small generating facilities of 50 MW or less, is docketed and assigned Case No. PUE010665.

(3) The Commission Staff shall invite interested parties to participate in a work group or work groups for discussion of the Commission's proposed amendments as shown on Attachment B to this Order, and the development of expedited permitting processes for small generating facilities of 50 MW or less, and the Staff shall file with the Clerk of the Commission in Case No. PUE010665 a report, on or before April 19, 2002, with recommendations for further action by the Commission.

(4) On or before April 2, 2002, any interested person or entity desiring to become a party in Case No. PUE010665 for the consideration of the additional matters described herein shall file a notice of participation with the Clerk of the Commission at the address set forth below.

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[29] Id.

[30] Id.

[31] Virginia Tech Study at 60.

[32] The cumulative impact of new facilities on transmission systems will be addressed in part by the studies referenced in rule 20 VAC 5-302-20 13 b.

[33] Persons desiring to participate in the Staff work group(s) should, on or before January 15, 2002, notify Lawrence T. Oliver, Assistant Director of Economics and Finance at: State Corporation Commission, Division of Economics and Finance, P.O. Box 1197, Richmond, Virginia 23218, or by e-mail at: toliver@scc.state.va.us.

(5) On or before May 24, 2002, any party or other interested person or entity may file with the Clerk of the Commission, at the address set forth below, comments on the proposed amendments to the rules and on the Staff report.

(6) Any party or other interested person or entity desiring a hearing on the proposed amendments in this matter shall file such a request on or before May 24, 2002, and shall state in detail why a hearing is necessary. Such a request should identify the factual issues likely in dispute upon which the party seeks hearing together with the evidence expected to be introduced at any hearing.

(7) On or before December 17, 2001, the Commission's Division of Information Resources shall make a down-loadable version of the proposed rules and this Order available on the Commission's Web site, http://www.state.va.us/scc/caseinfo/orders.htm.

(8) The Staff, parties, and any other interested persons or entities making filings in Case No. PUE010665 shall file an original and fifteen (15) copies of their filing with the Clerk of the Commission, c/o , Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, referencing case No. PUE010665, and shall serve a copy of their filings on all other parties to this proceeding who have filed a notice of participation pursuant to ordering paragraph (4) above.

(9) On or before December 28, 2001, the Commission's Division of Information Resources shall cause to be published the follow notice as display advertising in newspapers of general circulation throughout the Commonwealth:

NOTICE TO THE PUBLIC OF A PROCEEDING TO
CONSIDER THE ADOPTION OF REVISED FILING
REQUIREMENTS FOR APPLICATIONS SEEKING
AUTHORITY TO CONSTRUCT ELECTRICAL GENERATING
FACILITIES IN VIRGINIA TO INCLUDE AN ANALYSIS
OF CUMULATIVE ENVIRONMENTAL IMPACTS
AND MARKET POWER
CASE NO. PUE010665

On December 14, 2001, the Virginia State Corporation Commission ("Commission") entered an order in Case No. PUE010313 adopting amendments to its rules governing the filing requirements for applications for authority to construct and operate electric generating facilities. The Commission's December 14, 2001, order also docketed Case No. PUE010665 and proposed additional rules on which it seeks comment. The Commission noted in its order that a significant number of new power plants may be constructed within the next several years in Virginia. In light of this and other factors, the additional rules proposed pertain to cumulative impacts of proposed electric generating facilities and associated facilities on air quality, water sources, and fuel supply. The proposed rules also address issues relative to how an applicant's proposed facility may impact its ability to exert market power within the control area in which the facility is expected to be constructed.

The Commission's Staff has been directed to convene one or more work groups of interested parties to explore the ramifications of the proposed rules. In addition, the Staff and interested parties are to continue to explore and provide recommendations on whether, and, if so, how the Commission might develop expedited permitting processes for small generating facilities of 50 megawatts or less. The Commission Staff is to file a report detailing the work groups' efforts and making Staff's recommendations on or before April 19, 2002.

On or before January 15, 2002, any person desiring to participate in the Staff work group(s) should notify Lawrence T. Oliver, Assistant Director, Economics and Finance at: State Corporation Commission, Division of Economics and Finance, P.O. Box 1197, Richmond, Virginia 23218, or by e-mail at: toliver@scc.state.va.us.

Any interested person may obtain a copy of the Commission's December 14, 2001, order and proposed rules from the Commission's Web site, http://www.state.va.us/scc/caseinfo/orders.htm, or by requesting them in writing from the Clerk of the Commission at the address listed below. The proposed regulations will also appear in the Virginia Register of Regulations. On or before April 2, 2001, any interested person or entity desiring to become a party in this proceeding shall file with the Clerk of the Commission a notice of participation. On or before May 24, 2002, any party or other interested person or entity may file comments on the proposed amendments to the rules and on the Staff report, and may also file a request for hearing on the proposed rules. Any request for hearing should identify the factual issues likely in dispute, together with the evidence expected to be introduced at any hearing. Such persons should obtain a copy of the Commission's December 14, 2001 order for further procedural details.

All filings with the Commission in this matter shall include an original and 15 copies directed to the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, shall reference case No. PUE010665, and a copy shall be served on all parties filing a notice of participation.

VIRGINIA STATE CORPORATION COMMISSION

(10) There being nothing further to come before the Commission in Case No. PUE010313, this case shall be removed from the docket and the papers filed herein placed in the file for ended causes.

(11) Case No. PUE010665 shall be continued for further proceedings consistent with this Order.

NOTE: A copy of Attachment A entitled "Chapter 302. Filing Requirements in Support of Applications for Authority to Construct and Operate an Electric Generating Facility" and Attachment B entitled "Proposed Amendments" 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. PUE010346
JULY 24, 2001

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 January 23, 2001, Site Improvement Associates, Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc. ("the Company"), located at or near 222 Florida Avenue, Portsmouth, Virginia, while excavating;

(2) On or about April 4, 2001, Tibbs Paving, Inc., damaged a one-half inch plastic gas service line operated by the Company located at or near 8305 Maplewood Drive, Manassas, Virginia, while excavating;

(3) On or about April 9, 2001, Virginia Electric and Power Company damaged a one and one-quarter inch plastic gas main line operated by the Company located at or near 221 South Jefferson Street, Petersburg, Virginia, while excavating;

(4) On or about April 16, 2001, Dunn Construction Company damaged a one-half inch plastic gas service line operated by the Company located at or near 2218 Queen Street, Portsmouth, Virginia, while excavating;

(5) On or about April 24, 2001, Guy C. Eavers Excavating Corp. damaged a one inch plastic gas service line operated by the Company located at or near 2210 Langhorne Road, Lynchburg, Virginia, while excavating;

(6) On or about May 7, 2001, Innerview, Ltd., damaged a one-half inch plastic gas service line operated by the Company located at or near 400 Fort Lane, Portsmouth, Virginia, while excavating; and

(7) 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 $5,250 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 $5,250 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. PUE010348
DECEMBER 19, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CENTRAL LOCATING SERVICE, LTD.,
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 ("Act"). The Commission's Division of Energy Regulation ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents between December 6, 2000, and April 16, 2001, listed in Attachment A, involving Central Locating Service, Ltd. ("the Company"), and alleges that:

(1) Central Locating Service, Ltd., is a contract locator as that term is defined in § 56-265.15 of the Code of Virginia;

(2) During the aforementioned period Central Locating Service, Ltd., violated the Act, by committing the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of §§ 56-265.19 A and D of the Code of Virginia.

(b) Failing on certain occasions to mark within the time prescribed in the Act, in violation of § 56-265.17 B and § 56-265.19 A and D of the Code of Virginia.

(c) Failing on certain occasions to report to the notification center that lines had been marked or they were not in conflict with the proposed excavation, in violation of § 56-265.19 A, B, and D of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, which includes all probable violations presented to the Underground Utility Damage Prevention Advisory Committee on June 5, 2001, and set out in Attachment A hereto, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $15,700 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 $15,700 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. PUE010350
SEPTEMBER 25, 2001

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.

To Extend Customer CHOICE[SM] Pilot Program

ORDER GRANTING EXTENSION AND DIRECTING THE FILING OF A PLAN FOR RETAIL GAS SUPPLY CHOICE

Before the Commission is the application of Columbia Gas of Virginia, Inc. ("Columbia" or "Company"), for authority to offer its Customer CHOICE[SM] program after October 1, 2001. Columbia's Customer CHOICE[SM] is a voluntary experiment using special rates approved by the Commission pursuant § 56-234 of the Code of Virginia. Customer CHOICE[SM] offers the Company's residential and small general service customers in the Gainesville area the opportunity to purchase gas from independent marketers. Columbia delivers the gas under terms and conditions approved by the Commission.

The Commission first authorized Customer CHOICE[SM], then called Commonwealth Choice, for the period October 1, 1997, through October 1, 1999. Commonwealth Gas Services, Inc., Case No. PUE970455, 1997 S.C.C. Ann. Rep. 417. We subsequently extended the termination date first to October 1, 2000, Columbia Gas of Virginia, Inc., Case No. PUE990245, 1999 S.C.C. Ann. Rep. 476, and then to October 1, 2001, Columbia Gas of Virginia, Inc., Case No. PUE000284, 2000 S.C.C. Ann. Rep. 534.

The Company proposes to continue Customer CHOICE[SM] until the earlier of the date it implements retail supply choice for all customers as authorized by § 56-235.8 of the Code of Virginia, or October 1, 2002. In support of its application, Columbia stated that time would be required to develop a permanent program which conformed with the Commission's Rules Governing Retail Access to Competitive Energy Services, 20 VAC 5-312-10 et seq., adopted on June 19, 2001. Pending implementation of the retail supply choice plan, which would be offered throughout Columbia's service territory, the Company proposes to continue the pilot program in the Gainesville area.

By Order for Notice of July 12, 2001, the Commission directed Columbia to give notice of its application to extend Customer CHOICE[SM] and invited interested persons to comment. On August 15, 2001, Columbia filed proof of notice to customers in the Gainesville area, local governments, and interested parties. The Commission finds that proper notice of this application was given. The Commission received two letters from customers who favored extending the program.

In the Order for Notice, we also directed the Commission Staff to investigate the application and to file a report of its findings. In it's Report filed on August 27, 2001, the Staff reviewed the program. As of June 2001, approximately 20 percent of the 38,000 eligible customers, or approximately 7,500 customers, participated in the program. The Staff noted that the Company had calculated that, from January 2001 through June 2001, the customers participating in Customer CHOICE[SM] saved approximately $1.88 million on their gas bills.

The Staff agreed that Customer CHOICE[SM] should be continued to allow customers to continue saving money on gas bills and to permit the Company to gain experience and collect data. The Staff questioned the continued delay in offering a permanent program to all Columbia customers. The Staff recommended that the current Customer CHOICE[SM] pilot program be continued only to March 31, 2002, and that Columbia file a retail supply choice plan to become effective on April 1, 2002.

In its comments on the Staff's report, Columbia again urged approval of the pilot program until October 1, 2002, or the implementation of a permanent program. The Company noted that it had committed to the Staff that a permanent program would be filed by December 1, 2001.

The Commission shares the Staff's concerns about delay in extending the benefits of a program modeled on Customer CHOICE[SM] to all Columbia customers. As the Staff noted in its report and Columbia acknowledged in its application, a significant number of eligible customers participate in Customer CHOICE[SM], and they have enjoyed substantial savings in the cost of gas. The Commission finds that Columbia should offer retail supply choice to all of its customers not eligible for transportation service during the 2002-2003 heating season.

Columbia stated in its response to the Staff Report that it will apply for approval of a retail supply choice plan by December 1, 2001, and we so direct the Company. In considering the plan, the Commission will adhere to the time limitations set by the General Assembly in § 56-235.8 of the Code. It is the Commission's intention that the plan be approved by April 30, 2002, and take effect by July 1, 2002, so that customers will have an opportunity to enroll before the heating season commences. Accordingly, we will authorize Customer Choice[SM] only through June 30, 2002.

In the orders authorizing Customer CHOICE[SM], and cited previously, the Commission directed Columbia to collect information on costs it deems stranded as a result of Customer CHOICE[SM] and to report semiannually these costs. We have also directed the Company to collect daily load samples for comparison with load profiles used by the participating marketers and to present a balancing study prior to expanding or terminating the pilot program. As a condition of continued authorization of the pilot program, the Commission will require Columbia to continue collecting all information as previously ordered. We direct that Columbia file its final balancing study with its retail supply choice plan by December 1, 2001, so that the revenue effect, if any, will be available while the Commission considers the program for retail supply choice as provided by § 56-235.8 of the Code.

Finally, the Staff noted in its report that agreement had been reached with the Company on the wording of certain proposed revised tariff language. The agreed language was appended to the Staff Report. We will order Columbia to implement this agreed language along with other tariff provisions continuing Customer CHOICE[SM].

As we discussed previously, Customer CHOICE[SM] has benefited participating customers. A retail supply choice program offering these benefits should be extended to all Columbia customers. We encourage the Company to devote its considerable resources to developing a program and to consult with the Staff as it prepares its application to be filed by December 1, 2001.

Accordingly, IT IS ORDERED THAT:

(1) Columbia's application to extend the Customer CHOICE[SM] pilot program pursuant to § 56-235.3 of the Code of Virginia is granted to the extent discussed in this Order and is otherwise denied.

(2) Within seven (7) days of receipt of this Order, Columbia shall file with the Division of Energy Regulation tariff pages extending Customer CHOICE[SM] and bearing an effective date of September 30, 2001, and an expiration date of June 30, 2002. The appropriate tariff page shall include the agreed language appended to the Staff Report.

(3) Columbia shall continue to collect daily load samples and profiles, to log the use of the capacity assignment option by suppliers, and to log supplier requests for information all as previously ordered.

(4) Columbia shall continue to file semiannually its estimates and calculations of stranded costs associated with Customer CHOICE[SM] with the Director of Public Utility Accounting, and file the final study as ordered in (6) below.

(5) On or before December 1, 2001, Columbia shall file with the Clerk of the Commission an application for approval of a retail supply choice plan available to all eligible customers throughout its service territory on or before July 1, 2002.

(6) On or before December 1, 2001, Columbia shall file with the Commission its final balancing study, any related studies, and any final study on stranded costs.

CASE NO. PUE010350
OCTOBER 11, 2001

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.

To Extend Customer CHOICE[SM] Pilot Program

CORRECTING ORDER

By Order Granting Extension and Directing the Filing of a Plan for Retail Gas Supply Choice of September 25, 2001, the Commission authorized Columbia Gas of Virginia, Inc. ("Columbia" or "Company"), to offer its Customer CHOICE[SM] program through June 30, 2002. The Company filed on October 5, 2001, its Motion for Clarification of the order of September 25. In its motion, Columbia addressed use of the date "December 1, 2001," in the order of September 25 in reference to the Company's commitment to file a permanent program for retail supply choice as authorized by § 56-235.8 of the Code of Virginia. Columbia stated that the date should be "December 31, 2001," and the Company requested clarification of the date to file its permanent program for retail supply choice.

The Commission has considered the Motion for Clarification and finds that the requested relief should be granted.

Accordingly, IT IS ORDERED THAT:

(1) The Order Granting Extension and Directing the Filing of a Plan for Retail Gas Supply Choice of September 25, 2001, be corrected to read "December 31, 2001," in lieu of "December 1, 2001," in the last line of the second complete paragraph at 3; in the third line of the first complete paragraph at 4; in the last line at 4; and in the last line of the second complete paragraph at 5.

(2) Ordering paragraph (5) of the Order Granting Extension and Directing the Filing of a Plan for Retail Gas Supply Choice of September 25, 2001, be corrected to read "December 31, 2001," in lieu of "December 1, 2001."

(3) Ordering paragraph (6) of the Order Granting Extension and Directing the Filing of a Plan for Retail Gas Supply Choice of September 25, 2001, be corrected to read "December 31, 2001," in lieu of "December 1, 2001."

CASE NO. PUE010352
OCTOBER 16, 2001

APPLICATION OF
COOK INLET POWER, LP

For a license to conduct business as a competitive service provider in electric retail access programs

ORDER GRANTING LICENSE

On June 15, 2001, and as supplemented on July 20, 2001, Cook Inlet Power, LP ("Cook" or "the Company"), filed an application for a license to conduct business as a competitive service provider 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 Company intends to serve commercial and industrial customers 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 July 27, 2001, the Commission issued an Order for Notice and Comment. However, on August 9, 2001, Cook filed a motion requesting leave to amend its application and to suspend the procedural schedule contained in the July 27, 2001, Order for Notice and Comment ("Motion"). In support of its Motion, Cook stated that it has become aware that the pilots for AEP-VA and Virginia Power will expire on December 31, 2001, that REC's pilot will continue as a pilot into 2002, and that permanent retail access programs will begin as of January 1, 2002 for Virginia Power, AEP-VA, Allegheny Power, and Delmarva Power & Light Company.

Pursuant to the Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules") 20 VAC 5-312 10 et seq., Cook requested to serve the entire state of Virginia as the individual service territories become open to full retail access. In addition, Cook sought authority to participate in the pilot program for REC as well as any other pilot program that may be initiated by an electric utility.

On August 16, 2001, the Commission issued an Amended Order for Notice and Comment, granting Cook's Motion requesting leave to amend it's application, requiring notice to interested parties, providing for the receipt of comments from the public, and requiring the Commission's Staff to analyze the reasonableness of Cook's application and present its findings in a Staff Report to be filed on or before September 13, 2001.

The Staff filed its Report on September 13, 2001, concerning Cook's fitness to provide competitive electric service. The Staff concluded that Cook meets the technical fitness requirements for licensure. The Staff also discussed Cook's financial fitness. As a newly formed entity, Cook does not yet have audited financial reports. However, in its application, Cook indicated its willingness to provide a bond, if necessary, as evidence of its financial responsibility. As such, the Staff recommended that a license should be granted subject to Cook submitting an acceptable form of financial security such as a bond.

In response to the Staff Report, Cook has filed a surety bond in the amount of $50,000 to be paid to the Commonwealth of Virginia for any penalties or fines levied against it for violations of the law and for payment of any tax obligations owed to the Commonwealth that are unsatisfied by Cook.

NOW UPON CONSIDERATION of the application, the Staff Report, the Company's proposed surety bond, and the applicable law, the Commission finds that Cook's application should be approved.

Accordingly, IT IS ORDERED THAT:

(1) Cook Inlet Power, LP is hereby granted license No. E-5 to provide competitive electric service to commercial and industrial customers in Virginia Power, AEP-VA and REC's service territories in accordance with the terms of these pilot programs, and throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

(2) The issuance of this license is granted subject to the maintenance of a surety bond in the amount of $50,000.

(3) This license to act as a competitive service provider is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes. This license is not valid authority for the provision of any product or service not identified within the license itself.

(4) Failure of Cook to comply with the Retail Access 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 pending the receipt of any reports required by the Retail Access Rules and to receive any application for amendments or modifications to the license granted herein.

CASE NOS. PUE010353 and PUE000086
JUNE 22, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: Delmarva Power & Light Company – Regional Transmission Entities

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

For approval of a plan for functional separation

ORDER ESTABLISHING SEPARATE PROCEEDING FOR REGIONAL TRANSMISSION ENTITIES FILING

On June 1, 2001, in Case No. PUE000086, the State Corporation Commission ("Commission") entered its "Order Prescribing Notice and Inviting Comments and/or Requests for Hearing" on the October 16, 2000, "Motion of Delmarva Power & Light Company (Delmarva" or "Company") for Determination of Compliance with Va. Code § 56-577 and § 56-579 and the Commission's Regional Transmission Entity Regulations" ("RTEs"). Case No. PUE00086 is the docket in which the Commission has considered Delmarva's plan for functional separation, including the divestiture of the Company's electric generating units.[1]

It has come to the Commission's attention, that, consistent with our treatment of similar filings by other incumbent electric utilities, Delmarva's filing concerning its RTE should be considered in a docket separate from the functional separation proceeding in Case No. PUE000086. Other matters concerning Delmarva's functional separation plan, including specifically its proposed unbundled tariffs, rates, terms, and conditions, will be considered in the existing PUE000086 docket.

Accordingly, IT IS ORDERED THAT:

(1) The matter of Delmarva Power & Light Company's October 16, 2000, Motion for Determination of Compliance with §§ 56-577 and 56-579 of the Code of Virginia and the Commission's Regional Transmission Entity Regulations shall be transferred from Case No. PUE000086 and assigned Case No. PUE010353.

(2) The Commission's June 1, 2001, Order Prescribing Notice and Inviting Comments and/or Requests for Hearing in Case No. PUE000086 shall continue to govern the procedural schedule for Delmarva's RTE filing, except Case No. PUE010353 shall be substituted for all references therein to Case No. PUE000086, and as otherwise provided below.

(3) The date for Delmarva to publish the notice prescribed in ordering paragraph (2) of the Commission's June 1, 2001, Order Prescribing Notice and Inviting Comments and/or Requests for Hearing in Case No. PUE000086 shall be extended from June 29, 2001, to July 6, 2001, and all references in such notice to Case No. PUE000086 shall be replaced with Case No. PUE010353.

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[1] See Final Order entered June 29, 2000, Doc. Control No. 000650198.

(4) On or before July 2, 2001, Delmarva shall serve a copy of this Order on the local government officials identified in ordering paragraph (3) of the Commission's June 1, 2001, Order Prescribing Notice and Inviting Comments and/or Requests for Hearing in Case No. PUE000086.

(5) This matter is be continued for further orders of the Commission.

CASE NO. PUE010354
SEPTEMBER 28, 2001

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY
and
THE SHENANDOAH GAS DIVISION OF WASHINGTON GAS LIGHT COMPANY

For approval of an amendment to their respective Purchased Gas Charge Provisions

FINAL ORDER

On June 20, 2001, Washington Gas Light Company and The Shenandoah Gas Division of Washington Gas Light Company (hereinafter collectively referred to as "the Companies" or "the Applicants") filed an application with the State Corporation Commission ("Commission") to amend the Purchased Gas Charge ("PGC") provisions of their respective gas tariffs on file with the Commission. In their application, the Companies represented that the purpose of the proposed amendments was to provide explicitly for the recovery by the Applicants of costs associated with gas price hedging transactions through their respective PGC provisions.

The Applicants explained that in view of the volatility of natural gas prices experienced during the winter of 2000-2001, they were considering ways to manage the risks associated with natural gas prices in the upcoming winter, including the use of financial hedging in their gas purchasing practices. Financial hedging of natural gas prices, according to the Companies, may take a variety of forms, including the purchase of futures contracts, the purchase of call options, or a combination of the foregoing. The Applicants contended that the costs involved in engaging in hedging transactions were recoverable through the language now found in their respective PGC provisions, but maintained that it would be in the interest of their customers to provide clarity in their tariff provisions in order to eliminate any potential barrier to the use of financial hedging strategies.

On July 6, 2001, the Commission entered an Order docketing the captioned application and suspending the Applicants' proposed tariff revisions pursuant to § 56-238 of the Code of Virginia to permit the further investigation of the application.

On July 12, 2001, the Commission entered its Order for Notice and Hearing. In that Order, the Commission directed the Companies to publish notice of their applications, invited interested parties to file written comments or requests for hearing with the Commission on or before August 20, 2001, and directed the Commission Staff to file a report that could take the form of testimony on or before August 29, 2001. The Commission invited interested parties and the Companies to file their responses to the Staff's report on or before September 14, 2001.

On August 28, 2001, the Companies, by counsel, filed their proof of publication and service of the Order as required by Ordering Paragraph (6) of the July 12, 2001 Order for Notice and Hearing.

No comments or requests for hearing were filed in this proceeding.

On August 29, 2001, the Staff filed its report with the Commission in both a public and confidential version. In its report, the Staff noted that the Applicants intended to use three types of hedged gas commodity contracts offered by third parties that have expertise in risk management, gas markets, and fixed price contracts in which risk management techniques were utilized. These hedged commodity contracts included a price cap product,[1] a price band product,[2] and a fixed price product.[3]

All of these hedging products involve a cost for their use. Staff noted that of the three types of hedged contracts, only the price cap contract explicitly reflects the "costs" of that product through an adder or premium on each unit of gas purchased below the cap. Staff explained that the costs for the two other types of products were implicitly embedded in the premium over current gas costs for the fixed price product, and the level of the price floor in the price band product.

The Staff commented that the wholesale natural gas market had experienced exceptionally high prices over the past heating season, with spot gas prices rising to a new plateau of $9-10 per MMBtu in December and January, more than double the average price of the previous winter. Staff noted that the use of financial hedging instruments could be appropriate for gas utilities to help dampen the spikes in gas costs.

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[1] Price cap contracts established a maximum overall price or cap for a specified volume of gas over a specified period. Below the cap, the price of gas would be based on a market index price plus a fixed adder or premium to compensate the counterparty for the capped price obligation.

[2] A price band contract would require the Applicants to pay a market index price up to a maximum cap price and down to a minimum floor price. The entity obligated to supply gas to Applicants under the terms of the hedged contract (counterparty) would receive compensation for its assumption of the maximum price cap risk through the Applicants' contractual obligation to the floor or minimum price.

[3] The fixed price contract hedging product establishes a specific price for a specific volume of gas over a specific period. The specific period may encompass an entire heating season or particular months within the heating season. The cost of this type of contract is embedded in the difference between the fixed price and the current price of gas.

Summarizing the Applicants' proposal, the Staff reported that the Companies propose to limit the gas volumes to be hedged to 75% of their maximum daily take obligation per month.[4] The Staff explained that the Applicants' proposed to use the lowest daily volume (warmest day) of firm demand gas in each month of the winter heating season over the last five years to calculate a volume of firm gas for the corresponding month in a winter heating season profile. The lowest volume of gas for each month from this heating season profile was further reduced by a conservative estimate of the firm gas volume to be supplied by competitive suppliers. The Applicants then reduced the conservative volume estimate by an additional 25% to arrive at the "Maximum Daily Take Obligation".

The Staff recommended that prudently incurred costs resulting from the use of a Commission-approved gas supply hedging program should be recovered through the Companies' respective purchased gas adjustment ("PGA") clauses without reference to other hypothetical or imputed gas supply costs. The Staff cautioned the Companies that imprudent purchased gas costs could be excluded from recovery through these clauses. Staff recommended that the Applicants be authorized to enter into the three types of hedged gas commodity contracts for up to 75% of their maximum daily take obligation per month, as further explained in Confidential Exhibit 1, Attachment 1-2 to the report. Staff proposed that the Commission grant authority to the Companies to engage in hedging activities in accordance with the recommendations of the report through the 2005-2006 winter heating season.[5] According to Staff, this limitation would provide a reasonable length of time to evaluate whether the Companies' hedging activity should be modified or continued.

Further, the Staff recommended that the Applicants be required to file a report on or before June 30 of each year during the period 2002 through 2005, which sets out the terms of the hedged gas contracts and the calculation of the 75% maximum daily take obligation that will govern the hedged contract volumes for the next heating season. Staff additionally requested that the captioned docket be left open to receive the Companies' reports.

Staff also recommended that the Applicants' tariff language be modified to include costs associated with hedged gas contracts that do not cumulatively exceed 75% of the Companies' maximum daily take obligation as further explained in Confidential Exhibit No. 1 to the Staff Report. Staff proposed that the Applicants account for their hedging methodology, as indicated in Exhibit No. 2 to the public version of the Staff Report.

Finally, the Staff recommended at page 15 of its report that if the proportion of the Companies' gas supply portfolio to be hedged expanded or if the Applicants change their proposed hedging methodology, they be required to adopt a risk management policy, that at a minimum, addresses their objectives for risk management activities. According to Staff, such a risk management policy should include a policy statement, definitions of important terms related to risk management, a statement forbidding speculation, a description of the types of transactions allowed under the policy, and internal documentation requirements.

On September 10, 2001, the Companies, by counsel, filed their comments on the Staff report. In their comments, the Company filed proposed tariffs and generally supported the Staff's recommendations. Specifically, the Applicants supported the Staff recommendation found at page 14 of the Staff report regarding the recovery of prudently incurred costs associated with hedging activities.

NOW, UPON consideration of the Company's application, the Staff report, and the comments of the Companies thereon, the Commission is of the opinion and finds that the Companies' application, as modified by the recommendations set out in the August 29, 2001, Staff report and the modifications made herein, is reasonable and should be adopted; that the Companies should be granted authority to engage in hedging activities through the 2005-2006 winter heating season; that the Companies should account for their hedging transactions as indicated in Exhibit No. 2 to the August 29, 2001 Staff report; that the Applicants should file a report on or before June 30 of each year for the period 2002 through 2005, which should describe in detail the terms of the hedged gas contracts utilized in the prior heating season, any costs associated with the hedged gas contracts, and the calculation of the 75% maximum daily take obligation that will govern the volumes specified in the hedging contracts for the next heating season; that by June 30th of the 2005 heating season, the Companies should file a pleading requesting authority to continue the hedging program, amend the hedging program, or terminate the same; that in the event the Companies choose to expand the proportion of their gas supply portfolio that will be hedged or change their proposed hedging methodology, the Companies should seek additional authority from the Commission, and should also adopt a risk management policy addressing, at a minimum, the matters described at page 15 of the public version of the August 29, 2001 Staff report.

We find it unnecessary to address the prudency of hedging costs. The recovery of costs associated with gas hedging activities is more appropriately determined in a rate case or some other proceeding in which specific facts may be adduced.

Finally, we find that the proposed tariff pages appended as Attachments 1 and 2 to the Companies' September 7, 2001 comments should be revised to incorporate the 2005-2006 heating period for which authority has been granted herein as well as to reference the price cap, the price band, and the fixed price hedging instruments the Companies propose to use and which we have approved. We will therefore require the Companies to file tariffs conforming with our directives with the Division of Energy Regulation, effective for service rendered on and after the date of this Order. These tariffs should identify on their face the methodology the Companies intend to use to determine the 75% maximum daily take obligation in a manner that can be reviewed by the public generally.

Accordingly, IT IS ORDERED THAT:

(1) The Companies' application, as modified by the recommendations set out in the August 29, 2001 Staff Report and the directives of this Order, is hereby granted.

(2) The Companies are authorized to utilize price cap, price band, and fixed price hedged gas contracts through the 2005-2006 winter heating season.

(3) The Companies shall forthwith file with the Division of Energy Regulation tariffs conforming with the directives of this Order, to be effective for service rendered on and after the date of this Order.

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[4] The Applicants define the "Maximum Daily Take Obligation" as follows: Maximum Daily Take Obligation = (Minimum Daily Firm Load + Storage Injection Capability) - (Firm Delivery Service + Excess Interruptible Delivery Service).

[5] The heating season for these Companies is generally defined as October through March of a given year.

(4) The Companies shall file a report with the Clerk of the Commission on or before June 30 of each year for the period beginning 2002 through 2005. Said report shall describe in detail the terms of the hedged gas contacts utilized in the prior heating season, any costs associated with hedged gas contracts, and the calculation of the maximum daily take obligation that will govern the hedging contract volumes for the next heating season.

(5) By June 30 of the 2005 heating season, the Companies shall file a pleading with the Clerk of the Commission, requesting authority to continue the hedging program, amend the hedging program, or terminate the same.

(6) If, during the course of the hedging program, the Companies desire to expand the proportion of their gas supply portfolio that will be hedged or change their proposed hedging methodology, the Companies shall seek additional authority from the Commission to do so, and shall adopt a risk management policy, that at a minimum, addresses the matters described at page 15 of the August 29, 2001 Staff report.

(7) The Companies shall account for their hedging activities as indicated in Exhibit No. 2 to the Staff's August 29, 2001 report.

(8) This docket shall remain open to receive the reports and other pleadings required by this Order.

CASE NO. PUE010355
JULY 24, 2001

APPLICATION OF
VIRGINIA GAS DISTRIBUTION COMPANY,
VIRGINIA GAS PIPELINE COMPANY,
and
VIRGINIA GAS STORAGE COMPANY

To Change Filing Periods for Various Reports

ORDER GRANTING APPROVAL

On June 20, 2001, Virginia Gas Distribution Company, Virginia Gas Pipeline, and Virginia Gas Storage Company (hereafter collectively referred to as "the Companies"), by counsel, filed a Motion to change the filing periods for their respective Annual Financial and Operating Reports (FERC Form 2) and their Annual Reports of Affiliated Transactions. The Companies propose to use a nine month period, beginning on January 1, 2001, through September 30, 2001, for these Reports. The Companies further request that they be permitted to file these documents on January 15, 2002, rather than January 1, 2002. The Companies' Motion is prompted by the merger of Virginia Gas Company, the Companies' parent, into a subsidiary of NUI Corporation ("NUI"), NUI employs a fiscal year ending September 30, rather than December 31.

The Companies also ask that they be permitted to file their Annual Financing Plans for the period January 1, 2001, through September 30, 2001, on October 31, 2001. The Companies note that they have historically filed these reports for the twelve months ending December 31, on January 31 of each year.

On July 5, 2001, the Companies, by counsel, filed an Amendment to the June 20 Motion. On July 9, 2001, the Companies supplemented their Motion as amended, requesting leave to withdraw the portion of their Motion relating to their Annual Financing Plans. As to their Annual Financial and Operating Reports and the Annual Report of Affiliated Transactions, the Companies renewed their request that they be permitted to file these documents for the nine months ended September 30, 2001, but requested, after discussions with Staff, permission to file these documents on or before February 1, 2002.

NOW THE COMMISSION, having considered the request of the Companies, as amended and supplemented, and having been advised by its Staff, is of the opinion and finds that this matter should be docketed; that the Companies should be permitted to file their respective Annual Financial and Operating Reports and their Annual Reports of Affiliated Transactions for the nine months ended September 30, 2001, by February 1, 2002; that thereafter, the Companies should be required to file their Annual Financial and Operating Reports and their Annual Report of Affiliated Transactions at such times and as directed by the Commission's Director of the Division of Public Utility Accounting, unless directed otherwise by the Commission; that the Companies should be permitted to withdraw that portion of the Motion relating to their Annual Financing Plans; and that this matter should be dismissed from the Commission's docket of active cases.

Accordingly, IT IS ORDERED THAT:

(1) This matter shall be docketed and assigned Case No. PUE010355.

(2) The Companies shall file on February 1, 2002, their Annual Financial and Operating Reports and Annual Reports of Affiliated Transactions using the period beginning January 1, 2001, through September 30, 2001. Thereafter, the Companies shall file these Reports at such times and as directed by the Commission's Director of the Division of Public Utility Accounting, unless directed otherwise by the Commission.

(3) The Companies are granted leave to withdraw that portion of their June 20 Motion relating to their Annual Financing Plans.

(4) This matter is hereby dismissed from the Commission's docket of active proceedings, and the papers filed herein shall be made a part of the Commission's file for ended causes.

CASE NO. PUE010356
OCTOBER 31, 2001

NOTIFICATION OF
EVAN ENERGY COMPANY L.C.

To provide transmission facilities and make an exempt sale of gas in Wise County pursuant to § 56-265.4:5 of the Code of Virginia

DISMISSAL ORDER

Evan Energy Company L.C. ("Evan" or "the Company") notified the State Corporation Commission, pursuant to § 56-265.4:5 of the Code of Virginia, of its plan to construct transmission facilities and to deliver natural gas to the University of Virginia's College at Wise, Wise County. To provide this service, Evan proposes to construct in Wise County approximately 5,000 feet of pipeline with a diameter of four inches.

In our Order Docketing Proceeding and Providing for Notice of August 27, 2001, the Commission found that the College at Wise 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 provided gas distribution service by a municipal corporation as of January 1, 1992.

The Commission now finds that sixty (60) days have passed and that no public utility has applied to provide the service proposed by Evan in its notification, as provided by § 56-265.4:5.

Accordingly, IT IS ORDERED THAT this proceeding be dismissed.

CASE NO. PUE010361
SEPTEMBER 13, 2001

APPLICATION OF
ACN ENERGY, INC.

For a license to conduct business as a competitive service provider in a natural gas retail access pilot program

ORDER GRANTING LICENSE

On June 25, 2001, ACN Energy, Inc., ("ACN" or "the Company"), filed an application for a license 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.[1] The Company intends to serve residential customers participating in the natural gas retail access program of Washington Gas Light Company ("WGL").

On August 16, 2001, the Commission issued its Order for Notice and Comment, establishing the case, providing for the receipt of comments from the public, and requiring the Commission's Staff to analyze the reasonableness of ACN's application and present its findings in a Staff Report to be filed on or before August 31, 2001. No comments from the public on ACN's application were received.

The Staff filed its Report on August 31, 2001, concerning ACN's fitness to provide competitive natural gas service. The Staff concluded that ACN meets the technical and financial fitness requirements for licensure. As such, the Staff recommended that a license be granted to ACN Energy, Inc., for the provision of natural gas service to residential customers in the WGL retail access program.

ACN filed a response to the Staff Report on September 7, 2001, clarifying that its parent company, ACN, Inc., is an Inc. 500 Company not a Fortune 500 Company as indicated in the application.

NOW UPON CONSIDERATION of the application, the Staff Report, the Company's response and the applicable law, the Commission finds that ACN's application to provide natural gas service should be granted. However as we have noted, WGL has been authorized to implement full natural gas retail choice to all of its customers, consequently, it no longer has a pilot program. In Case No. PUE010013, by Order dated June 19, 2001, the Commission adopted Rules Governing Retail Access to Competitive Energy Services, 20 VAC 5-312-10 et seq. ("Retail Access Rules"), effective August 1, 2001. Since WGL no longer has a pilot program, we will treat ACN's request to participate in WGL's pilot as a request to participate in its natural gas retail choice program.

Accordingly, IT IS ORDERED THAT:

(1) ACN Energy, Inc., is hereby granted license No. G-2 to provide competitive natural gas service to residential customers in conjunction with the retail access program of WGL. This license to act as a competitive service provider is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

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[1] By Commission Order dated March 7, 2001, in Case No. PUE000474, the Commission approved an application by WGL to implement on a permanent basis natural gas retail supply choice to all of its customers in Virginia, including those served by its Shenandoah Gas Division. Therefore, the Commission will treat ACN's request to participate in WGL's pilot as a request to participate in its natural gas retail choice program.

(3) Failure of ACN Energy, Inc., to comply with the Retail Access 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 matter is hereby dismissed.

CASE NO. PUE010362
JULY 31, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
VIRGINIA NATURAL GAS, INC.,
Defendant

ORDER OF SETTLEMENT

The Natural Gas Pipeline Safety Act, 49 U.S.C. § 60101 et seq. ("Act"), requires the Secretary of Transportation ("Secretary") to establish minimum federal safety standards for the transportation of gas and pipeline facilities. The Secretary is further authorized to delegate 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 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 exceeding 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 gas company's compliance with the Safety Standards, has conducted various inspections of construction, operations, and maintenance activities involving Virginia Natural Gas, Inc. ("VNG" or "Company"), the Defendant, and alleges that:

(1) 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) The Company violated the Commission's Safety Standards by the following conduct:

a) 49 C.F.R. § 192.273(b) – Failing on several occasions to install fusion joints properly in accordance with written Company procedures;

b) 49 C.F.R. § 192.303 – Failing on several occasions to follow Company procedures relative to the removal of improperly installed saddle tapping tees;

c) 49 C.F.R. § 192.353(a) – Failing on several occasions to protect meters properly from damage;

d) 49 C.F.R. § 192.357(a) – Failing on several occasions to install meters properly so as to minimize anticipated stresses upon the connecting piping and the meter;

e) 49 C.F.R. § 192.629 – Failing on two occasions to follow Company procedures relative to the proper purging of new gas main;

f) 49 C.F.R. § 192.707(d)(1) – Failing to have the word "Caution", "Warning", or "Danger" on a pipeline marker;

c) 49 C.F.R. § 192.707(d)(2) – Failing on numerous occasions to have the correct emergency phone number or area listed on pipeline markers.

The Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this order. As an offer to settle all matters arising from the allegations made against it, VNG represents and undertakes that:

(1) The Company will pay a fine to the Commonwealth of Virginia in the amount of $31,300, of which $16,300 will be paid contemporaneously with the entry of this Order. The remaining $15,000 is due as outlined in paragraph 2, below, and will be suspended in whole, or in part, provided the Company tenders the requisite certification that it has completed specific remedial action on or before the scheduled date for completion of said remedial action. At the completion of all remedial action outlined below, the Commission will vacate any outstanding amounts. The initial payment, and any subsequent payments, will be made by check, payable to the Treasurer of Virginia, and directed to the attention of the Director of the Division of Energy Regulation;

(2) The Company will take remedial action pursuant to the following schedule:

(A) Pipeline Markers

(i) On or before November 1, 2001, VNG will tender to the Commission a notarized affidavit by the President of VNG ("affidavit") certifying that the Company has replaced all damaged pipeline markers and that the correct telephone contact numbers are clearly visible on all existing or replaced markers.

(ii) Upon the timely receipt of said affidavit, the Commission shall suspend $5,000 of the amount specified on page 3, paragraph (1), of this Order. Should VNG fail to tender said affidavit or take the actions required by paragraph 2(A)(i) by November 1, 2001, a payment of $5,000 shall become due. The Company shall immediately notify the Division of the reasons for its failure to accomplish the actions required by paragraph 2(A)(i) herein and upon investigation, if the Division determines that the reason for said failure justifies a payment lower than $5,000, it may recommend to the Commission a reduction in the amount due. The Commission shall determine the amount due. Upon the Commission's determination of the amount due, the Company shall immediately tender to the Commission that amount.

(B) Quality Control/Quality Assurance Program

(i) On or before January 1, 2002, VNG shall tender to the Commission a notarized affidavit by the President of VNG ("affidavit") certifying that the Company has developed and implemented a rigorous quality control/quality assurance program for construction work. The program will consist of a work unit/activity measurement system, specific random inspection procedures, statistical data management to generate the number of inspections needed to validate the program, "point of use" data systems, and tracking of quality of work measures. An internal mechanism for use by VNG for feedback and subsequent revision of the program must also be included.

(ii) Upon the timely receipt of the affidavit of VNG's President, the Commission shall suspend $10,000 of the amount specified on page 3, paragraph (1) of this Order. Should VNG fail to timely tender said affidavit or take the actions specified in paragraph 2(B)(i) by January 1, 2002, a payment of $10,000 shall become due. The Company must immediately notify the Division of the reasons for failure to accomplish the actions required by paragraph 2(B)(i) herein and upon investigation, if the Division determines that the reason for said failure justifies a payment lower than $10,000, it may recommend to the Commission a reduction in the amount due. The Commission shall determine the amount due. Upon the Commission's determination of the amount due, the Company shall immediately tender to the Commission that amount.

(3) Any fines paid in accordance with this Order shall not be recovered in the Company's rates as part of VNG's 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 further, has agreed to move forward on an aggressive pipeline marker correction program and development of a quality assurance/quality control program; 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) VNG timely comply with the remedial action outlined herein.

(3) The failure of VNG to so comply with said remedial action may result in the initiation of a Rule to Show Cause proceeding against VNG for continuing violations of specific Safety Standards, such proceeding may include any action necessary to affect immediate completion with the remedial program described herein.

(4) Pursuant to § 56-5.1 of the Code of Virginia, VNG be and it hereby is, fined in the amount of $31,300.

(5) The sum of $16,300 tendered contemporaneously with the entry of this Order is accepted.

(6) The remaining $15,000 is due as outlined herein and will be suspended and subsequently vacated, in whole or in part, provided the Company timely undertakes the actions required on pages 3-5, supra, and tenders certification of remedial action as outlined herein.

(7) The Commission shall retain jurisdiction over this matter for all purposes.

CASE NO. PUE010363
JULY 3, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
TERESA WHITMORE, et al.
v.
VALLEY RIDGE WATER COMPANY, INC.

PRELIMINARY ORDER

By notice dated May 12, 2001, pursuant to the Smaller Water or Sewer Public Utility Act (§ 56-265.13:1 et seq. of the Code of Virginia ("Code")), Valley Ridge Water Company, Inc. ("Valley Ridge" or the "Company"), notified its customers and the Commission's Division of Energy Regulation (the "Division") of its intent to increase its rates effective for service rendered on and after July 1, 2001.

By June 27, 2001, the Division had received objections to the proposed rate increase from 68 customers, or approximately forty percent (40%) of Valley Ridge's customers.

NOW THE COMMISSION, having considered the matter, is of the opinion that a hearing, pursuant to § 56-265.13:6 of the Code, should be scheduled in the above captioned matter. The Commission also is of the opinion that the implementation of the Company's proposed rates should be interim and subject to refund pursuant to § 56-265.13:6 of the Code. We find that Valley Ridge should file certain financial information based on its operations on or before August 2, 2001. A procedural schedule establishing, among other things, the date of the hearing will be by separate order of the Commission.

Accordingly, IT IS ORDERED THAT:

(1) This matter shall be docketed and assigned Case No. PUE010363.

(2) The implementation of the Company's proposed rates shall be interim and subject to refund, with interest, pursuant to § 56-265.13:6 of the Code until such time as the Commission has made a final determination in this proceeding.

(3) On or before August 2, 2001, Valley Ridge shall file certain financial information with the Commission's Division of Public Utility Accounting. Such information shall include an income statement, balance sheet, customer consumption by month, cash flow statement based on utility operations for the calendar year ending December 31, 2000, the Company's most recent federal income tax return, and a rate of return statement, with work papers supporting all proposed adjustments to book amounts, which support the Company's proposed rate increase as required by the Commission's Rules Implementing the Small Water and Sewer Public Utility Act (20 VAC 5-200-40 et. seq.).

(4) This matter shall be continued subject to further order of the Commission.

CASE NOS. PUE010365, PUE010366, PUE010367, PUE010368, PUE010369, and PUE010370 AUGUST 28, 2001

REQUEST OF
ALLEGHENY POWER

For waiver of certain provisions of the Rules Governing Retail Access to Competitive Energy Services

REQUEST OF
DELMARVA POWER & LIGHT COMPANY

For waiver of certain provisions of the Rules Governing Retail Access to Competitive Energy Services

JOINT REQUEST OF
THE VIRGINIA COOPERATIVES

For additional time to comply with the Rules Governing Retail Access to Competitive Energy Services

REQUEST OF
APPALACHIAN POWER COMPANY D/B/A AMERICAN ELECTRIC POWER

For additional time to comply with the Rules Governing Retail Access to Competitive Energy Services

REQUEST OF
WASHINGTON GAS LIGHT COMPANY
and the
SHENANDOAH DIVISION OF WASHINGTON GAS LIGHT COMPANY

For clarification or waiver and for additional time to comply with the Rules Governing Retail Access to Competitive Energy Services

REQUEST OF
VIRGINIA ELECTRIC AND POWER COMPANY

For additional time to comply with the Rules Governing Retail Access to Competitive Energy Services

ORDER ON REQUESTS FOR CLARIFICATION, WAIVER AND/OR ADDITIONAL TIME TO COMPLY WITH THE RULES GOVERNING RETAIL ACCESS TO COMPETITIVE ENERGY SERVICES

On June 19, 2001, the State Corporation Commission ("Commission") entered an order in Case No. PUE010013 adopting Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules"), 20 VAC 5-312-10 et seq., effective August 1, 2001, to be applicable with the implementation of full or phased-in retail access to competitive energy services in the service territory of each local distribution company. Our June 19, 2001 Order provided that parties needing additional time to comply with certain rules should submit requests in writing to the Commission on or before July 9, 2001.

By July 9, 2001, the Commission received requests for clarification, waiver and/or additional time to comply with the Retail Access Rules from Allegheny Power ("Allegheny"), Delmarva Power & Light Company ("Delmarva"), the Virginia Electric Cooperatives[1] ("Cooperatives"), Appalachian Power Company d/b/a American Electric Power ("AEP-VA"), Washington Gas Light Company ("Washington Gas") and the Shenandoah Gas Division of Washington Gas Light Company ("Shenandoah Gas"), and Virginia Electric and Power Company ("Dominion Virginia Power").

NOW THE COMMISSION, having considered these requests, finds that some should be granted, and others should be denied. Although each of these requests was docketed separately, we will address them together in this order.

The Virginia Electric Utility Restructuring Act charges the Commission with the responsibility of implementing and advancing competition in the Commonwealth. Although we recognize that the Retail Access Rules may require significant and complex system modifications, we expect the development of competition to be a high priority for Virginia's utilities. These utilities must devote the necessary resources to ensure compliance with the Retail Access Rules as quickly as possible. Although we grant some extensions in this Order, it is our hope that these utilities will be able to complete the necessary modifications before the deadlines set herein, removing any obstacles the delays may have created to the development of competition.

Allegheny and Delmarva request a waiver of 20 VAC 5-312-80 F, which requires the local distribution company ("LDC") to process the first customer enrollment request submitted by a competitive service provider ("CSP") when multiple enrollment requests are submitted for the same customer within the same enrollment period. The Staff supports both Allegheny's and Delmarva's requests for waiver. A&N Electric Cooperative ("A&N") filed an objection to Delmarva's request for waiver asserting that if Delmarva's request is granted, A&N would be the only utility subject to this provision of the Retail Access Rules on the Eastern Shore, thereby making it difficult for A&N to attract CSPs to its territory.

[1] The Virginia Electric Cooperatives include 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, Inc., and the Virginia, Maryland & Delaware Association of Electric Cooperatives.

We are aware that Delmarva currently offers retail access to its customers in Maryland and Delaware, and honors the most recent or last request for enrollment of a customer during an enrollment period. Likewise, Allegheny Power utilizes the "last-in" process for its customers in Maryland, Pennsylvania, and Ohio. The Commission realizes the importance of consistency not only among service territories, but also among states. It is our hope that, pursuant to the efforts underway to develop uniform business practices and standards, we will soon have regional, if not national, consistency among the states regarding a process for customer enrollment requests. We support these efforts, and will strongly consider any recommendations that move the states towards a uniform approach to the processing of customer enrollment requests. Until then, however, we do not believe that permitting Delmarva to use the "last-in" approach will negatively impact competition on the Eastern Shore. Further, it appears that A&N will not be implementing full retail access in the immediate future. Indeed, there may be a uniform standard for the processing of enrollment requests prior to A&N's move toward competition. We will therefore grant both Delmarva's and Allegheny's requests for waiver of 20 VAC 5-312-80 F until such time as there may be a regional or national standard for the processing of customer enrollment requests, or the Commission chooses to re-evaluate such process.

Delmarva also requests a waiver of 20 VAC 5-312-80 H which allows a CSP, pursuant to the LDC's tariff, to request a special meter reading to alter a customer's effective switch date. Delmarva states that switching CSPs on the basis of a special meter reading cannot be done using Delmarva's existing billing system, and that it has received only one such request to date in its other jurisdictions. Delmarva contends that, given the lack of interest in special, off-cycle meter readings, it should not be required to disrupt its existing billing system and incur unnecessary costs to switch customers from one CSP to another. In its comments, the Staff states that Delmarva's concerns should be addressed in the context of its proposed retail access tariff and not through a request for waiver. We agree with Staff that 20 VAC 5-312-80 H only applies pursuant to the LDC's tariff, and therefore no request for waiver is necessary.

Next, the Cooperatives request additional time to comply with the Retail Access Rules, but only to the extent that the Commission expects them to be in compliance with the rules as of August 1, 2001. The applicability subsection of the rules, 20 VAC 5-312-10 A, states that the Retail Access Rules are effective August 1, 2001, and are "applicable to the implementation of full or phased-in retail access to competitive energy services in the service territory of each local distribution company." Therefore, until choice is implemented within each Cooperatives' service territory, the Retail Access Rules do not apply, except to the extent that the rules require preparatory implementation work and impose requirements prior to the provisioning of competitive services. For this reason, we deny the Cooperatives' request for additional time to comply with the Retail Access Rules. The Cooperatives must make the necessary system modifications sufficiently in advance to accommodate the Retail Access Rules so that no requests for additional time to comply with the rules are necessary for implementation of retail choice within their respective territories.

Dominion Virginia Power requests additional time to comply with certain bill information standards required by rules 20 VAC 5-312-90 I 8 f, 20 VAC 5-312-90 I 8 g, and 20 VAC 5-312-90 L due to necessary and complex system changes. Specifically, Dominion Virginia Power indicates that it needs until July 1, 2002, for the completion and adequate testing of system changes required to display: 1) the previous bill amounts on all bills, and 2) the amounts of payment applied on LDC consolidated bills to the previous billing charges of the billing party and the non-billing party.

We recognize that Dominion Virginia Power alerted the Staff and interested parties during the work group sessions of its need for additional time to comply with these particular provisions of the rules. Nevertheless, we believe this to be a question of priorities, and Dominion Virginia Power must be willing and able to make the necessary resources available to bring itself into compliance with the rules quickly. We will grant Dominion Virginia Power a six-month extension, until July 1, 2002, to comply with the specific provisions of the rules identified in its request. Dominion Virginia Power should, however, work swiftly and diligently to bring itself into compliance with these rules, making every effort to achieve compliance prior to July 1, 2002. We also note that, according to its request, Dominion Virginia Power does not need additional time to comply with the other provisions of the identified rules, including the requirements to display the balance forward, current charges, and total amount due on all bills and to display these same elements for the billing party and non-billing party on LDC consolidated bills.

AEP-VA requests additional time to comply with parts of the same bill information rules identified by Dominion Virginia Power, as well as 20 VAC 5-312-90 M. Specifically, AEP-VA requests a delay in the implementation of requirements to display: 1) the previous bill amounts, payments applied, balance forward, and total charges separately stated for the billing and non-billing party on consolidated bills; and 2) the identity, phone number, and separately stated balance due for former suppliers on all bills. AEP-VA requests additional time to comply with these rules until such time that five percent of retail customers have switched to suppliers under the LDC consolidated billing option. AEP-VA further states that system changes necessary to meet this requirement are estimated to take at least six months, however, it will monitor market activity and attempt to achieve compliance coincident with attainment of the five percent target. In any case, AEP-VA states that it can commit to obtaining compliance with the requirements by December 31, 2002. As support for its request, AEP-VA states that in order to comply with these rules, its customer information system will require significant programming changes to track and state on the bill separate previous balances by service provider.

As with Dominion Virginia Power's request, we recognize the complexity of system changes required by the Retail Access Rules. However, we find AEP-VA's request particularly troublesome because AEP-VA proposes to delay inclusion of separate previous balances by service provider, making it difficult, if not impossible, for the customer to determine the amount and provider with which the customer carries a past due balance.[2] Nevertheless, we find that a limited amount of additional time may be needed, and will grant such additional time to comply with the specified rules, but only until July 1, 2002. But, as we noted with the extension granted to Dominion Virginia Power, we hope AEP-VA will endeavor to make the necessary system changes to comply with the rules prior to July 1, 2002.

Washington Gas and Shenandoah Gas request a clarification of the general applicability of the Retail Access Rules to its customers receiving interruptible gas service. The companies believe that § 56-235.8 of the Code of Virginia did not intend to extend "retail supply choice" to the company's traditional interruptible customers. However, if the Commission disagrees with their interpretation of the statute, Washington Gas and Shenandoah Gas request a waiver of the entire enrollment and switching section of the Retail Access Rules, 20 VAC 5-312-80, with respect to their interruptible customers.

We believe that a waiver may not be necessary for Washington Gas and Shenandoah Gas to continue to serve their interruptible customers pursuant to their tariffs on file with the Commission. Many of the enrollment and switching rules contain a provision intended to give flexibility to gas

[2] AEP-VA states in its request that it will direct customers to its Customer Solutions Centers for more information regarding pervious supplier balances, payments received, total charges and arrearages. Our rule requires that this information be displayed on the bill; a customer's ability to call the company to get the information is an unsatisfactory alternative.

utilities by permitting compliance pursuant to the LDC's tariff approved by the Commission.[3] Washington Gas and Shenandoah Gas submitted a broad waiver request including the entire enrollment and switching section. As noted, we do not believe that a waiver from this entire section is necessary because it appears the companies' tariffs apply; however, for matters beyond the tariff, if Washington Gas and Shenandoah Gas require a waiver from specific rules contained in the enrollment and switching section to be in compliance with the rules, they must renew their request by specifically identifying each rule and the specific reason for which a waiver is requested.

Washington Gas and Shenandoah Gas also request a waiver of 20 VAC 5-312-90 I 8 a, which requires that the meter identification number be included on all customer bills. Washington Gas and Shenandoah Gas state that their gas meters display several meter identification numbers, and they believe that including an identification number on the bill will cause confusion due to the multiple numbers shown on the meter. In its comments, the Staff states that it believes that the meter identification number provides important information to customers, especially for meter identification in multi-unit buildings with unidentified meter banks and for cross-reference of meter identification with respect to requested meter test results. In its response to the Staff's comments, Washington Gas and Shenandoah Gas state that with regard to the Staff's concern about requested meter test results, they have found that such requests are relatively rare. The companies also state that they do not believe that their customers would receive significant benefits from the provision of the meter identification number on their monthly bills.

We agree with the Staff that the meter identification number provides important information to customers who live in multi-unit buildings with unidentified meter banks, and others who may request testing of their meters. We deny Washington Gas' and Shenandoah Gas' requests for waiver of this rule, and direct the companies to choose one meter identification number, preferably the most prominent and visible number to customers, and to use that number for all customers for display on the customer bill.

Next, Washington Gas and Shenandoah Gas request clarification and/or a waiver of 20 VAC 5-312-90 I 8 d, which requires notice of a change in rates to be provided on all customer bills. The companies state that, for example, for customers purchasing gas supplies from them, the Purchased Gas Charges ("PGC") change at least quarterly due to changes in projected gas costs, supplier refunds and the impact of the Actual Cost Adjustment factor, and change more frequently if out-of-period filings are made to revise the PGC rates. Washington Gas and Shenandoah Gas believe that providing notice of all such changes, which will likely occur almost monthly, will be confusing to customers. In its comments, the Staff states that, with regard to the companies' concerns about the PGC, it believes that this notice requirement is satisfied by simply displaying the current associated rate on the bill, as Washington Gas and Shenandoah Gas currently do.

We will grant waivers to both Washington Gas and Shenandoah Gas of 20 VAC 5-312-90 I 8 d for those rates, including the PGC, that: 1) change frequently, i.e. every few months, and 2) are shown on the bill. We agree with the companies that providing additional notice of frequently changing rates might well be confusing to customers.

Further, Washington Gas and Shenandoah Gas request additional time to comply with 20 VAC 5-312-60 B 3, which requires LDCs to make a mass list of eligible customers available to CSPs upon request two months prior to the implementation of retail access, and 20 VAC 5-312-90 J 1, which requires the use of standard terminology and brief explanations of charges on bills rendered to customers who continue to purchase gas supplies from the LDC. Washington Gas and Shenandoah Gas state that because they began their permanent retail access program on April 1, 2001, they cannot comply with the requirement in 20 VAC 5-312-60 B 3, and therefore request additional time to comply until November 30, 2001. Washington Gas and Shenandoah Gas also request additional time to comply with 20 VAC 5-312-90 J 1, until October 1, 2001, so that they can use their approximately three months' of billing stock in inventory prior to obtaining new billing stock to comply with the rule. The Commission agrees with the Staff that both of these requests are reasonable and should be granted.

Finally, Washington Gas and Shenandoah Gas request additional time to comply with certain other bill information standards required by 20 VAC 5-312-90 I 4, 20 VAC 5-312-90 J 2, 20 VAC 5-312-90 L, 20 VAC 5-312-90 M, and 20 VAC 5-312-90 N due to the required modification of their billing systems. In addition, the companies request additional time to comply with 20 VAC 5-312-90 I 8 a, pertaining to the meter identification number, in the event that the Commission does not grant their requested waiver of this subsection. Washington Gas and Shenandoah Gas state that they currently use three distinct billing systems to render bills to customers: one system for customers who purchase natural gas supply from Washington Gas; a second system for Washington Gas customers who purchase natural gas supply from a CSP and receive LDC consolidated bills; and a third system for both types of customers served by Shenandoah Gas. None of these billing systems can currently render bills in complete compliance with all of the rules applicable to billing and payment and, according to the companies, would require significant programming changes in order to do so. The companies state that they are evaluating the possible replacement of all three systems with one new system to be completely phased-in by December 31, 2003. The implementation of LDC consolidated billing for Washington Gas (excluding Shenandoah Gas customers) using the new or a modified system will be completed by December 31, 2002. Washington Gas and Shenandoah Gas state that the requested additional time will allow them to concentrate resources on evaluating, selecting, and implementing a system that meets all the requirements in a manner that is cost effective and does not disrupt the ability to render accurate bills.

Therefore, Washington Gas requests additional time until December 31, 2002, to comply with requirements to display or to provide space for CSPs to display the following detail on LDC consolidated bills rendered by Washington Gas (excluding those rendered by Shenandoah Gas): 1) non-routine charges and fees, such as deposits and late payment fees; 2) meter identification number; 3) notice of change in rates; 4) 240 text characters of CSP messages (can accommodate 120 text characters); 5) arrearage for each former CSP for two billing cycles after service termination; and 6) a note stating that CSP charges are not included, if such charges are excluded from the bill for any reason.

With respect to bills issued to customers who purchase natural gas supply from Washington Gas (excluding bills issued to customers of Shenandoah Gas), additional time is requested until December 31, 2003, to comply with requirements to display the following information on bills: 1) meter identification number; 2) notice of change in rates; 3) monthly consumption data for the previous 12 months; and 4) arrearage for each former CSP for two billing cycles after service termination.

And, for bills issued to customers by Shenandoah Gas, additional time is requested until December 31, 2003, to comply with requirements to display or to provide space for CSPs to display the following detail: 1) meter identification number; 2) notice of change in rates; 3) monthly consumption

[3] For example, subsections A, G, H, J, K, L, M, N, and P of 20 VAC 5-312-80 all contain language that enables LDCs to comply with only the terms of their Commission-approved tariffs.

data for the previous 12 months; 4) previous bill amounts and payments applied to previous billing charges on all bills, separately stated balance forward and total charges for the LDC and CSP on consolidated bills, six numeric fields to detail current CSP charges and 240 text characters for CSP bill messages on consolidated bills; and 5) arrearage for each former CSP for two billing cycles after service termination on all bills.

The Staff supports Washington Gas' and Shenandoah Gas' requests, but recommends that the Commission grant additional time for compliance with all the identified billing information provisions only until December 31, 2002. Staff states that if Washington Gas determines that it cannot comply with the identified rules by this date, it may then request additional time within which to comply.

Again, the Commission appreciates and understands the complexity of the system changes required by the Retail Access Rules, but believes the implementation of such changes in order to make competition effective should be a high priority for Washington Gas and Shenandoah Gas. Achieving timely compliance with the Retail Access Rules will be difficult for many utilities, but in order to create a level playing field for energy market participants, utilities must devote substantial resources to making the necessary system changes. We will grant Washington Gas and Shenandoah Gas additional time to comply with the identified billing information provisions, including 20 VAC 5-312-90 I 8 a, until December 31, 2002. We expect Washington Gas and Shenandoah Gas to have made the necessary system changes to comply with the rules by this date, with no additional requests for further extensions of time.

Accordingly, IT IS ORDERED THAT:

(1) Allegheny's and Delmarva's requests for waiver of 20 VAC 5-312-80 F, which requires the LDC to process the first customer enrollment request submitted by a CSP when multiple enrollment requests are submitted for the same customer within the same enrollment period, are granted. These waivers are effective until such time as there may be a regional or national standard for the processing of customer enrollment requests, or the Commission chooses to re-evaluate such process.

(2) Delmarva's request for waiver of 20 VAC 5-312-80 H, which allows a CSP, pursuant to the LDC's tariff, to request a special meter reading, is denied. As stated herein, we do not believe such a request is necessary.

(3) The Cooperatives' request for additional time to comply with the Retail Access Rules is denied. As stated herein, we do not believe such a request is necessary.

(4) Dominion Virginia Power's request for additional time to comply with certain bill information standards contained in 20 VAC 5-312-90 I 8 f, 20 VAC 5-312-90 I 8 g, and 20 VAC 5-312-90 L until July 1, 2002, is granted.

(5) AEP-VA's request for additional time to comply with certain bill information standards contained in 20 VAC 5-312-90 I 8 f, 20 VAC 5-312-90 I 8 g, 20 VAC 5-312-90 L, and 20 VAC 5-312-90 M, is granted, but only until July 1, 2002.

(6) Washington Gas' and Shenandoah Gas' requests for waiver from the entire enrollment and switching section of the Retail Access Rules, 20 VAC 5-312-80, is denied. If the companies require a waiver from specific rules contained in 20 VAC 5-312-80, they shall renew their requests for waiver, by September 24, 2001, by specifically identifying each rule and the reasons for which a waiver is requested.

(7) Washington Gas' and Shenandoah Gas' requests for waiver of 20 VAC 5-312-90 I 8 a, which requires that the meter identification number be included on all customer bills, are denied. However, both Washington Gas and Shenandoah Gas are granted additional time to comply with 20 VAC 5-312-90 I 8 a, until December 31, 2002.

(8) Washington Gas' and Shenandoah Gas' requests for waiver of 20 VAC 5-312-90 I 8 d, which requires notice of a change in rates to be provided on all customer bills, are granted with respect to those rates, including the PGC, that: 1) change frequently, i.e. every few months, and 2) are shown on the bill.

(9) Washington Gas' and Shenandoah Gas' requests for additional time to comply with 20 VAC 5-312-60 B 3, which requires LDCs to make a mass list of eligible customers available to CSPs upon request two months prior to the implementation of retail access, until November 30, 2001, are granted.

(10) Washington Gas' and Shenandoah Gas' requests for additional time to comply with 20 VAC 5-312-90 J 1, which requires the use of standard terminology and brief explanations of charges on bills rendered to customers who continue to purchase gas supplies from the LDC, until October 1, 2001, are granted.

(11) Washington Gas' and Shenandoah Gas' requests for additional time to comply with certain bill information standards required by 20 VAC 5-312-90 I 4, 20 VAC 5-312-90 J 2, 20 VAC 5-312-90 L, 20 VAC 5-312-90 M, and 20 VAC 5-312-90 N are granted, but only until December 31, 2002.

(12) These cases shall remain open for further orders of the Commission.

CASE NO. PUE010371
OCTOBER 17, 2001

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 ("Act"). The Commission's Division of Energy Regulation ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents between April 17, 2000, and December 15, 2000, listed in Attachment A, involving Utiliquest, LLC ("the Company"), and alleges that:

(1) Utiliquest, LLC, is a contract locator as that term is defined in § 56-265.15 of the Code of Virginia;

(2) During the aforementioned period the Company violated the Act, by undertaking the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of §§ 56-265.19 A and D of the Code of Virginia.

(b) Failing on certain occasions to mark within the time prescribed in the Act, in violation of § 56-265.17 B and §§ 56-265.19 A and D of the Code of Virginia.

(c) Failing on certain occasions to report to the notification center that lines had been marked or they were not in conflict with the proposed excavation, in violation of §§ 56-265.19 A, B, and D of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, and set out in Attachment A hereto, the Company represents and undertakes that it will take remedial actions and pay a civil penalty as outlined below:

(1) The Company will pay an amount of $346,000 to the Commonwealth of Virginia, $86,000 of which will be paid contemporaneously with the entry of this Order. The remaining $260,000 is due as outline in paragraph (2)(a), below, and will be suspended in whole or in part, provided the Company has completed or met specific remedial action for the time period noted. The initial payment of $86,000 and any subsequent payments, 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) The Company will take the following remedial actions:

(a) The Company will maintain a "no show" rate of 10 percent or less for a period of two (2) years beginning the first day of the month following the entry of this Order, as measured by any member utility code set forth on each ticket Utiliquest, LLC, receives, by each notification center region, and on a statewide basis. If the Company fails to achieve this level of performance in any two consecutive months, the Company will pay a civil penalty equal to the remaining balance of $260,000, less the actual sum expended in retaining a contractor as required by paragraph (c);

(b) Utiliquest, LLC, will provide, to excavators, free of charge, Internet access to the Company's ticket database for a period of two (2) years beginning the first day of the month following the entry of this Order. This access shall allow excavators to view ticket status details and the excavation-site locating sketches;

(c) On or before November 15, 2001, Utiliquest, LLC, will tender to the Director of the Division of Energy Regulation a notarized certification, signed by an appropriate corporate officer, attesting that the Company has retained an outside consultant to perform an independent audit of the Company's sub-coded tickets for two years beginning the first day of the month following the entry of this Order. Said audit shall examine all subcodes used by the Company and determine if any subcodes were improperly used. The consultant shall work at the direction of the Underground Utility Damage Prevention Advisory Committee, the Commission's Staff and the Company. A report containing the contractor's audit results and recommendations shall be filed with the Division of Energy Regulation, on the tenth business day of every month; and

(d) The Company will place and maintain C.A.R.E. signs at the entrance of subdivisions under development for the next two years beginning the first day of the month following the entry of this Order. The Division of Energy Regulation will provide these signs and any replacement signs as needed to the Company.

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) Pursuant to § 56-265.32 of the Code of Virginia, Utiliquest, LLC, shall make payment in the amount of $346,000 to the Commonwealth of Virginia.

(3) The sum of $86,000 tendered contemporaneously with the entry of this Order is accepted.

(4) The remaining $260,000 is due as outlined herein, and will be suspended and subsequently vacated, in whole or part, provided the Company timely complete or meet remedial actions outlined herein.

(5) The failure of Utiliquest, LLC, to carry out any of the obligations undertaken by it in the compromise settlement agreement set forth herein may result in appropriate proceedings against the Company, including Commission proceedings for the imposition of fines for failure to comply with the agreement or for enforcement of the agreement.

(6) The Commission retains jurisdiction over this matter for all purposes.

CASE NOS. PUE010375 AND PUE000404
SEPTEMBER 26, 2001

APPLICATIONS OF
ALLEGHENY ENERGY SUPPLY COMPANY, LLC

For a permanent license to conduct business as a competitive services provider for electric retail access

and

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

On July 13, 2001, Allegheny Energy Supply Company, LLC ("Allegheny" or "the Company"), filed an application with the State Corporation Commission ("Commission") to convert its pilot license, License No. PE-6,[1] to a permanent license to provide competitive electricity supply service to all classes of retail customers. In a letter filed on August 14, 2001, Allegheny clarified its application, noting that it wished to serve the entire state of Virginia as an electric competitive service provider as individual electric service territories become open to full retail access. The Company attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").

On August 22, 2001, the Commission issued its Order For Notice and Comment, establishing the case, requiring Allegheny to provide notice of its application to each electric utility in Virginia, and providing for the receipt of comments from the public. No comments from the public on Allegheny's application were received.

On September 18, 2001, the Staff filed a response to Allegheny's application. In its response, the Staff advised that it did not oppose Allegheny's application. However, the Staff recommended that Case No. PUE000404 in which the Commission granted the Company its retail access pilot license to provide competitive electric supply service to all classes of retail customers in conjunction with AEP-VA's and Virginia Power's pilot programs be closed, and that Allegheny be directed to file the reports required by the Commission's Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 et seq. ("Interim Rules"), in the captioned docket, Case No. PUE010375. The Staff contended that this action would result in the efficient administration of the Commission's docket.

NOW UPON consideration of Allegheny's application to convert its present license to a permanent license to conduct these activities, and the Staff's response thereto, the Commission is of the opinion and finds that Allegheny's request should be granted; that Case No. PUE000404 be closed; and that any reports that Allegheny must file in accordance with the Interim Rules be filed in the captioned docket, Case No. PUE010375.

Accordingly, IT IS ORDERED THAT:

(1) Allegheny's pilot license, License No. PE-6, is hereby cancelled and replaced with License No. E-1 for the provision of competitive electric service to residential, commercial and industrial customers in Virginia Power and AEP-VA's service territories in accordance with the terms of these pilot programs and throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) Failure of Allegheny Energy Supply Company, LLC to comply with the Interim Rules, the Retail Access 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.

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[1] This license, issued in Case No. PUE000404, authorizes Allegheny to provide competitive electric service in the retail access pilot programs of Virginia Electric and Power Company ("Virginia Power") and Appalachian Power Company d/b/a American Electric Power-Virginia ("AEP-VA").

(4) Case No. PUE000404 is hereby dismissed.

(5) This matter shall remain open pending the receipt of any reports required by the Interim Rules and the Retail Access Rules.

CASE NO. PUE010422
JULY 30, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter concerning the Rules Governing Certification and Maintenance of Notification Centers

ORDER ESTABLISHING INVESTIGATION AND INVITING COMMENTS

Section 56-265.16:1 of the Code of Virginia was amended by House Bill No. 720 (1989 Va. Acts ch. 448) and directed the State Corporation Commission ("Commission") to promulgate rules governing the certification of notification centers and to certificate notification centers.[1] Accordingly, the Commission adopted Rules Governing the Certification of Notification Centers ("Rules"), effective October 3, 1990.[2]

The 2001 General Assembly amended § 56-265.16:1 of the Code of Virginia effective July 1, 2001. See 2001 Va. Acts ch. 399. As amended, this statute directs the Commission to determine "the optimum number of notification centers in the Commonwealth." Further, it requires that if the Commission determines that there should be more than one notification center in the Commonwealth, the Commission "shall define the geographic area to be served by each notification center." Section 56-265.16:1 D of the Code of Virginia also provides that

> [e]very Commission action regarding the optimum number of notification centers, the geographic area to be served by each notification center, the promulgation of notification center certification regulations, and the grant, amendment, or revocation of notification center certifications shall be made in furtherance of the purpose of preventing or mitigating loss of, or damage to, life, health, property or essential public services resulting from damage to underground utility lines.

The statute further directs the Commission, when approving or revoking any notification center certification to:

> 1. Ensure protection for the public from the hazards that this chapter [Chapter 10.3 of Title 56] is intended to prevent or mitigate;
>
> 2. Ensure that all persons served by the notification center receive an acceptable level of performance, which level shall be maintained throughout the period of the notification center's certification; and
>
> 3. Require the notification center and its agents to demonstrate financial responsibility for any damages that may result from their violation of any provision of this chapter. Such requirement may be met by purchasing and maintaining liability insurance on such terms and in such amount as the Commission deems appropriate.

The Commission, therefore, is initiating this proceeding to assist it in developing appropriate policies and rules applicable to the certification of a notification center and maintenance of an acceptable level of performance by a notification center once it is certified. This Order seeks public comment on a variety of issues identified in Attachment A hereto, including the Commission's authority to adopt specific regulations concerning the identified issues.

Comments concerning the issues set out in Attachment A should be specific, detailing the roles to be played by the Commission, the notification center, and other stakeholders. To the extent possible and practicable, interested parties should include with their responses to this Order, proposed Rules corresponding to their comments on the issues set forth in Attachment A to the Order. Such concrete proposals will assist the Commission in accomplishing the goals of this proceeding.[3]

Following a thorough review of any responses and comments received herein, including a review of any suggested Rules, we will direct our Staff to propose revisions to the Rules regarding the certification of notification centers, where appropriate. We will seek further public comment on Staff's proposals, and conduct further proceedings as may be necessary herein.

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[1] Section 56-265.15 of the Underground Utility Damage Prevention Act ("Act") defines "notification center" as

> an organization whose membership is open to all operators of underground facilities located within the notification center's designated service area, which maintains a data base, provided by its member operators, that includes the geographic areas in which its member operators desire transmissions of notices of proposed excavation, and which has the capability to transmit, within one hour of receipt, notices of proposed excavation to member operators by teletype, telecopy, personal computer, or telephone.

[2] See Commonwealth of Virginia, At the relation of the State Corporation Commission, Ex Parte: In the matter of adopting Rules Governing the Certification of Notification Centers Pursuant to § 56-265.16:1 of the Code of Virginia, Case No. PUE900033, 1990 S.C.C. Ann. Rept. 344.

[3] To aid the Commission, each request for comments is lettered and numbered in Attachment A. Interested parties are requested to correlate their responses to the lettering and numbering system set forth in Attachment A to this Order in their comments.

Therefore, we find that this matter should be docketed; that notice of this rulemaking should be published in major newspapers of general circulation throughout the Commonwealth; that this Order and Attachment A thereto should be forwarded to the Virginia Register of Regulations; that interested persons should be afforded an opportunity to file written comments concerning the issues identified in Attachment A to this Order; and that the Staff should file a report responding to the comments filed herein and proposing further revisions to the Rules, where appropriate.

Accordingly, IT IS ORDERED THAT:

(1) This matter be docketed and assigned Case No. PUE010422.

(2) Interested persons may obtain a copy of this Order, together with a copy of the issues upon which comment is sought (Attachment A hereto), by directing a request in writing for the same on or before September 5, 2001, to Massoud Tahamtani, Assistant Director, Division of Energy Regulation, State Corporation Commission, P.O. Box 1197, Richmond, Virginia 23218.

(3) A copy of this Order and the issues identified in Attachment A hereto shall be made available for public review at the Commission's Document Control Center, located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, during the Commission's regular hours of operation, Monday through Friday, from 8:15 a.m. to 5:00 p.m. Interested persons may also review a copy of the Order and Attachment A thereto on the Commission's website, http://www.state.va.us/scc/caseinfo/orders.htm.

(4) Interested parties wishing to file comments concerning the issues identified in Attachment A shall file an original and fifteen (15) copies of such comments in writing on or before September 28, 2001, with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, and shall refer to Case No. PUE010422.

(5) On or before August 25, 2001, the Commission's Division of Information Resources shall cause the following notice to be published as classified advertising on two occasions in newspapers of general circulation throughout the Commonwealth of Virginia:

NOTICE OF INVESTIGATION AND INVITING COMMENTS BY THE STATE CORPORATION COMMISSION TO CONSIDER REVISIONS TO THE RULES FOR CERTIFICATION AND MAINTENANCE OF NOTIFICATION CENTERS
CASE NO. PUE010422

In 1990, the State Corporation Commission ("Commission") adopted Rules Governing the Certification of Notification Centers pursuant to the authority granted to it by § 56-265.16:1 of the Code of Virginia. A notification center is an organization whose membership is open to all utility operators ("operators") of underground utility lines located within the notification center's designated service area. The notification center maintains a data base, provided by its member operators, that includes the geographic areas in which utility operators desire transmissions of notices of proposed excavation. The notification center notifies the operators when proposed excavations are planned in locations where the operators have underground utility facilities.

The 2001 General Assembly amended § 56-265.16:1 of the Code of Virginia, changing the criteria that a notification center must meet in order to be certificated by the Commission. As amended, § 56-265.16:1 of the Code of Virginia directs the Commission in approving or revoking any notification center certification to: (i) ensure protection for the public from the hazards the Underground Utility Damage Prevention Act, Chapter 10.3 (§ 56-265.14 et seq.) of Title 56 of the Code of Virginia ("the Act") is intended to prevent or mitigate; (ii) ensure that all persons served by the notification center receive an acceptable level of performance, which level shall be maintained throughout the period of the notification center's certification; and (iii) require the notification center and its agents to demonstrate financial responsibility for any damages that may result from their violation of any provision of the Act. Such requirement may be met by purchasing and maintaining liability insurance on such terms and in such amounts as the Commission deems appropriate.

The Commission's present Rules Governing Certification of Notification Centers, 20 VAC 5-300-90 ("Rules"), were adopted in 1990, before the amendment of § 56-265.16:1 of the Code of Virginia. Consequently the Commission is initiating a proceeding to assist it in developing appropriate rules regarding the certification and maintenance of notification centers. In this regard, the Commission is soliciting comments on how the existing Rules should best be revised, if at all, regarding certification of a notification center and maintenance of an acceptable level of performance by a notification center once it is certified.

A copy of the Order Establishing Investigation and Inviting Comments, together with the issues upon which comment is sought, may be reviewed from 8:15 a.m. to 5:00 p.m. Monday through Friday, in the State Corporation Commission's Document Control Center, located at 1300 East Main Street, Tyler Building, First Floor, Richmond, Virginia 23219. Interested persons may obtain a copy of the Commission's Order, together with the issues upon which comment is sought (Attachment A to the Order) by directing a written request for a copy of same on or before September 5, 2001, to Massoud Tahamtani, Assistant Director, Division of Energy Regulation, State Corporation Commission, P.O. Box 1197, Richmond, Virginia 23218, and referring to Case No. PUE010422. Interested persons may also obtain a copy of the Order and Attachment A from the Commission's website, http://www.state.va.us/scc/caseinfo/orders.htm.

Any person who wishes to comment upon the issues identified in Attachment A to the Commission's Order Establishing Investigation and Inviting Comment shall file an original and fifteen (15) copies of such comments with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, on or before September 28, 2001, and shall refer to Case No. PUE010422.

All written communications to the Commission regarding this proceeding shall refer to Case No. PUE010422, and shall be directed to the Clerk of the State Corporation Commission, at the address set forth above.

THE DIVISION OF ENERGY REGULATION OF THE STATE CORPORATION COMMISSION

(6) On or before November 9, 2001, the Division of Energy Regulation shall file a report, summarizing and responding to the comments received herein, and proposing revisions to the Rules, where appropriate. The Division of Energy Regulation shall mail a copy of its report to all parties of record.

(7) The Commission's Division of Information Resources shall forthwith cause this Order and Attachment A thereto to be forwarded for publication in the Virginia Register of Regulations.

(8) On or before October 26, 2001, the Division of Information Resources shall file with the Clerk of the Commission proof of the publication of notice required in Ordering Paragraph (5) herein.

NOTE: A copy of Attachment A entitled "Issues Relating to the Certification and Maintenance of Notification Centers Upon Which Comment is Sought" 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. PUE010425
SEPTEMBER 14, 2001

APPLICATION OF
AOBA ALLIANCE, INC.

For a license to conduct business as an aggregator in both electric and natural gas retail access programs

ORDER GRANTING LICENSE

On July 31, 2001, AOBA Alliance, Inc., ("AOBA" or "the Company"), filed an application for a license to conduct business as an aggregator in the electric and natural gas retail access pilot programs, as provided by the Rules Governing Retail Access to Competitive Energy Services 20 VAC 5-312-10 et seq. ("Retail Access Rules"). The Company intends to serve commercial customers participating in the natural gas retail access programs of Washington Gas Light Company ("WGL") and Columbia Gas of Virginia, Inc. ("CGV"), and in the electric retail access programs of Virginia Electric and Power Company ("Virginia Power") and Appalachian Power Company d/b/a American Electric Power ("AEP-VA").

On August 16, 2001, the Commission issued its Order for Notice and Comment, establishing the case, providing for the receipt of comments from the public, and requiring the Commission's Staff to analyze the reasonableness of AOBA's application and present its findings in a Staff Report to be filed on or before September 5, 2001. No comments from the public on AOBA's application were received.

The Staff filed its Report on September 5, 2001, concerning AOBA's technical and financial fitness to provide competitive aggregation services. In its Report, Staff summarized AOBA's proposal and evaluated its financial condition and technical fitness. Staff concluded that AOBA possesses the financial responsibility and technical experience to provide both natural gas and electric aggregation services in Virginia for commercial customers. Staff recommended that a license be granted to AOBA for the provision of aggregation services.

AOBA filed a response to Staff's report on September 10, 2001. In its response AOBA updated its original application by stating that on August 22, 2001, it received a license to act as a natural gas broker and aggregator from the Maryland Public Service Commission.

NOW UPON CONSIDERATION of the application, the Staff Report, the Company's response and the applicable law, the Commission finds that AOBA's application to provide natural gas and electric aggregation services should be granted.

Accordingly, IT IS ORDERED THAT:

(1) AOBA Alliance, Inc., is hereby granted license No. A-2 to provide competitive natural gas and electric aggregation services to commercial customers in the retail access programs of Virginia Power, AEP-VA, CGV, and WGL. This license to act as an aggregator is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable statutes.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) Failure of AOBA Alliance, Inc., to comply with the Retail Access 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 matter is hereby dismissed.

CASE NO. PUE010425
SEPTEMBER 27, 2001

APPLICATION OF
AOBA ALLIANCE, INC.

For a license to conduct business as an aggregator in both electric and natural gas retail access programs

AMENDING ORDER

By Order dated September 14, 2001, AOBA Alliance, Inc. ("AOBA" or "the Company"), was granted License No. A-2 to provide competitive natural gas and electric aggregation services to commercial customers in the retail access programs of Virginia Power, AEP-VA, CGV, and WGL. In Ordering Paragraph (4) of that Order, the Commission dismissed the case from its docket.

The Commission's Rules Governing Retail Access to Competitive Energy Services, 20 VAC 5-312-10, et seq. ("Retail Access Rules"),[1] requires all competitive service providers and aggregators to file certain periodic reports with the Commission.

NOW UPON CONSIDERATION of the reporting requirements imposed upon AOBA pursuant to the Retail Access Rules, the Commission is of the opinion and finds that our September 14, 2001, Order Granting License should be amended to permit the filing of the requisite reports.

Accordingly, IT IS ORDERED THAT Ordering Paragraph (4) of our September 14, 2001, Order is hereby vacated and amended to read: "That this matter is continued generally."

[1] Commonwealth of Virginia, At the relation of the State Corporation Commission, Ex Parte: In the matter of establishing rules for retail access, Case No. PUE010013, Document Control Center No. 010630011, Final Order (June 19, 2001).

CASE NO. PUE010428
AUGUST 16, 2001

JOINT APPLICATION OF
MARSHALL WATER WORKS, INC.
and
MARSHALL WATER WORKS II, INC.

To cancel certain certificates of public convenience and necessity held by Marshall Water Works, Inc.

ORDER

On May 2, 2001, Marshall Water Works, Inc. ("Marshall I"), and Marshall Water Works II, Inc. ("Marshall II") (collectively, the "Applicants"), filed a joint application requesting, pursuant to § 56-265.3 of the Code of Virginia (the "Code"), a certificate of public convenience and necessity for Marshall II to provide water service to the residents of Marshall, Virginia, after the proposed transfer of water facility assets from Marshall I to Marshall II. Marshall II proposed that its rates, rules, and regulations of service be the same as those currently approved for Marshall I. On May 4, 2001, the Applicants, filed a joint application requesting authority pursuant to the Utility Transfers Act, Chapter 5 of Title 56, § 56-88 through 56-92, of the Code, for Marshall I to dispose of its water facility assets and for Marshall II to acquire such assets. These applications were docketed as Case No. PUE010246.

On July 7, 2001, the Commission issued an Order in Case No. PUE010246 granting Marshall I the authority to dispose of the assets of its water system and granting Marshall II the authority to acquire from Marshall I the assets of its water system. We further cancelled Marshall I's certificate of public convenience and necessity, Certificate No. W-262. We then issued to Marshall II a certificate of public convenience and necessity, Certificate No. W-309, to provide water service to the residents of Marshall, Virginia. Certificate No. W-309 covers all authorized service territory that had been held by Marshall I.

It has since come to the Commission's attention that Marshall I holds several certificates of public convenience and necessity that must be cancelled in light of the approved transfer of Marshall I's assets to Marshall II, and the issuance of Certificate No. W-309. The certificates held by Marshall I that must be cancelled include: Certificate No. W-44 to provide service in the general territory around Marshall, Virginia; Certificate No. W-248 to locate Owens Well # 1 and Owens Well # 2 on Lot 4, the English Chase Subdivision, Marshall Magisterial District, Fauquier County, Virginia; and Certificate No. W-257 to acquire the area in Fauquier County, Virginia identified as Well Site No. 1.

NOW THE COMMISSION, having considered the matter, and is of the opinion and finds that the above-referenced certificates should be cancelled.

Accordingly, IT IS ORDERED THAT:

(1) Marshall Water Works, Inc.'s Certificate of Public Convenience and Necessity No. W-44 is hereby canceled.

(2) Marshall Water Works, Inc.'s Certificate of Public Convenience and Necessity No. W-248 is hereby canceled.

(3) Marshall Water Works, Inc.'s Certificate of Public Convenience and Necessity No. W-257 is hereby canceled.

(4) There being nothing further to be done, this matter is hereby dismissed from the Commission's docket of active cases.

CASE NOS. PUE010431 and PUE000408
OCTOBER 5, 2001

APPLICATIONS OF
AEP RETAIL ENERGY, LLC

For a permanent license to conduct business as a natural gas and electric competitive service provider and as an aggregator

and

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 August 17, 2001, AEP Retail Energy, LLC ("AEP Retail" or "the Company"), filed an application with the State Corporation Commission ("Commission") to convert and expand its pilot license, License No. PE-11,[1] to a permanent license to provide competitive electric supply service to all classes of retail customers throughout the Commonwealth of Virginia. In addition, AEP Retail requests a license to conduct business as a natural gas competitive service provider and as an aggregator, also throughout the Commonwealth of Virginia. The Company attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").

On September 13, 2001, the Commission issued its Order For Notice and Comment, establishing the case, requiring AEP Retail to provide notice of its application to each electric and gas utility in Virginia, and providing for the receipt of comments from the public. No comments from the public on AEP Retail's application were received.

On September 25, 2001, the Staff filed a report regarding AEP Retail's application. In its report, the Staff recommended that a license be granted to AEP Retail to conduct business as a competitive service provider in natural gas retail access programs and as an aggregator serving industrial, residential and commercial customers, contingent upon the Company filing an updated commitment letter from its parent. By letter dated September 25, 2001, AEP Retail provided the commitment letter. Staff also supports the conversion of AEP Retail's existing license to a permanent license to provide competitive electric service to all classes of retail customers throughout the Commonwealth of Virginia.

NOW UPON consideration of AEP Retail's application to convert and expand its present license to a permanent license to conduct these activities, and the Staff's report, the Commission is of the opinion and finds that AEP Retail's request should be granted; that Case No. PUE000408 be closed; and that any reports that AEP Retail must file in accordance with the Interim Rules be filed in the captioned docket, Case No. PUE010431.

Accordingly, IT IS ORDERED THAT:

(1) AEP Retail's pilot license, License No. PE-11, is hereby cancelled and replaced with License No. E-2 for the provision of competitive electric service to residential, commercial and industrial customers in Virginia Power and REC's service territories in accordance with the terms of these pilot programs and throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

(2) AEP Retail hereby is granted License No. G-3 to provide natural gas service to all classes of customers throughout the Commonwealth of Virginia in conjunction with the retail access programs of Washington Gas Light Company ("WGL") and Columbia Gas of Virginia, Inc., ("CGV") and throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

(3) AEP Retail hereby is granted License No. A-3 to provide aggregation services to all classes of customers throughout the Commonwealth of Virginia in conjunction with the retail access programs of Virginia Power, REC, WGL, and CGV and throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

(4) These licenses are not valid authority for the provision of any product or service not identified within the license itself.

(5) Failure of AEP Retail Energy, LLC to comply with the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs ("Interim Rules"), 20 VAC 5-311-10 et seq., the Retail Access 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) Case No. PUE000408 is hereby dismissed.

(7) This matter shall remain open pending the receipt of any reports required by the Interim Rules and the Retail Access Rules.

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[1] This license, issued in Case No. PUE000408, authorizes AEP Retail to provide competitive electric service in the retail access pilot programs of Virginia Electric and Power Company ("Virginia Power") and Rappahannock Electric Cooperative ("REC").

CASE NO. PUE010474
SEPTEMBER 10, 2001

APPLICATION OF
WEST ROCKINGHAM WATER COMPANY, INC.

For cancellation of certificate of public convenience and necessity

ORDER CANCELING CERTIFICATE

By letter dated August 16, 2000, West Rockingham Company, Inc. ("West Rockingham" or the "Company"), notified the Commission that it transferred its water utility assets to the County of Rockingham, Virginia, on May 14, 2000.[1]

NOW THE COMMISSION, having considered the matter, is of the opinion that the certificate authorizing West Rockingham to provide water service to certain areas in Rockingham County, Virginia, should be canceled.

Accordingly, IT IS ORDERED THAT:

(1) Certificate No. W-282 authorizing West Rockingham to provide water service in the Lilly Gardens and Sunset Heights Subdivisions in Rockingham County, Virginia, is hereby canceled.

(2) This matter is hereby dismissed from the Commission's docket of active cases.

[1] By Order dated May 11, 2000, in Case No. PUA000026, the Commission granted West Rockingham authority to transfer its water utility assets to the County of Rockingham, Virginia, pursuant to the Utility Transfers Act.

CASE NOS. PUE010475 and PUE000354
OCTOBER 31, 2001

APPLICATION OF
WASHINGTON GAS ENERGY SERVICES, INC.

For a permanent license to conduct business as an electric and natural gas competitive service provider

and

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 LICENSES

On August 29, 2001, Washington Gas Energy Services, Inc. ("WGES" or "the Company"), filed an application with the State Corporation Commission ("Commission") to convert and expand its pilot licenses, License Nos. PE-4 and PG-2,[1] to a permanent license. On September 11, 2001, WGES supplemented its request to clarify that it proposed to provide competitive electric and natural gas service to residential, commercial, and industrial retail customers and to expand its authority to serve throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice. The Company attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").

On September 24, 2001, the Commission issued its Order For Notice and Comment. That Order docketed the case, directed WGES to provide notice of its application to each utility listed on Attachment A to the Order and invited interested parties to file comments on or before October 19, 2001. No comments were filed on October 19, 2001.

On October 9, 2001, WGES filed proof of the service of the Commission's September 24, 2001 Order for Notice and Comment on the utilities listed in Attachment A to the September 24 Order.

On October 22, 2001, the Staff filed a Response to WGES' application ("Response"). In its Response, the Staff recommended that a license be granted to WGES to conduct business as a competitive service provider in electric and natural gas retail access programs serving residential, commercial, and industrial retail customers throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice. The Staff also recommended that the docket granting the Company its pilot license, Case No. PUE000354, be closed. Staff further proposed that WGES be directed to file the reports required by the Commission's Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 et seq., ("Interim Rules") in the captioned docket, Case No. PUE010475. Staff alleged that this action would result in the efficient administration of the Commission's docket.

[1] These pilot licenses, issued in Case No. PUE000354, authorized WGES to provide competitive electric and natural gas services in the retail access pilot programs of Virginia Electric and Power Company ("Virginia Power"), American Electric Power-Virginia ("AEP-VA"), Washington Gas Light ("WGL") and Columbia Gas of Virginia ("CGV").

NOW UPON consideration of WGES' application to convert and expand its present licenses to a permanent license to conduct these activities, and the Staff's Response thereto, the Commission is of the opinion and finds that WGES' request should be granted; that Case No. PUE000354 should be closed; and that any reports that WGES must file in accordance with the Interim Rules should be filed in the captioned docket, Case No. PUE010475.

Accordingly, IT IS ORDERED THAT:

(1) WGES' pilot license, License No. PE-4, is hereby cancelled and replaced with License No. E-6 for the provision of competitive electric service to residential, commercial, and industrial retail customers throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

(2) WGES' pilot license, License No. PG-2, is hereby cancelled and replaced with License No. G-8 for the provision of competitive natural gas service to residential, commercial, and industrial retail customers throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

(3) These licenses are not valid authority for the provision of any product or service not identified within the license itself.

(4) Failure of Washington Gas Energy Services, Inc., to comply with the Interim Rules, the Retail Access 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) Case No. PUE000354 is hereby dismissed.

(6) This matter shall remain open to receive the reports required by the Interim Rules and the Retail Access Rules, as well as any subsequent amendments or modifications to the licenses granted herein.

CASE NOS. PUE010476 and PUE000484
OCTOBER 16, 2001

APPLICATION OF
BGE COMMERCIAL BUILDING SYSTEMS, INC.

For a permanent license to conduct business as a natural gas competitive service provider

and

APPLICATION OF
BGE COMMERCIAL BUILDING SYSTEMS, INC.

For a license to conduct business as a competitive service provider in a natural gas retail access pilot program

ORDER GRANTING LICENSE

On August 28, 2001, BGE Commercial Building Systems, Inc. ("BGE" or "the Company"), filed an application with the State Corporation Commission ("Commission") to convert its pilot license, License No. PG-17,[1] to a permanent license to provide competitive natural gas service to commercial and industrial retail customers in WGL's service territory. The Company attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").

On September 13, 2001, the Commission issued its Order For Notice and Comment, establishing the case, requiring BGE to provide notice of its application to WGL, and providing for the receipt of comments from the public. No comments from the public on BGE's application were received.

On September 28, 2001, BGE filed proof of the service of the Commission's September 13, 2001 Order for Notice and Comment on WGL required by Ordering Paragraph (3) of the September 13, 2001 Order.

On October 2, 2001, the Staff filed a Response to BGE's application ("Response"). In its Response, the Staff recommended that a license be granted to BGE to conduct business as a competitive service provider in a natural gas retail access program serving commercial and industrial retail customers in WGL's service territory, and that the docket granting the Company its pilot license, Case No. PUE000484, be closed. Staff also recommended that BGE be directed to file the reports required by the Commission's Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 et seq., ("Interim Rules") in the captioned docket, Case No. PUE010476. Staff alleged that this action would result in the efficient administration of the Commission's docket.

NOW UPON consideration of BGE's application to convert its present license to a permanent license to conduct these activities, and the Staff's Response thereto, the Commission is of the opinion and finds that BGE's request should be granted; that Case No. PUE000484 should be closed; and that any reports that BGE must file in accordance with the Interim Rules should be filed in the captioned docket, Case No. PUE010476.

[1] This license, issued in Case No. PUE000484, authorizes BGE to provide competitive natural gas service in the retail access pilot program of Washington Gas Light ("WGL").

Accordingly, IT IS ORDERED THAT:

(1) BGE's pilot license, License No. PG-17, is hereby cancelled and replaced with License No. G-6 for the provision of competitive natural gas service to commercial and industrial retail customers in WGL's service territory in accordance with the terms of WGL's permanent retail access program.

(2) These licenses are not valid authority for the provision of any product or service not identified within the license itself.

(3) Failure of BGE Commercial Building Systems to comply with the Interim Rules, the Retail Access 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.

(4) Case No. PUE000484 is hereby dismissed.

(5) This matter shall remain open to receive the reports required by the Interim Rules and the Retail Access Rules, as well as any subsequent amendments or modifications to the licenses granted herein.

CASE NOS. PUE010478 and PUE000472
OCTOBER 15, 2001

APPLICATIONS OF
AMERADA HESS CORPORATION

For a permanent license to conduct business as an electric and natural gas competitive service provider and as an aggregator

and

AMERADA HESS CORPORATION

For a license to conduct business as a competitive service provider in electric and natural gas retail access pilot programs

ORDER GRANTING LICENSES

On August 29, 2001, Amerada Hess Corporation ("Amerada" or "the Company"), filed an application with the State Corporation Commission ("Commission") to convert its pilot licenses, License Nos. PE-9, PG-7, and PA-5,[1] to a permanent license to provide competitive electric, natural gas, and aggregation services within the same LDC service territories and for the same customer classes it is licensed to serve in the pilots. The Company attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").

On September 13, 2001, the Commission issued its Order For Notice and Comment, establishing this case, requiring Amerada to provide notice of its application to each electric and gas utility in Virginia, and providing for the receipt of comments from the public. No comments from the public on Amerada's application were received.

On October 5, 2001, Staff filed a response to Amerada's application. In its response, Staff advised that it did not oppose Amerada's application. However, Staff recommended that Case No. PUE000472, the docket in which the Commission granted the Company its retail access pilot licenses, be closed, and that Amerada be directed to file the reports required by the Commission's Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 et seq. ("Interim Rules"), in the captioned docket, Case No. PUE010478. The Staff contends that this action would result in the efficient administration of the Commission's docket.

NOW UPON consideration of Amerada's application to convert its present licenses to permanent licenses to conduct these activities, and the Staff's report, the Commission is of the opinion and finds that Amerada's request should be granted; that Case No. PUE000472 be closed; and that any reports that Amerada must file in accordance with the Interim Rules be filed in the captioned docket, Case No. PUE010478.

Accordingly, IT IS ORDERED THAT:

(1) Amerada's pilot license, License No. PE-9, is hereby cancelled and replaced with License No. E-4 for the provision of competitive electric service to commercial and industrial customers in Virginia Power, AEP-VA and REC's service territories in accordance with the terms of these pilot programs and the Retail Access Rules.

(2) Amerada's pilot license, License No. PG-7, is hereby cancelled and replaced with License No. G-7 to provide competitive natural gas service to commercial and industrial customers in conjunction with the retail access programs of WGL and CGV in accordance with the terms of CGV's pilot program and the Retail Access Rules.

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[1] These licenses, issued in Case No. PUE000472, authorize Amerada to provide competitive electric, natural gas, and aggregation services 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"), Rappahannock Electric Cooperative ("REC"), Washington Gas Light Company ("WGL"), and Columbia Gas of Virginia ("CGV").

(3) Amerada's pilot license, License No. PA-5, is hereby cancelled and replaced with License No. A-5 to provide aggregation services to commercial and industrial customers in conjunction with the retail access programs of Virginia Power, AEP-VA, REC, WGL, and CGV in accordance with the terms of these pilot programs and the Retail Access Rules.

(4) These licenses are not valid authority for the provision of any product or service not identified within the license itself.

(5) Failure of Amerada Hess Corporation to comply with the Interim Rules, the Retail Access 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) Case No. PUE000472 is hereby dismissed.

(7) This matter shall remain open pending the receipt of any reports required by the Interim Rules and the Retail Access Rules.

CASE NO. PUE010479 and PUE000471
NOVEMBER 2, 2001

APPLICATIONS OF
ENERGY SERVICES MANAGEMENT VIRGINIA, LLC d/b/a VIRGINIA ENERGY CONSORTIUM

For a permanent license to conduct business as a competitive electric service aggregator

and

ENERGY SERVICES MANAGEMENT VIRGINIA, LLC d/b/a VIRGINIA ENERGY CONSORTIUM

For a license to conduct business as an aggregator

ORDER GRANTING LICENSE

On August 30, 2001, Energy Services Management Virginia, LLC d/b/a Virginia Energy Consortium ("ESM" or "the Company"), filed an application with the State Corporation Commission ("Commission") to convert its pilot license, License No. PA-7,[1] to a permanent license to provide competitive electric aggregation services only to commercial retail customers and to expand its authority to serve throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice. The Company states that it wishes to eliminate its authority to serve residential customers. The Company attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 of the Commission's Rules Governing Retail Access to Competitive Energy Services, ("Retail Access Rules").

On September 20, 2001, the Commission issued its Order For Notice and Comment, establishing this case, requiring ESM to provide notice of its application to each electric utility in Virginia, and providing for the receipt of comments from the public. No comments from the public on ESM's application were received.

On October 24, 2001, Staff filed a response to ESM's application. In its response, Staff advised that it did not oppose ESM's application. However, Staff recommended that Case No. PUE000471, the docket in which the Commission granted the Company its retail access pilot licenses, be closed, and that ESM be directed to file the reports required by the Commission's Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 et seq. ("Interim Rules"), in the captioned docket, Case No. PUE010479. The Staff contends that this action would result in the efficient administration of the Commission's docket.

NOW UPON consideration of ESM's application to convert its present license to a permanent license to conduct competitive electric aggregation services for commercial retail customers throughout the Commonwealth, and Staff's comments, the Commission is of the opinion and finds that ESM's request should be granted; that Case No. PUE000471 be closed; and that any reports that ESM must file in accordance with the Interim Rules be filed in the captioned docket, Case No. PUE010479.

Accordingly, IT IS ORDERED THAT:

(1) ESM's pilot license, License No. PA-7, is hereby cancelled and replaced with License No. A-4 for the provision of competitive electric aggregation service to commercial retail customers in Virginia Power, AEP-VA and REC's service territories in accordance with the terms of these pilot programs, and throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) Failure of ESM to comply with the Interim Rules, the Retail Access 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.

[1] This license, issued in Case No. PUE000471, authorized ESM to provide competitive electric aggregation services to residential and commercial 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 ("REC").

(4) Case No. PUE000471 is hereby closed.

(5) This matter shall remain open pending the receipt of any reports required by the Interim Rules and the Retail Access Rules.

CASE NOS. PUE010480 and PUE000435
DECEMBER 5, 2001

APPLICATIONS OF
THE NEW POWER COMPANY

For permanent licenses to conduct business as an electric and natural gas competitive service provider and aggregator

and

THE NEW POWER COMPANY

For a license to conduct business as an electric service provider and an aggregator in a retail access pilot program

ORDER GRANTING LICENSES

On October 1, 2001, The New Power Company ("New Power" or "the Company"), completed an application with the State Corporation Commission ("Commission") to convert and expand its pilot licenses, License Nos. PE-13, PG-4, and PA-3A,[1] to permanent licenses to provide competitive electric and natural gas services and to act as an aggregator to residential and commercial customers throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice. The Company attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").

On October 16, 2001, the Commission issued its Order For Notice and Comment, establishing Case No. PUE010480, requiring New Power to provide notice of its application to each electric and gas utility in Virginia, and providing for the receipt of comments from the public. No comments from the public on New Power's application were received.

On November 21, 2001, Staff filed a response to New Power's application. In its response, Staff advised that it did not oppose New Power's application. However, Staff recommended that Case No. PUE000435, the docket in which the Commission granted the Company its retail access pilot licenses, be closed, and that New Power be directed to file the reports required by the Commission's Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 et seq. ("Interim Rules"), in the captioned docket, Case No. PUE010480. The Staff contends that this action would result in the efficient administration of the Commission's docket.

NOW UPON consideration of New Power's application to convert its present licenses to permanent licenses to conduct these activities, and the Staff's response, the Commission is of the opinion and finds that New Power's request should be granted; that Case No. PUE000435 be closed; and that any reports that New Power must file in accordance with the Interim Rules be filed in the captioned docket, Case No. PUE010480.

Accordingly, IT IS ORDERED THAT:

(1) New Power's pilot license, License No. PE-13, is hereby cancelled and replaced with License No. E-10 for the provision of competitive electric service to residential and commercial customers in Virginia Power's retail access pilot program and throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

(2) New Power's pilot license, License No. PG-4, is hereby cancelled and replaced with License No. G-12 to provide competitive natural gas service to residential and commercial customers in conjunction with the retail access pilot program of CGV, the retail access program of WGL, and throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

(3) New Power's pilot license, License No. PA-3A, is hereby cancelled and replaced with License No. A-11 to provide aggregation services to residential and commercial customers in conjunction with the retail access pilot programs of Virginia Power and CGV, the retail access program of WGL, and throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

(4) These licenses are not valid authority for the provision of any product or service not identified within the license itself.

(5) Failure of The New Power Company to comply with the Interim Rules, the Retail Access 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) Case No. PUE000435 is hereby closed.

(7) This matter shall remain open pending the receipt of any reports required by the Interim Rules and the Retail Access Rules.

[1] These pilot licenses permit the Company to provide competitive electric and natural gas services and to act as an aggregator in the retail access pilot programs of Virginia Electric and Power Company ("Virginia Power"), Columbia Gas of Virginia, Inc. ("CGV"), and Washington Gas Light Company ("WGL").

CASE NO. PUE010481 and PUE000410
NOVEMBER 7, 2001

APPLICATION OF
ENERGYWINDOW, INC.

For a permanent license to Conduct business as an electric and natural gas aggregator

and

APPLICATION OF
ENERGYWINDOW, INC.

For a license to conduct business as an aggregator in electric retail access pilot programs

ORDER GRANTING LICENSE

On September 21, 2001, EnergyWindow, Inc., ("EnergyWindow" or "the Company"), completed an application with the State Corporation Commission ("Commission") to convert and expand its pilot license, License No. PA-2,[1] to a permanent license to provide competitive electric aggregation services to all classes of retail customers throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice. In addition, EnergyWindow requests a license to conduct business as a natural gas aggregator, also throughout the Commonwealth of Virginia. The Company attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 of the Commission's Rules Governing Retail Access to Competitive Energy Services, ("Retail Access Rules").

On September 27, 2001, the Commission issued its Order For Notice and Comment. That Order docketed the application, directed EnergyWindow to provide notice of its application upon appropriate persons, including the utilities identified in Attachment A to the Order, and invited comments to be filed on the application.

In a document filed on October 15, 2001, EnergyWindow, by counsel, notified the Commission that, due to an administrative error, notice to the utilities listed on Attachment A to the September 27, 2001, Order was sent out on October 12, 2001. The Company has provided proof of this notice, in its October 15, 2001 filing.

By Motion dated October 16, 2001, EnergyWindow requested an extension of the procedural dates established in the September 27, 2001, Order. In its Motion, EnergyWindow proposed that the time to comment on the application be extended to October 29, 2001; that the time in which the Staff may file its report be extended to November 2, 2001; and that the time in which the Company may respond to the Staff Report be extended to November 9, 2001.

By Order dated October 19, 2001, the Commission granted EnergyWindow's Motion and amended the procedural schedule as proposed by EnergyWindow. No comments on EnergyWindow's application were filed.

The Staff filed its Report on November 2, 2001, concerning EnergyWindow's technical and financial fitness to provide competitive aggregation services. In its Report, Staff summarized EnergyWindow's proposal and evaluated its financial condition and technical fitness. Staff concluded that EnergyWindow possesses the financial responsibility and technical experience to provide both electric and natural gas aggregation services for all classes of customers throughout Virginia. Staff recommended that a license be granted to EnergyWindow for the provision of electric and natural gas aggregation services.

NOW UPON consideration of EnergyWindow's application to convert and expand its present license to a permanent license to conduct competitive electric and natural gas aggregation services to all classes of retail customers throughout the Commonwealth, and Staff's Report, the Commission is of the opinion and finds that EnergyWindow's request should be granted; that Case No. PUE000410, the docket granting the Company a license to participate in the pilot programs of Virginia Power, AEP-VA, and REC, be closed so that our docket may be administered in a more efficient manner; and that any reports that EnergyWindow must file in accordance with the Commission's Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 et seq., ("Interim Rules") should be filed in the captioned docket, Case No. PUE010481.

Accordingly, IT IS ORDERED THAT:

(1) EnergyWindow's License No. PA-2 is hereby cancelled and replaced with License No. A-7 for the provision of competitive electric and natural gas aggregation services to residential, commercial, and industrial retail customers in the service territories of Virginia Power, AEP-VA, REC, and Columbia Gas of Virginia, Inc., in accordance with the terms of these pilot programs and in the service territory of Washington Gas Light Company and throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice for electric and natural gas service.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) Failure of EnergyWindow to comply with the Interim Rules, the Retail Access 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.

(4) Case No. PUE000410 is hereby closed.

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[1] This license, issued in Case No. PUE000410, authorized EnergyWindow to provide competitive electric aggregation services to residential, commercial, and industrial 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 ("REC").

(5) This matter shall remain open pending the receipt of any reports required by the Interim Rules and the Retail Access Rules, as well as any subsequent amendments or modifications to the license granted herein.

CASE NOS. PUE010482 and PUE000352
OCTOBER 16, 2001

APPLICATION OF
DOMINION RETAIL, INC.

For a permanent license to conduct business as an electric and natural gas competitive service provider and as an aggregator

and

APPLICATION OF
DOMINION RETAIL, INC.

For a license to conduct business in electric and natural gas retail access pilot programs and to act as an aggregator

ORDER GRANTING LICENSES

On August 31, 2001, Dominion Retail, Inc. ("Dominion Retail" or "the Company"), filed an application with the State Corporation Commission ("Commission") to convert and expand its pilot licenses, License Nos. PE-2B, PG-19, and PA-12,[1] to permanent licenses to provide competitive electric and natural gas services and to act as an aggregator to residential, commercial, and industrial customers throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.[2] The Company attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").

On September 13, 2001, the Commission issued its Order For Notice and Comment. The September 13 Order docketed the case, required Dominion Retail to serve a copy of the Order on each electric and gas utility in Virginia, and provided for the receipt of comments from the public.

No public comments on Dominion Retail's application were filed.

On September 18, 2001, the Company, by counsel, filed proof of its service of the September 13, 2001 Order for Notice and Comment required by Ordering Paragraph (3) of the September 13 Order.

On September 18, 2001, the Staff filed a Response to Dominion Retail's application. In its Response, the Staff advised that it did not oppose Dominion Retail's application. However, the Staff recommended that Case No. PUE000352, the docket in which the Commission granted the Company its retail access pilot licenses, be closed, and that Dominion Retail be directed to file the reports required by the Commission's Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 et seq. ("Interim Rules"), in the captioned docket, Case No. PUE010482. The Staff contended that this action would result in the efficient administration of the Commission's docket.

In a letter dated October 10, 2001, the Company, by counsel, stated that the Company did not object to the recommendations made in the Staff's Response. Dominion Retail urged the Commission to grant the licenses as requested in the Company's application.

NOW UPON consideration of Dominion Retail's application to convert and expand its present licenses to permanent licenses to conduct the foregoing activities, the Staff's Response, and the Company's October 10, 2001 letter, the Commission is of the opinion and finds that Dominion Retail's application should be granted; that Case No. PUE000352 should be closed; and any reports that Dominion Retail must file in accordance with the Interim Rules or Retail Access Rules should be filed in the captioned docket, Case No. PUE010482.

Accordingly, IT IS ORDERED THAT:

(1) Dominion Retail's pilot license, License No. PE-2B, is hereby cancelled and replaced with License No. E-3 for the provision of competitive electric service to residential, commercial and industrial customers in Virginia Power, AEP-VA and REC's service territories in accordance with the terms of these pilot programs and throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

(2) Dominion Retail's current license, License No. G-1 is hereby expanded to allow Dominion Retail to provide natural gas service to residential, commercial, and industrial customers in conjunction with the pilot program of Columbia Gas of Virginia, Inc., ("CGV"), the retail access supply choice program of WGL and throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

(3) Dominion Retail's current license, License No. A-1 is hereby expanded to allow Dominion Retail to provide gas and electric aggregation services to all classes of customers throughout the Commonwealth of Virginia in conjunction with the retail access pilot programs of Virginia Power, AEP-

[1] These pilot licenses permit the Company to operate in the electric retail access programs of Virginia Electric and Power Company ("Virginia Power"), American Electric Power-Virginia ("AEP-VA"), and Rappahannock Electric Cooperative ("REC"), and in the natural gas retail access pilot programs of Columbia Gas of Virginia, Inc., ("CGV").

[2] By Order dated July 9, 2001, in Case No. PUE000352, Dominion Retail was granted permanent License No. G-1 to provide competitive natural gas service in WGL's retail access supply choice program and License No. A-1 to provide aggregation services in WGL's natural gas retail access supply choice program.

VA, REC, and CGV, WGL's retail access supply choice program and throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

(4) These licenses are not valid authority for the provision of any product or service not identified within the license itself.

(5) Failure of Dominion Retail, Inc. to comply with the Interim Rules, 20 VAC 5-311-10 et seq., the Retail Access 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) Case No. PUE000482 is hereby dismissed.

(7) This matter shall remain open pending the receipt of any reports required by the Interim Rules and the Retail Access Rules and to receive any application for amendments or modifications to the licenses granted herein.

CASE NO. PUE010483 and PUE000574
NOVEMBER 2, 2001

APPLICATIONS OF
OLD MILL POWER COMPANY

For permanent licenses to conduct business as an electric and natural gas competitive service provider and an aggregator

and

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 GRANTING LICENSES

On August 31, 2001, Old Mill Power Company ("Old Mill" or "the Company") filed an application with the State Corporation Commission ("Commission") to convert and expand its pilot licenses, License Nos. PE-12, PG-13, and PA-11,[1] to permanent licenses to provide competitive electric and natural gas services and to act as an aggregator to residential, commercial, and industrial customers throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice. The Company attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 of the Commission's Rules Governing Retail Access to Competitive Energy Services, ("Retail Access Rules").

On September 20, 2001, the Commission issued its Order For Notice and Comment, establishing this case, requiring Old Mill to provide notice of its application to each electric and gas utility in Virginia, and providing for the receipt of comments from the public. No comments were received from the public on Old Mill's application.

On October 26, 2001, Staff filed a response to Old Mill's application. In its response, Staff advised that it did not oppose Old Mill's application. However, Staff recommended that Case No. PUE000574, the docket in which the Commission granted the Company its retail access pilot licenses, be closed, and that Old Mill be directed to file the reports required by the Commission's Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 et seq. ("Interim Rules"), in the captioned docket, Case No. PUE010483. The Staff contends that this action would result in the efficient administration of the Commission's docket.

NOW UPON consideration of Old Mill's application to convert its present licenses to permanent licenses to conduct the activities above and Staff's Response, the Commission is of the opinion and finds that Old Mill's request should be granted; that Case No. PUE000574 be closed; and that any reports that Old Mill must file in accordance with the Interim Rules be filed in the captioned docket, Case No. PUE010483.

We note that the Company's existing $13,000 letter of credit expires on January 31, 2002. As a condition of participating in retail access programs, Old Mill must provide the Commission with such an instrument as evidence of its financial responsibility. Therefore, a new letter of credit must be filed by Old Mill prior to the expiration of its current letter of credit.

Accordingly, IT IS ORDERED THAT:

(1) Old Mill's pilot license, License No. PE-12, is hereby cancelled and replaced with License No. E-7 for the provision of competitive electric service to residential, commercial, and industrial customers in Virginia Power, AEP-VA and REC's service territories in accordance with the terms of these pilot programs and throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

(2) Old Mill's pilot license, License No. PG-13, is hereby cancelled and replaced with License No. G-9 to provide competitive natural gas service to residential, commercial, and industrial customers in conjunction with the retail access program of WGL, and the pilot program of CGV in accordance with the terms of CGV's pilot program, and throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

[1] These licenses, issued in Case No. PUE000574, authorize Old Mill to provide competitive electric and natural gas services and to act as an aggregator 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"), Rappahannock Electric Cooperative ("REC"), Washington Gas Light Company ("WGL"), and Columbia Gas of Virginia ("CGV"). The issuance of these licenses was subject to Old Mill maintaining a letter of credit as evidence of its financial fitness.

(3) Old Mill's pilot license, License No. PA-11, is hereby cancelled and replaced with License No. A-6 to provide aggregation services to residential, commercial, and industrial customers in conjunction with the retail access pilot programs of Virginia Power, AEP-VA, REC, and CGV in accordance with the terms of these pilot programs, and the WGL retail choice program, and throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

(4) These licenses are not valid authority for the provision of any product or service not identified within the license itself.

(5) The Company must file a new letter of credit with the Commission by January 31, 2002.

(6) The issuance of the licenses granted herein is subject to the maintenance of the letter of credit.

(7) Failure of Old Mill Power Company to comply with the Interim Rules, the Retail Access 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.

(7) Case No. PUE000574 is hereby closed.

(8) This matter shall remain open pending the receipt of any reports required by the Interim Rules and the Retail Access Rules.

CASE NOS. PUE010484 and PUE000489
OCTOBER 30, 2001

APPLICATION OF
ENRON ENERGY MARKETING CORP.

For a permanent license to conduct business as a natural gas competitive service provider

and

APPLICATION OF
ENRON ENERGY MARKETING CORP.

For a license to conduct business as a competitive service provider in a natural gas retail access pilot program

ORDER GRANTING LICENSE

On August 31, 2001, Enron Energy Marketing Corp., ("EEMC" or "the Company"), filed an application with the State Corporation Commission ("Commission") to convert its pilot license, License No. PG-14,[1] to a permanent license to provide competitive natural gas service to commercial and residential retail customers within the natural gas retail access programs of Washington Gas Light Company ("WGL") and Columbia Gas of Virginia, Inc. ("CGV"). The Company attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").

On September 24, 2001, the Commission issued its Order For Notice and Comment. This Order docketed the case, required EEMC to provide notice of its application to WGL and CGV, and provided for the receipt of comments on the application. No comments on EEMC's application were received.

On October 9, 2001, EEMC filed proof of the service of the Commission's September 24, 2001 Order for Notice and Comment on WGL and CGV as required by Ordering Paragraph (4) of the September 24, 2001 Order.

On October 22, 2001, the Staff filed a Response to EEMC's application ("Response"). In its Response, the Staff recommended that a license be granted to EEMC to conduct business as a competitive service provider in a natural gas retail access program serving commercial and residential retail customers in WGL and CGV's service territories, and that the docket granting the Company its pilot license, Case No. PUE000489, be closed. Staff also recommended that EEMC be directed to file the reports required by the Commission's Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 et seq., ("Interim Rules") in the captioned docket, Case No. PUE010484. Staff asserted that this action would result in the efficient administration of the Commission's docket.

NOW UPON consideration of EEMC's application to convert its present license to a permanent license to conduct these activities, and the Staff's Response thereto, the Commission is of the opinion and finds that EEMC's request should be granted; that Case No. PUE000489 should be closed; and that any reports that EEMC must file in accordance with the Interim Rules should be filed in the captioned docket, Case No. PUE010484.

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[1] This license, issued in Case No. PUE000489, authorizes EEMC to provide competitive natural gas service in the retail access pilot programs of WGL and CGV.

Accordingly, IT IS ORDERED THAT:

(1) EEMC's pilot license, License No. PG-14, is hereby cancelled and replaced with License No. G-5 for the provision of competitive natural gas service to commercial and residential retail customers in WGL and CGV's service territory in accordance with the terms of WGL and CGV's permanent retail access programs.

(2) These licenses are not valid authority for the provision of any product or service not identified within the license itself.

(3) Failure of Enron Energy Marketing Corp. to comply with the Interim Rules, the Retail Access 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.

(4) Case No. PUE000489 is hereby dismissed.

(5) This matter shall remain open to receive the reports required by the Interim Rules and the Retail Access Rules, as well as any subsequent amendments or modifications to the license granted herein.

CASE NO. PUE010484
DECEMBER 19, 2001

APPLICATIONS OF
ENRON ENERGY MARKETING CORP

For a permanent license to conduct business as a natural gas competitive service provider

ORDER SUSPENDING LICENSE

On August 31, 2001, Enron Energy Marketing Corp., ("EEMC" or "the Company"), electronically filed an application with the State Corporation Commission ("Commission") to convert its pilot license, License No. PG-14,[1] to a permanent license to provide competitive natural gas service to commercial and residential retail customers within the natural gas retail access programs of WGL and CGV. EEMC stated in its August 31, 2001, application that it wished to continue to be licensed for the same LDC service territories and customer classes for which it was licensed under the pilot programs.

By Order dated October 30, 2001, the Commission granted EEMC's request to convert and expand its pilot license. In doing so, the Commission cancelled EEMC's pilot license, License No. PG-14, and replaced it with License No. G-5 for the provision of competitive natural gas services to commercial and residential customers in WGL and CGV's service territories.

In a letter to the Clerk of the Commission, dated December 13, 2001, EEMC indicated that it had conversations with Staff concerning the Company's License No. G-5. The Company stated in its letter that it would not object to the Commission suspending EEMC's license to provide competitive natural gas services pending either a resolution on Enron Corp.'s bankruptcy proceeding[2] or satisfaction of any credit or financial requirements imposed by the Commission to reinstate the license. Further, EEMC states that it does not currently serve any retail gas customers in Virginia and that it understands it cannot market to customers in Virginia until the Commission reinstates its license.

NOW UPON CONSIDERATION of EEMC's agreement with Staff that its license, License No. G-5, should be suspended, the Commission is of the opinion and finds that suspension of the license is appropriate in light of Enron Corp.'s bankruptcy proceeding.

Accordingly, IT IS ORDERED THAT:

(1) EEMC's license, License No. G-5, is hereby suspended pending further action of the Commission.

(2) EEMC shall not provide competitive natural gas services in the Commonwealth of Virginia until its license is reinstated by the Commission.

(3) This matter shall be continued generally.

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[1] By Order dated November 30, 2000, in Case No. PUE000489, the Commission granted the Company License No. PG-14, to provide competitive natural gas supply services to commercial and residential customers in conjunction with the retail access pilot programs of Washington Gas Light Company ("WGL")and Columbia Gas of Virginia, Inc. ("CGV").

[2] On December 2, 2001, EEMC's parent company, Enron Corp., announced that it, along with certain of its subsidiaries, filed voluntary petitions for Chapter 11 reorganization with the U.S. Bankruptcy Court for the Southern District of New York.

CASE NO. PUE010511 and PUE000344
NOVEMBER 9, 2001

APPLICATIONS OF
PEPCO ENERGY SERVICES, INC.

For permanent licenses to conduct business as an electric and natural gas competitive service provider and as an aggregator

and

PEPCO ENERGY SERVICES, INC.

For a license to provide electricity and natural gas services in interim retail access pilot programs

ORDER GRANTING LICENSES

On September 27, 2001, Pepco Energy Services, Inc., ("PEPCO" or "the Company"), completed an application with the State Corporation Commission ("Commission") to convert and expand its pilot licenses, License Nos. PE-1, PG-1, and PA-1,[1] to permanent licenses to provide competitive electric, natural gas, and aggregation services to all classes of retail customers throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice. The Company attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").

On October 1, 2001, the Commission issued its Order For Notice and Comment, establishing the case, requiring PEPCO to provide notice of its application to each electric and natural gas utility in Virginia, and providing for the receipt of comments from the public. No comments from the public on PEPCO's application were received.

On November 5, 2001, the Staff filed a response to PEPCO's application. In its response, Staff advised that it did not oppose PEPCO's application. However, Staff recommended that Case No. PUE000344 in which the Commission granted the Company its retail access pilot licenses to provide competitive electric, natural gas and aggregation services to all classes of retail customers in conjunction with Virginia Power, AEP-VA, REC, CGV and WGL's pilot programs be closed, and that PEPCO be directed to file the reports required by the Commission's Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 et seq. ("Interim Rules"), in this docket, Case No. PUE010511. Staff contended that this action would result in the efficient administration of the Commission's docket.

NOW UPON consideration of PEPCO's application to convert and expand its present licenses to permanent licenses to conduct these activities, and Staff's Response, the Commission is of the opinion and finds that PEPCO's request should be granted; that Case No. PUE000344 be closed; and that any reports that PEPCO must file in accordance with the Interim Rules be filed in this docket, Case No. PUE010511.

Accordingly, IT IS ORDERED THAT:

(1) PEPCO's pilot license, License No. PE-1, is hereby cancelled and replaced with License No. E-8 for the provision of competitive electric service to all classes of retail customers in Virginia Power, AEP-VA and REC's service territories in accordance with the terms of these pilot programs and throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

(2) PEPCO's pilot license, License No. PG-1, is hereby cancelled and replaced with License No. G-10 to provide natural gas service to all classes of retail customers in conjunction with the retail access programs of WGL and CGV and throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

(3) PEPCO's pilot license, License No. PA-1, is hereby cancelled and replaced with License No. A-8 to provide aggregation services to all classes of retail customers in conjunction with the retail access programs of Virginia Power, AEP-VA, REC, WGL, and CGV and throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

(4) These licenses are not valid authority for the provision of any product or service not identified within the license itself.

(5) Failure of PEPCO to comply with the Interim Rules, the Retail Access 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) Case No. PUE000344 is hereby closed.

(7) This matter shall remain open pending the receipt of any reports required by the Interim Rules and the Retail Access Rules.

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[1] These licenses, issued in Case No. PUE000344, authorize PEPCO to provide competitive electric, natural gas, and aggregation services 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"), Rappahannock Electric Cooperative ("REC"), Washington Gas Light Company ("WGL"), and Columbia Gas of Virginia ("CGV").

CASE NO. PUE010515
OCTOBER 1, 2001

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For Revision of License Conditions

ORDER

By Order entered June 12, 1969, in Case No. 18869, the State Corporation Commission ("Commission") approved the application of Virginia Electric and Power Company ("Virginia Power" or "Company") to build and operate a dam on the North Anna River and issued the Company a license for its construction. One of the conditions of that license required Virginia Power to "at all times discharge a flow of water through the dam for low flow augmentation in the amount of at least 40 cubic feet per second (40 cfs)."

By letter application filed September 18, 2001, Virginia Power has requested a modification of said license to eliminate this flow-through requirement. In support of its application, the Company notes that during its 2000 legislative session, the Virginia General Assembly enacted into law Virginia Code § 62.1-44.15:1.2, which provides that the Virginia Department of Environmental Quality ("DEQ") shall provide lake level contingency plans:

> Any Virginia Pollutant Discharge Elimination System permit issued for a surface water impoundment whose primary purpose is to provide cooling water to power generators shall include a lake level contingency plan to allow specific reductions in the flow required to be released when the water level above the dam drops below designated levels due to drought conditions.

The Company has advised that the DEQ has issued it a permit for the North Anna River dam that includes a lake level contingency plan, as required by the above-quoted statute. The Company requests that we eliminate the condition established in our 1969 license to avoid potential conflicts in stream flow regulation. The Staff has advised that it has reviewed the application and does not object to the requested relief.

NOW THE COMMISSION, having considered the application and the applicable statutes and rules, and upon advice of our Staff, is of the opinion that good cause has been shown for the elimination of the license requirement. Section 62.1-102 of the Code of Virginia provides that, by mutual consent of the licensee and the Commonwealth, any license condition may be altered or amended "to the extent such alteration or amendment is not in conflict with the then existing law of the Commonwealth." We find that the requested amendment complies with the existing law and deem the issuance of the DEQ permit noted above satisfactory evidence of the consent of the Commonwealth to the amendment of the license.

Accordingly, IT IS ORDERED that:

(1) This shall be docketed and assigned Case No. PUE010515.

(2) The requirement of the license issued to Virginia Electric and Power Company to maintain a flow of not less than 40 cfs through the North Anna Dam shall be, and hereby is, eliminated from the license.

(3) All other terms and conditions shall remain in effect.

(4) This matter is dismissed.

CASE NO. PUE010532 and PUE000479
NOVEMBER 30, 2001

APPLICATIONS OF
AMERICA'S ENERGY ALLIANCE, INC.

For permanent licenses to conduct business as an electric and natural gas competitive service provider and aggregator

and

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 28, 2001, America's Energy Alliance, Inc., ("Alliance" or "the Company"), filed an application with the Commission to convert and expand its pilot licenses, License Nos. PE-10, PG-8, and PA-6,[1] to permanent licenses to provide competitive electric and natural gas services and to act as an aggregator to residential, commercial, and industrial customers throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice. The Company attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").

[1] These pilot licenses permit the Company to operate in the electric retail access programs of Virginia Electric and Power Company ("Virginia Power"), American Electric Power-Virginia ("AEP-VA"), and Rappahannock Electric Cooperative ("REC"), and in the natural gas retail access pilot programs of Columbia Gas of Virginia, Inc., ("CGV"), and Washington Gas Light Company ("WGL").

On October 15, 2001, the Commission issued its Order For Notice and Comment, establishing the case, requiring Alliance to provide notice of its application to each electric and gas utility in Virginia, and providing for the receipt of comments from the public. No comments from the public on Alliance's application were received.

NOW UPON consideration of Alliance's application to convert and expand its present licenses to permanent licenses to conduct these activities, the Commission is of the opinion and finds that Alliance's request should be granted; that Case No. PUE000479 be closed; and that any reports that Alliance must file in accordance with the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs ("Interim Rules"), 20 VAC 5-311-10 et seq., be filed in the captioned docket, Case No. PUE010532.

Accordingly, IT IS ORDERED THAT:

(1) Alliance's pilot license, License No. PE-10, is hereby cancelled and replaced with License No. E-9 for the provision of competitive electric service to residential, commercial, and industrial customers in the retail access pilot programs of Virginia Power, AEP-VA and REC's and throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

(2) Alliance's pilot license, License No. PG-8, is hereby cancelled and replaced with License No. G-11 to provide natural gas service to residential, commercial, and industrial customers in conjunction with the retail access pilot program of CGV, the retail access program of WGL, and throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

(3) Alliance's pilot license, License No. PA-6, is hereby cancelled and replaced with License No. A-10 to provide aggregation services to residential, commercial, and industrial customers in conjunction with the retail access pilot programs of Virginia Power, AEP-VA, REC, and CGV, the retail access program of WGL, and throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

(4) These licenses are not valid authority for the provision of any product or service not identified within the license itself.

(5) Failure of America's Energy Alliance, Inc., to comply with the Retail Access 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) Case No. PUE000479 is hereby closed.

(7) This matter shall remain open pending the receipt of any reports required by the Interim Rules and the Retail Access Rules.

CASE NOS. PUE010536 and PUE000487
DECEMBER 14, 2001

APPLICATIONS OF
TIGER NATURAL GAS, INC.

For a permanent license to conduct business as a natural gas competitive service provider

and

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 9, 2001, Tiger Natural Gas, Inc., ("Tiger" or "the Company"), filed an application with the Commission to convert and expand its pilot license, License Nos. PG-16[1] to a permanent license to provide competitive natural gas services to residential, commercial, and industrial customers throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice. The Company attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").

On October 26, 2001, the Commission issued its Order For Notice and Comment, establishing the case, requiring Tiger to provide notice of its application to appropriate persons, including each natural gas utility in Virginia, and providing for the receipt of comments from the public.

No comments from the public on Tiger's application were received.

NOW UPON consideration of Tiger's application to convert and expand its present license to a permanent license to conduct these activities, the Commission is of the opinion and finds that Tiger's request should be granted; that Case No. PUE000487 be closed; and that any reports that Tiger must file in accordance with the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs ("Interim Rules"), 20 VAC 5-311-10 et seq., be filed in the captioned docket, Case No. PUE010536.

[1] This pilot license permits the Company to operate in the natural gas retail access pilot programs of Columbia Gas of Virginia, Inc., ("CGV"), and Washington Gas Light Company ("WGL").

Accordingly, IT IS ORDERED THAT:

(1) Tiger's pilot license, License No. PG-16, is hereby cancelled and replaced with License No. G-13 to provide natural gas service to residential, commercial, and industrial customers in conjunction with the retail access pilot program of CGV, the retail access program of WGL, and throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

(2) These licenses are not valid authority for the provision of any product or service not identified within the license itself.

(3) Failure of Tiger Natural Gas, Inc., to comply with the Retail Access 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) Case No. PUE000487 is hereby closed.

(5) This matter shall remain open pending the receipt of any reports required by the Interim Rules and the Retail Access Rules.

CASE NOS. PUE010537 and PUE000475
DECEMBER 14, 2001

APPLICATIONS OF
BOLLINGER ENERGY CORPORATION

For a permanent license to conduct business as a natural gas competitive service provider

and

BOLLINGER ENERGY CORPORATION

For a license to conduct business as a natural gas competitive service provider

ORDER GRANTING LICENSE

On October 10, 2001, Bollinger Energy Corporation ("Bollinger" or "the Company"), filed an application with the Commission to convert and expand its pilot license, License No. PG-11,[1] to a permanent license to provide competitive natural gas services to commercial and industrial customers throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice. The Company attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 of the Commission's Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules").

On October 26, 2001, the Commission issued its Order For Notice and Comment, establishing the case, requiring Bollinger to provide notice of its application to appropriate persons, including each natural gas utility in Virginia, and providing for the receipt of comments from the public.

No comments from the public on Bollinger's application were received.

NOW UPON consideration of Bollinger's application to convert and expand its present licenses to a permanent license to conduct these activities, the Commission is of the opinion and finds that Bollinger's request should be granted; that Case No. PUE000475 be closed; and that any reports that Bollinger must file in accordance with the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs ("Interim Rules"), 20 VAC 5-311-10 et seq., be filed in the captioned docket, Case No. PUE010537.

Accordingly, IT IS ORDERED THAT:

(1) Bollinger's pilot license, License No. PG-11, is hereby cancelled and replaced with License No. G-14 to provide natural gas services to commercial and industrial customers in conjunction with the retail access pilot program of CGV, the retail access program of WGL, and throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

(2) These licenses are not valid authority for the provision of any product or service not identified within the license itself.

(3) Failure of Bollinger Energy Corporation to comply with the Retail Access 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) Case No. PUE000475 is hereby closed.

(5) This matter shall remain open pending the receipt of any reports required by the Interim Rules and the Retail Access Rules.

[1] This pilot license permits the Company to operate in the natural gas retail access pilot programs of Columbia Gas of Virginia, Inc., ("CGV"), and Washington Gas Light Company ("WGL").

CASE NO. PUE010577
DECEMBER 5, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UNITED CITIES GAS 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 July 25, 2001, Mastec North America, Inc., damaged a two inch plastic gas main line operated by United Cities Gas Company ("the Company") located at or near 274 Old Cedarfield Drive, Christiansburg, Virginia, while excavating;

(2) On or about August 14, 2001, C. L. Draughn Ditching Contractor, Inc., damaged a two inch plastic gas main line operated by the Company located at or near Church and Jackson Streets, Blacksburg, Virginia, while excavating;

(3) On or about August 15, 2001, the Town of Pulaski damaged a one-half inch plastic gas service line operated by the Company located at or near 751 East Main Street, Pulaski, Virginia, while excavating;

(4) On or about August 15, 2001, Robert Pritchett damaged a one-half inch plastic gas service line operated by the Company located at or near 6759 Oxford Avenue, Fairlawn, Virginia, while excavating;

(5) On or about August 27, 2001, C. L. Draughn Ditching Contractor, Inc., damaged a three-quarter inch plastic gas service line operated by the Company located at or near 401 Houston Street, Blacksburg, Virginia, while excavating;

(6) On or about August 29, 2001, H. T. Bowling, Inc., damaged a three-quarter inch plastic gas service line operated by the Company located at or near 1740 Tyler Avenue, Radford, Virginia, while excavating;

(7) On or about August 29, 2001, the City of Radford damaged a one-half inch plastic gas service line operated by the Company located at or near Central Square, First Street, Radford, Virginia, while excavating; and

(8) The Company failed to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order. As an offer to settle all matters before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $5,450 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

(2) Any fines paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $5,450 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE010581
NOVEMBER 30, 2001

APPLICATION OF
ENERGY CONSULTANTS, INC.

For a permanent license to conduct business as an electric aggregator

ORDER GRANTING LICENSE

On October 15, 2001, Energy Consultants, Inc., ("Energy Consultants" or "the Company"), filed an application with the State Corporation Commission ("Commission") for a license to provide competitive electric aggregation services. Pursuant to the Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules") 20 VAC 5-312-10 et seq., the Company requested authority to serve residential and commercial customers in the electric retail access programs throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice. The Company attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B.

On October 30, 2001, the Commission issued its Order For Notice and Comment. That Order docketed the application, directed Energy Consultants to provide notice of its application upon appropriate persons, including the utilities identified in Attachment A to the Order, and invited comments to be filed on the application.

The Company filed proof of this notice on November 9, 2001. No comments on Energy Consultants' application were filed.

The Staff filed its Report on November 20, 2001, concerning Energy Consultants' technical and financial fitness to provide competitive electric aggregation services. In its Report, Staff summarized Energy Consultants' proposal and evaluated its financial condition and technical fitness. Staff concluded that Energy Consultants possesses the financial responsibility and technical experience to provide electric aggregation services for residential and commercial customers throughout Virginia. However, Staff noted that the Company's proposed dispute resolution procedure did not include a notice to the customer that the Division of Energy Regulation may intervene in the Commission's complaint procedures may be utilized, if needed. As such, Staff recommended that a license be granted to Energy Consultants for the provision of electric aggregation services, after the Company files a revised dispute resolution procedure. On November 26, 2001 Energy Consultants filed an appropriate revised dispute resolution procedure.

NOW UPON consideration of Energy Consultants' application for a permanent license to conduct competitive electric aggregation services to residential and commercial retail customers throughout the Commonwealth, and Staff's Report, the Commission is of the opinion and finds that Energy Consultants' request should be granted.

Accordingly, IT IS ORDERED THAT:

(1) Energy Consultants shall be granted License No. A-9 for the provision of competitive electric aggregation services to residential and commercial retail customers throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) Failure of Energy Consultants to comply with the Retail Access 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.

(4) This matter shall remain open pending the receipt of any reports required by the Retail Access Rules, as well as any subsequent amendments or modifications to the license granted herein.

CASE NOS. PUE010582 and PUE000488
DECEMBER 19, 2001

APPLICATIONS OF
ENRON ENERGY SERVICES, INC.

For a permanent license to conduct business as a natural gas competitive service provider

and

ENRON ENERGY SERVICES, INC.

For a license to conduct business as a competitive service provider in a natural gas retail access pilot program

DISMISSAL ORDER

On October 23, 2001, Enron Energy Services, Inc., ("EESI" or "the Company"), completed an application with the State Corporation Commission ("Commission") to convert and expand its pilot license, License No. PG-15,[1] to a permanent license to provide competitive natural gas services to commercial and industrial customers throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

On October 30, 2001, the Commission issued its Order For Notice and Comment, establishing the case, requiring EESI to provide notice of its application to appropriate persons, including each natural gas utility in Virginia, and providing for the receipt of comments from the public.

On December 7, 2001, Staff filed comments in which it noted that on December 2, 2001, EESI's parent company, Enron Corp., announced that it, along with certain of its subsidiaries, filed voluntary petitions for Chapter 11 reorganization with the U.S. Bankruptcy Court for the Southern District of New York. Staff's December 7, 2001 comments, based on conversations it had with representatives of EESI, noted that it was aware that EESI is one of the subsidiaries filing for Chapter 11 reorganization. In light of the bankruptcy filings Staff opposed the Company's request to convert and expand its pilot license. No comments from the public on EESI's application were received.

In a letter to the Clerk of the Commission, dated December 13, 2001, EESI requested permission to withdraw its pending application, without prejudice, for a permanent license to serve as a natural gas competitive service provider in Virginia.

NOW UPON CONSIDERATION of EESI's request to withdraw its application, the Commission is of the opinion and finds that such request should be granted and that the Company's current pilot license, License No. PG-15, has expired. As a result, EESI is no longer authorized to act as a competitive service provider in Virginia.

Accordingly, IT IS ORDERED THAT:

(1) EESI's request to withdraw its application to convert and expand its pilot license, License No. PG-15, to permanent is hereby granted without prejudice.

(2) Case No. PUE010582 is hereby dismissed.

(3) Case No. PUE000488 is hereby dismissed.

[1] By Order dated November 30, 2000, in Case No. PUE000488, EESI was issued License No. PG-15 to provide competitive natural gas services. This pilot license permits the Company to operate in the natural gas retail access pilot program of Washington Gas Light Company ("WGL").

CASE NO. PUE010583
DECEMBER 14, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
COLUMBIA GAS OF VIRGINIA, INC.,
Defendant

ORDER OF SETTLEMENT

The Natural Gas Pipeline Safety Act, 49 U.S.C. § 60101 et seq. ("Act"), requires the Secretary of Transportation ("Secretary") to establish minimum federal safety standards for the transportation of gas and pipeline facilities. The Secretary is further authorized to delegate 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 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 exceeding 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 gas company's compliance with the Safety Standards, has conducted various inspections of construction, operation, and maintenance activities involving Columbia Gas of Virginia, Inc. ("CGV" or "Company"), the Defendant, and alleges that:

(1) CGV 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 Safety Standards by the following conduct:

(a) Failing to design and install a regulator station to prevent any single incident from affecting the operation of both the overpressure protective device and the district regulator in accordance with 49 C.F.R. § 192.199 (g);

(b) Failing to properly secure a regulator station to prevent the unauthorized operation of stop valves in accordance with 49 C.F.R. § 192.199 (h);

(c) Failing on several occasions to properly store pipe in accordance with 49 C.F.R. § 192.303;

(d) Failing to have procedures for holiday detection of certain types of pipe coating in accordance with 49 C.F.R. § 192.303;

(e) Failing on several occasions to apply external protective coating on properly prepared surfaces in accordance with 49 C.F.R. § 192.461(a);

(f) Failing on several occasions to take remedial action to maintain protection against atmospheric corrosion in accordance with 49 C.F.R. § 192.481;

(g) Failing to follow Company Procedure Reference No. 640-2, Section 10.8, Plowing – Pull-in Method, by not properly preparing a weak link to use when plowing service line pipe in accordance with 49 C.F.R. § 192.605 (a);

(h) Failing to follow Company Procedure Reference No. 640-8 by not having a vent stack at least 7 feet in the air when purging and not leaving the previous purge point open while purging the next location in accordance with 49 C.F.R. § 192.605 (a);

(i) Failing on several occasions to properly perform testing to assure proper concentrations of odorant in accordance with 49 C.F.R. § 192.605 (a);

(j) Failing on several occasions to perform testing to assure proper concentrations of odorant in accordance with 49 C.F.R. § 192.625 (f);

(k) Failing on several occasions to have pipeline markers with properly sized lettering in accordance with 49 C.F.R. § 192.707(d)(1);

(l) Failing on several occasions to display the company name and telephone number (including area code) where the operator can be reached at all times on a pipeline marker in accordance with 49 C.F.R. § 192.707(d)(2);

(m) Failing to have a requirement in the emergency manual to report LNG incidents in accordance with 49 C.F.R. § 193.2515; and,

(n) Failing to have flammable gas detection alarms set to activate at not more than 25% of the lower flammable limit in accordance with 49 C.F.R. § 193.2819 (c).

The Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this order. As an offer to settle all matters arising from the allegations made against it, CGV represents and undertakes that:

(1) The Company will pay a fine to the Commonwealth of Virginia in the amount of $29,100, of which $19,100 will be paid contemporaneously with the entry of this Order. The remaining $10,000 is due as outlined in paragraph 4, below, and may be suspended in whole, or in part, provided the Company tenders the requisite certification that it has completed specific remedial action on or before the scheduled date for completion of said remedial action. At the completion of all remedial action outlined below, the Commission may vacate any outstanding amounts. The initial payment, and any subsequent payments, will be made by check, payable to the Treasurer of Virginia, and directed to the attention of the Director of the Division of Energy Regulation;

(2) The Company will repair or replace all pipeline markers as necessary to comply with the provisions of §192.707 of the Safety Standards.

(3) On or before January 31, 2002, CGV will tender to the Commission a notarized affidavit by the President of CGV ("affidavit") certifying that all of the Company's pipeline markers now comply with §192.707 of the Safety Standards.

(4) Upon the timely receipt of said affidavit, the Commission may suspend $10,000 of the amount specified above. Should CGV fail to tender said affidavit or take the actions required by paragraph (2) above by January 31, 2002, a payment of $10,000 shall become immediately due and payable. The Company shall immediately notify the Division of the reasons for its failure to accomplish the actions required by paragraph 2 above and upon investigation, if the Division determines that the reason for said failure justifies a payment lower than $10,000, it may recommend to the Commission a reduction in the amount due. The Commission shall determine the amount due. Upon the Commission's determination of the amount due, the Company shall immediately tender to the Commission that amount ordered by the Commission.

(5) Any fines paid in accordance with this Order shall not be recovered in the Company's rates as part of CGV's cost of service. Any such fines and costs shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Commission's Division of Public Utility Accounting.

The Commission being fully advised in the premises and finding sufficient basis herein for the entry of this Order, and in reliance on the Defendant's representations and undertakings set forth above, is of the opinion and finds that CGV has made a good faith effort to cooperate with the Staff during the investigation of this matter, and therefore, the offer of compromise and settlement should be accepted. The failure of CGV to comply with the undertakings referenced above 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 activities discussed 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 to compromise and settle made by CGV be, and it hereby is, accepted.

(2) CGV timely comply with the remedial actions outlined herein.

(3) The failure of CGV to so comply with said remedial action may result in the initiation of a Rule to Show Cause proceeding against CGV for continuing violations of specific Safety Standards. Such proceeding may include any action necessary to effect immediate completion with the remedial activities described herein.

(4) Pursuant to § 56-5.1 of the Code of Virginia, CGV be, and it hereby is, fined in the amount of $29,100.

(5) The sum of $19,100 tendered contemporaneously with the entry of this Order is accepted.

(6) The remaining $10,000 is due as outlined herein and may be suspended and subsequently vacated, in whole or in part, provided the Company timely undertakes the actions required on page 4, and tenders timely certification of the remedial activities as outlined herein.

(7) The Commission shall retain jurisdiction over this matter for all purposes, and the matter is continued, pending further orders of the Commission.

CASE NO. PUE010584
DECEMBER 14, 2001

APPLICATION OF
AES NEWENERGY, INC.

For permanent licenses to conduct business as a competitive electric service provider and as an aggregator

ORDER GRANTING LICENSES

On November 2, 2001, AES NewEnergy, Inc., ("AES" or "the Company"), completed an application with the State Corporation Commission ("Commission") for licenses to provide competitive electric and natural gas aggregation services. Pursuant to the Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules") 20 VAC 5-312-10 et seq., the Company requested authority to serve commercial and industrial customers in the electric retail access programs and to conduct business as an aggregator of natural gas services throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice. The Company attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 B.

On November 14, 2001, the Commission issued its Order For Notice and Comment. That Order docketed the application, directed AES to provide notice of its application upon appropriate persons, including the utilities identified in Attachment A to the Order, and invited comments to be filed on the application.

The Company filed proof of this notice on November 9, 2001. No comments on AES' application were filed.

The Staff filed its Report on December 5, 2001, concerning AES' technical and financial fitness to provide competitive electric aggregation services. In its Report, Staff summarized AES' proposal and evaluated its financial condition and technical fitness. To ensure the faithful discharge of its duties as a retail access provider pursuant to the Retail Access Rules and the Code of Virginia, AES provides a surety bond payable to the Commonwealth of Virginia. Staff concluded that AES possesses the financial responsibility and technical experience to provide electric and aggregation services for commercial and industrial customers throughout Virginia. As such, Staff recommended that licenses be granted to AES for the provision of retail electric and aggregation services.

AES filed comments in support of Staff's Report on December 7, 2001.

NOW UPON consideration of AES' application for permanent licenses to conduct competitive electric and aggregation services to commercial and industrial retail customers throughout the Commonwealth, the AES surety bond, and Staff's Report, the Commission is of the opinion and finds that AES' request should be granted.

Accordingly, IT IS ORDERED THAT:

(1) AES shall be granted License No. E-11 for the provision of competitive electric services to commercial and industrial retail customers throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

(2) AES shall be granted License No. A-12 for the provision of competitive aggregation services to commercial and industrial retail customers throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

(3) These licenses are not valid authority for the provision of any product or service not identified within the license itself.

(4) Failure of AES to comply with the Retail Access 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 matter shall remain open pending the receipt of any reports required by the Retail Access Rules, as well as any subsequent amendments or modifications to the license granted herein.

CASE NO. PUE010660
DECEMBER 27, 2001

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.

To close Rate Schedules TS-1 and TS-2 to new customers and for conditional approval to waive certain penalties and charges

ORDER PERMITTING WITHDRAWAL OF APPLICATION

On November 21, 2001, Columbia Gas of Virginia, Inc. ("Columbia" or the "Company") filed an application (the "Application") requesting approval to close its existing Rate Schedules TS-1 and TS-2 to new customers and requesting conditional approval to waive specified penalties and charges imposed on certain customers served under Schedules TS-1 and TS-2 during the winter of 2000-2001 (the "Application").

In the Application, the Company also proposed to implement new Rate Schedules TS-3 and TS-4 and a new Rate Schedule AS-Aggregation Service. The new Rate Schedules TS-3 and TS-4 were filed administratively with the Commission's Division of Energy Regulation on November 21, 2001. On December 6, 2001, the Division of Energy Regulation issued a letter to Columbia's counsel stating its refusal to accept the application for the proposed new Rate Schedules TS-3 and TS-4 administratively.

On December 18, 2001, the Commission issued a Preliminary Order docketing this matter and directing, among other things, the Company to file on or before January 2, 2002, an appropriate application relative to its proposed new Rate Schedules TS-3 and TS-4 with the Clerk of the Commission under this docket.

On December 21, 2001, Columbia filed a Motion for Leave to Withdraw Application. In its Motion, Columbia stated, given the reaction of the Staff and customers to Columbia's suggested means of resolving its ongoing penalty and tariff revision disagreements between the Company and its transportation customers, the Company requested leave to withdraw the Application.

NOW, upon consideration of the foregoing, the Commission is of the opinion and finds that Columbia's Motion should be granted; that the Company should be permitted to withdraw the captioned application; and that this case should be dismissed from the Commission's docket of active proceedings.

Accordingly, IT IS ORDERED THAT:

(1) The Company's December 21, 2001, Motion to Withdraw Application is hereby granted.

(2) The captioned application may be withdrawn by the Company.

(3) This case 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.

DIVISION OF ECONOMICS AND FINANCE

CASE NO. PUF990005
OCTOBER 3, 2001

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to issue medium-term notes

ORDER EXTENDING AUTHORITY GRANTED

On March 30, 1999, Virginia Electric and Power Company ("Virginia Power" or "Applicant") was granted authority to issue and sell medium-term notes up to an aggregate maximum principal of $400,000,000. On April 8, 1999, a Correcting Order was issued to correct our description of the notes' maturities to not less than nine months from their respective dates of issuance.

By letter dated August 27, 2001 ("Letter"), Virginia Power stated that it has issued $280,000,000 of medium-term notes under the authority granted. In the Letter, the Applicant requested an extension of the authorization and the due date of the Final Report of Action in this case through the end of November, 2003.

THE COMMISSION, upon consideration of the initial application, the Letter requesting the extension, and having been advised by its Staff, is of the opinion and finds that granting the requested extension will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT:

1) The authority granted in the case shall be extended to December 1, 2003.

2) Ordering paragraph (5) in our March 30, 1999, Order shall be modified to read, "Applicant shall file a final report of action on or before December 1, 2003, to include the information included in ordering paragraph (4) for the third quarter of 2003, then-current actual expenses and fees paid in connection with the financings, and an explanation of any variances from the estimated expenses in the March 5, 1999, application".

3) All other provisions of the March 30, 1999, Order and the April 8, 1999, Correcting Order shall remain in full force.

4) This matter shall be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF000016
DECEMBER 20, 2001

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to issue securities and to establish a trust preferred financing facility

ORDER AMENDING THE AUTHORITY GRANTED

By Order dated May 26, 2000, Virginia Electric and Power Company ("Virginia Power" or "the Company") was 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. The authority was granted, subject to the condition that any refinancings result in demonstrated savings to Virginia Power.

On December 17, 2001, Virginia Power filed a request to amend the authority granted in the above-referenced order to allow it to enter into hedging transactions in anticipation of financings approved in that Order. In its request, the Company states that, with respect to the $1.5 billion of authorized securities, $900 million remains unissued. The Company requests to amend that authority to allow it to enter into Treasury lock hedges and similar anticipatory transactions prior to the issuance of those securities.

Virginia Power states that the purpose of entering into a Treasury lock transaction would be, in effect, to set the underlying Treasury rate that is used in pricing the new security at the Treasury yield effective as of the date of the lock. Further, the Company states that the authority to execute anticipatory hedging transactions will provide it with the mechanism to mitigate the risk that the economics upon which a decision to refund an outstanding security or to issue a new security will adversely change by the time the transaction can be executed.

The Company proposes to limit such authority in a manner similar to that authorized by the Commission in Case No. PUF970017. Specifically, Virginia Power states that it will not enter into any hedging transaction with counterparties having a credit rating less than investment grade; that any such hedging transaction will be related to a security issued under the authority granted in this docket; that the authority granted herein shall have no implications for ratemaking purposes;[1] and that Virginia Power will abide by certain reporting requirements.

[1] However, during any period in which rates are capped or frozen by regulatory or legislative action, the Company shall enter into such hedging transactions at its own risk.

Virginia Power also proposes that the Commission find that anticipatory hedging transactions are "securities" subject to the Commission's jurisdiction and authority under Chapter 3 of Title 56 of the Code of Virginia, and that such finding does not constitute a finding that anticipatory hedging transactions are, or are not, securities for purposes of Title 13.1 of the Code of Virginia or other securities laws.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that granting Virginia Power the requested amended authority will not be detrimental to the public interest. With respect to the question of whether question of whether interest rate swap transactions or other financial hedging transactions are securities except under Chapter 3 of Title 56 of the Code of Virginia, that issue is not before us now, and we will therefore, not decide it at this time. Accordingly,

IT IS ORDERED THAT:

1) The authority granted Virginia Power in our May 26, 2000 Order is hereby amended to allow the Company to enter into anticipatory hedging transactions related to the issuance of the remaining $900 million in debt and preferred securities, provided that any refinancings result in demonstrated cost savings to Virginia Power.

2) Within 10 business days following execution of each hedging transaction, the Company will file a report with the Commission's Division of Economics and Finance describing the transaction, including the notional amount, the credit rating of the counterparty, and other substantive terms of the transaction, and such information will be considered confidential and competitively sensitive.

3) Within 60 days of the end of each calendar quarter in which the Company has either executed or terminated an anticipatory hedging transaction, the Company will file a Report of Action with the Commission's Division of Economics and Finance that will report the number of anticipatory hedging transactions that have been executed and/or terminated, the amounts of money that Virginia Power paid or received related to such transactions, and the hedged security issuance.

4) All other provision outlined in our May 26, 2000 order shall remain in full force and effect.

5) This matter shall remain under the continued review, audit and appropriate directive of the Commission.

CASE NO. PUF000031
SEPTEMBER 19, 2001

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to issue long-term debt, preferred stock, and common equity

ORDER AMENDING AUTHORITY GRANTED

On October 24, 2000, the Commission issued an Order Granting Authority for Washington Gas Light Company ("WGL" or "Applicant") to issue up to $250.5 million of common stock, preferred stock, or long-term debt ("Debt Securities"), or any combination thereof for the period January 1, 2001, through December 31, 2002. In this case, the authority to issue common stock was limited to the time until WGL completed its reorganization under a holding company. By the authority granted in Case No. PUA000010, WGL became a subsidiary of WGL Holdings, Inc. effective November 1, 2000. The authority granted in this case remains under the continued review, audit, and appropriate directive of the Commission.

By letter dated August 15, 2001, Applicant requests that the authority in this case be amended to authorize WGL to enter into one or more interest rate hedging transactions in association with the issuance of Debt Securities authorized by the Commission's Order Granting Authority dated October 24, 2000. Applicant represents that the primary purpose of the proposed hedging transactions is to reduce the risk of fluctuation in the cost of Debt Securities issued by WGL. By letter dated September 17, 2001, Applicant clarified its request for amended authority by stating that the proposed hedging transactions would be initiated prior to the issuance of corresponding Debt Securities.

Applicant further represents that each derivative transaction under the authority requested will have a notional amount that is comparable to the planned issuance of Debt Securities. Additionally, the duration of the derivative instrument will be the period between the execution of the derivative contract and the issuance of the Debt Securities. Applicant also states that the term of a proposed derivative transaction will not exceed twelve months and will only be initiated during the effective period of the authority granted in this case. Lastly, WGL states that the proposed transactions will meet the requirements of Statement of Financial Accounting Standards 133, applicable to accounting for hedge transactions.

THE COMMISSION, upon consideration of the application and having been advised by Staff, is of the opinion and finds that approval of Applicant's request for amended authority will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) WGL is hereby authorized to enter into one or more of the proposed interest rate hedging transactions in association with the Debt Securities authorized in this case, through December 31, 2002.

2) All other provisions of the October 24, 2000 Order shall remain in full force and effect.

CASE NO. PUF000032
FEBRUARY 15, 2001

APPLICATION OF
DALE SERVICE CORPORATION

For authority to issue securities

ORDER AMENDING AUTHORITY

By Commission Order dated October 24, 2000, Dale Service Corporation ("Dale Service" or "Applicant") was authorized to issue $10,000,000 of private activity bonds and to enter into a $13,000,000 bank loan agreement. Applicant filed a Report of Action ("Report") on January 3, 2001, pursuant to that authority.

According to the Report, on October 27, 2000, Dale Service issued $10,000,000 in private activity bonds at an effective interest rate of 6.561%. The bonds will mature on October 1, 2020.

Applicant did not indicate that it made any draws on the $13,000,000 bank loan.

THE COMMISSION, upon consideration of the remaining authority in this case and having been advised by its Staff, is of the opinion and finds that it is in the public interest to amend our authority relative to the remaining $13,000,000 bank loan. We are concerned with the authority as initially granted. We note that Dale Service has recently filed an application to issue an additional $13,000,000 in tax-exempt bonds. That case has been docketed as Case No. PUF010002. The addition of this proposed debt causes us concern. A time limitation on the authority to enter into the $13,000,000 bank loan in this proceeding as well as the total amount outstanding limitation of $27,000,000 imposed in our Order Granting Authority issued today in Case No. PUF010002 addresses our concern with the unissued bank loan and the increased amount of any authorized debt. We will, accordingly, amend the authority granted in our order of October 24, 2000, to include a termination date of June 30, 2002.

Accordingly, IT IS ORDERED THAT:

1) The authority granted in our October 24, 2000, Order shall be amended to authorize the $13,000,000 bank loan agreement, under the terms and conditions and for the purposes set forth in the application, with such authority to terminate June 30, 2002.

2) Applicant shall submit a report of action on or before July 31, 2002, to include the date(s) of any draws on the bank loan, the amount of the draw, the applicable interest rate, the maturity date, net proceeds to Applicant, and a recent balance sheet reflecting the actions taken.

3) This matter shall be continued subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF000045
JANUARY 24, 2001

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.,
COLUMBIA ENERGY GROUP, INC.,
and
NISOURCE FINANCE CORP.

For approval of intercompany financing for 2001

ORDER AMENDING AUTHORITY GRANTED

On December 15, 2000, the Commission issued an Order authorizing Columbia Gas of Virginia, Inc. ("CGV" or "Company"), the Columbia Energy Group, Inc. ("Columbia"), and NiSource Finance Corp. ("NFC"), (collectively, "Applicants"), to enter into intercompany financing arrangements during 2001 through the Intrasystem Money Pool ("Money Pool"). In that Order, CGV was authorized to borrow up to $45,000,000 through the Money Pool from Columbia, NFC, and/or other affiliates, in excess of twelve percent of its total capitalization.

By letter dated January 19, 2001, CGV requested that the Commission amend the authority in its December 15, 2000, Order and increase its authorized level of short-term borrowing from $45,000,000 to $70,000,000. In support of its request, CGV states that a colder than normal winter accompanied by rising gas prices has increased CGV's need for short-term borrowing. Moreover, a significant number of customers have begun to utilize CGV's budget payment plan, further increasing the need for working capital. Because of the significant increase in gas costs and the effect of customer budget payment plan participation, CGV will likely exceed its current authority early in the year 2001.

THE COMMISSION, having considered the representations of CGV and having been advised by its Staff, is of the opinion and finds that CGV's request for amended authority should be granted.

Accordingly, IT IS ORDERED THAT:

1) CGV is hereby authorized to enter into financial transactions to borrow up to $70,000,000 through the Money Pool from Columbia, NFC, and/or other affiliates, in excess of twelve percent of total capitalization, from the date of this Order through December 31, 2001, under the terms and conditions and for the purposes set forth in the application, as amended by its January 19, 2001, letter.

2) All other provisions of the December 15, 2000, Order shall remain in full force and effect.

CASE NO. PUF000048
JANUARY 16, 2001

APPLICATION OF
ATMOS ENERGY CORPORATION

For authority to lend funds to affiliates

ORDER GRANTING AUTHORITY

On December 15, 2000, Atmos Energy Corporation ("Atmos" or "Applicant") filed an application under Chapter 4 of Title 56 of the Code of Virginia requesting authority to lend short-term funds to its affiliates.

Atmos proposes to lend short-term funds to its affiliates up to a maximum of $50,000,000 at any one time for maturity periods of less than twelve months during calendar year 2001. Applicant states that the interest rate on these affiliate transactions generally will be the Atmos borrowing rate plus a mark-up of 25 basis points for a first- or second-tier subsidiary and 50 basis points for a third-tier subsidiary. In no event, however, will the rate be less than Atmos' then-effective borrowing rate.

Applicant states that the current high cost of gas will increase the need for capital for certain of the Atmos subsidiaries. Further, Atmos' pending acquisition of Louisiana Gas Service Company may result in a need for an increased level of lending by Atmos to certain subsidiaries.

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 lend short-term funds to its affiliates up to a maximum of $50,000,000 at any one time for maturity periods of less than twelve months, through December 31, 2001, under the terms and conditions and for the purposes set forth in the application.

2) Applicant shall file a report regarding the short-term loans to affiliates on or before February 28, 2002. Such report shall include the date, amount, interest rate of each loan, Atmos' corresponding borrowing rate, the monthly maximum amount outstanding, and the schedule of repayment for each affiliate loan.

3) The authority granted herein shall not preclude the Commission for applying the provisions of § 56-78 and § 56-80 of the Code of Virginia hereafter.

4) The Commission reserves the right, in connection with the authority granted herein, to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission.

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. PUF010001
FEBRUARY 8, 2001

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY

For authority to issue debt securities

ORDER GRANTING AUTHORITY

On January 17, 2001, Virginia-American Water Company ("Virginia-American" or "Applicant") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia for authority to issue promissory notes ("Notes") to an affiliate, American Water Capital Corp. ("Capital Corp."). Applicant paid the requisite fee of $250.

Virginia-American proposes to sell $10,000,000 of Notes to Capital Corp over a two-year period ending December 31, 2002. Capital Corp intends to issue $100 million in debt securities in February or March of 2001 and to make the proceeds available to various water utility affiliates.

The Notes will have the same rate, maturity, and other terms and conditions as the debt securities issued by Capital Corp. The net proceeds from the sale of the Notes will be used to pay down short-term debt, to retire at maturity $5,000,000 of 7.44% Series Bonds in October of 2002, to finance Applicant's ongoing construction program, and for other general corporate purposes. The interest rate and maturity date will be determined at the time Capital Corp. issues the $100 million in debt securities. Issuance expenses incurred by Capital Corp will be allocated based on Virginia-American's pro rata share of proceeds raised by Capital Corp.

The Commission, upon consideration of the application and having been advised by Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT:

1) Virginia-American hereby is authorized to issue up to $10,000,000 of promissory notes to American Water Capital Corp., from the date of this Order through December 31, 2002, all in a manner, under the terms and conditions, and for the purposes as set forth in the application.

2) Approval of this application shall not preclude the Commission from applying § 56-78 and § 56-80 of the Code of Virginia hereafter.

3) 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.

4) Approval of this application shall have no implications for ratemaking purposes.

5) Virginia-American shall submit a preliminary report of action within ten (10) days after the issuance of the Notes; such report shall include the date, amount, and interest rate of the Note.

6) Virginia-American shall file a final report of action, on or before January 31, 2003. Such report shall include a detailed account of the expenses and fees paid to date to issue all securities authorized herein and an explanation of any variance of the estimated expenses contained in the Financing Summary attached to the application.

7) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF010001
NOVEMBER 6, 2001

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY

For authority to issue debt securities

ORDER AMENDING AUTHORITY GRANTING

By Commission Order dated February 8, 2001, Applicant was granted authority to issue up to $10.0 million of long-term debt securities ("Notes") to American Water Capital Corporation ("Capital Corp."), an affiliate, through the period ending December 31, 2002.

On October 15, 2001, Virginia-American Water Company ("Virginia-American" or "Applicant") filed a request to increase that limit from $10.0 million to $19.0 million through December 31, 2002.

Applicant represents that the need for the additional $9.0 million of debt arises from: 1) the actual issuance of $5.8 million of debt in 2001, instead of the estimated amount of $4.0 million; and 2) the desire to pay down the $7.0 million of short-term debt that was used to fund the early redemption of the 9.05% Series General Mortgage Bonds.

The additional Notes will be issued to Capital Corp. with the interest rate, maturity, and other terms of the Notes mirroring those contained in the underlying debt securities publicly issued by Capital Corp. Pursuant to the Financial Services Agreement authorized by Commission Order dated June 23, 2000, in Case No. PUA000038, Applicant estimates that issuance costs for the Notes will be one percent (1%) of the principal amount borrowed. The Notes will be used to pay down short-term debt, to refund maturing long-term debt, to construct, improve, and/or acquire additional properties and facilities, and for other proper general corporate purposes.

NOW THE COMMISSION, upon consideration of Applicant's request and having been advised by Staff, is of the opinion and finds that increasing Applicant's authority to issue up to $19.0 million of Notes will not be detrimental to the public interest. We will, therefore, amend our authority granted the Applicant to increase that amount on a prospective basis.

Accordingly, IT IS ORDERED THAT:

1) Virginia-American is hereby granted authority to increase the limit for the issuance of Notes to Capital Corp. from $10.0 million to $19.0 million. Such authority shall be effective from the date of this Order through December 31, 2002.

2) All other provisions of the February 8, 2001 Order shall remain in full force and effect.

CASE NO. PUF010002
FEBRUARY 15, 2001

APPLICATION OF
DALE SERVICE CORPORATION

For authority to issue securities and to enter into interest rate swap agreements

ORDER GRANTING AUTHORITY

On January 18, 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 securities and to enter into interest rate swap agreements. Applicant paid the requisite fee of $250.

By Commission Order dated October 24, 2000, in Case No. PUF000032, Dale Service was granted authority to issue $10,000,000 of private activity bonds and to enter into a $13,000,000 bank loan agreement. By Commission Order dated November 22, 2000, in Case No. PUF000040, Dale Service was authorized to enter into an interest rate swap agreement with respect to the interest on the $10,000,000 of private activity bonds. This first portion, $10,000,000, of the $23,000,000 requirements for planned capital improvements has been issued. The remaining funds ($13,000,000) were projected to be financed by a bank loan from First Union National Bank ("First Union").

In its current application, Dale Service proposes to issue $13,000,000 of private activity bonds. The tax-exempt bonds will be supported by a letter of credit from First Union. Applicant indicates that, for greater market acceptance, the tax-exempt bonds will be issued with a floating interest rate determined weekly. In order for Dale Service to avoid the risk of interest rate fluctuations, it requests authority to enter into an interest rate swap agreement with respect to the interest associated with the bonds. The effective interest rate after the swap including the interest, letter of credit fees, and remarketing fees will be between 6.0% and 7.5% per year.

Applicant states that the tax-exempt bonds will allow the financing to proceed at a more advantageous interest rate to Dale Service and to its ratepayers than it would have achieved with the taxable bank loan.

Applicant states that the new tax-exempt bonds obviate, in major part, the need for the bank loan from First Union as approved in Case No. PUF000032. Applicant, however, indicates that part of the bank loan will need to remain in place as an interest reserve component to assist it in the payment of interest on all of the bonds during construction and on any other incidental borrowings related to the planned construction. First Union has requested that Dale Service obtain a fixed rate of interest through the use of a floating rate construction loan along with an interest rate swap agreement.

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 are concerned with the total amount of debt authority granted to Dale Service with the addition of the $13,000,000 in tax-exempt debt. We believe that, while some of the bank loan funds may be needed to provide an interest reserve, the use of the entire $13,000,000 bank loan and the $13,000,000 of tax-exempt bonds is not warranted. Therefore, we will limit the total amount of debt outstanding pursuant to this proceeding and Case No. PUF000032 to $27,000,000. This will allow for the $23,000,000 in capital improvements and will provide a cushion of $4,000,000 for an interest reserve and other incidental borrowings.

Accordingly, IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue $13,000,000 of tax-exempt bonds and to enter into interest rate swap agreements associated with this issuance and the Applicant's bank loan, under the terms and conditions and for the purposes set forth in the application, provided that the total amount of debt issued pursuant to this proceeding and Case No. PUF000032 does not exceed $27,000,000 at any one time.

2) Applicant shall submit a report of action on or before June 30, 2001, to include the date(s) tax-exempt bonds are issued, the amount of the issuance(s), the applicable interest rate, the maturity date, net proceeds to Applicant, and a balance sheet reflecting the actions taken. In addition, Applicant shall submit a copy of any executed interest rate swap agreements.

3) This matter shall remain under the continued review, audit, and appropriate directive of the Commission.

CASE NO. PUF010003
MARCH 1, 2001

APPLICATION OF
RAPPAHANNOCK ELECTRIC COOPERATIVE

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On February 6, 2001, Rappahannock Electric Cooperative ("Rappahannock" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to incur long-term indebtedness with the Rural Utilities Services ("RUS") and the National Bank for Cooperatives ("CoBank"). Applicant has paid the requisite fee of $250.

Rappahannock requests authority to obtain financing from RUS in the amount of $36,101,100 and from CoBank in the amount of $15,471,900. The proceeds will be used to fund new construction and system improvements as approved by RUS in the Company's most recent three-year work plan. The loans will have concurrent maturities of thirty-five years. The loan from RUS may be drawn down from time to time and may have a variable or fixed

interest rate, not to exceed 7% per year. The CoBank loan may have a variable or fixed interest rate depending on market conditions at the time of the drawdown.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to borrow up to $36,101,100 from RUS and to borrow up to $15,471,900 from CoBank, under the terms and conditions and for the purposes set forth in the application.

2) Within thirty (30) days of the date of any advance of funds from either RUS or CoBank, Applicant shall file with the Commission's Division of Economics and Finance a Report of Action which shall include the amount of the advance, the interest rate selected, and the interest rate maturity.

3) In the event Applicant wishes to convert its CoBank loan to a variable interest rate after a fixed rate has been established, it shall file for Commission approval for such action.

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. PUF010004
APRIL 23, 2001

APPLICATION OF
SHENANDOAH TELEPHONE COMPANY
and
SHENANDOAH TELECOMMUNICATIONS COMPANY

For authority to lend funds to an affiliate

ORDER GRANTING AUTHORITY

On February 26, 2001, Shenandoah Telephone Company ("Shenandoah" or "Applicant"), filed an application under Chapter 4 of Title 56 of the Code of Virginia requesting authority to lend funds to an affiliate, Shenandoah Telecommunications Company ("Shentel"), Shenandoah's parent.

Shenandoah proposes to lend short-term or long-term funds to Shentel as necessary up to a maximum outstanding amount of $2,000,000 through December 31, 2001. Shenandoah represents that the proposed transactions may occur when Shenandoah has excess funds and Sheltel has the need for funds. 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 from the date of this order through December 31, 2001, under the terms and conditions and for the purposes set forth in the application.

2) Approval of this application shall have no implications for ratemaking purposes.

3) The authority granted herein shall not preclude the Commission from applying the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

4) The Commission reserves the right, pursuant to § 56-79 of the Code of Virginia, to examine the books and records of any affiliate in conjunction with the approval granted herein, whether or not such affiliate is regulated by this Commission.

5) On or before March 1, 2002, 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.

6) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF010005
MARCH 27, 2001

APPLICATION OF
SHENANDOAH VALLEY ELECTRIC COOPERATIVE

For approval of affiliate transactions and for authority to guarantee the debt of an affiliate

ORDER GRANTING AUTHORITY

On March 2, 2001, Shenandoah Valley Electric Cooperative ("SVEC" or "Applicant") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia for approval of transactions with an affiliate and for authority to guarantee the debt of an affiliate. Applicant paid the requisite fee of $250.

In Case No. PUA000014, SVEC was granted authority to enter into an Operating and Management Agreement ("the Original Agreement") with its subsidiary, Shenandoah Valley Energy Company, L.C. ("the Subsidiary"). SVEC was authorized to charge the Subsidiary the higher of its cost or the cost of obtaining services from an outside party ("market price") where a market for such services existed. All other services were to be priced at cost. Commission approval was required for any changes in the terms and conditions of the Original Agreement.

In the Original Agreement, the parties contemplated that the Subsidiary would become involved in the natural gas marketing business. That endeavor, however, did not come to fruition. Now, the Subsidiary desires to engage in other lawful activities under the same basic terms and conditions contained in the Original Agreement.

SVEC proposes to enter into a First Revised Agreement for Operation and Management ("Revised Agreement") with the Subsidiary. The Applicant represents that the difference between the Revised Agreement and the Original Agreement is the omission of references to natural gas marketing and the insertion of general language describing the business of the Subsidiary consistent with permitting the Subsidiary to engage in any lawful corporate business in Virginia.

SVEC also proposes a partial guarantee of the Subsidiary's obligations in connection with its business ventures, with the guarantee not to exceed $1,000,000. According to the application, the Subsidiary's present business plan involves the purchase and lease of large diesel generators. The Subsidiary will purchase the generators and lease them to SVEC members as well as to non-member power users. The generators will provide emergency standby generation, reducing the risk to the power user of costly downtime due to power outages. Also, the generators can be operated for purposes of demand reduction.

The Subsidiary is expected to borrow the funds for the generators from a commercial bank. The loan will have a term of approximately seven years. The first loan is expected to close in the second or third quarter of 2001.

THE COMMISSION, upon consideration of the application, SVEC's Board Resolution adopted in support of the loan guarantee, and having been advised by its Staff, is of the opinion and finds that the above-described Revised Agreement is in the public interest, provided that services for which a market exists be provided to the Subsidiary at the higher of cost or market. All other services should be provided at cost. The Commission further finds that approval of the proposed guarantee to the Subsidiary will not be detrimental to the public interest.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, SVEC is hereby granted approval to enter into the Revised 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) SVEC is also authorized to provide up to a $1,000,000 guarantee of the debt of its Subsidiary, under the terms and conditions and for the purposes stated in its application.

3) Should there be any changes in the terms and conditions of the Revised Agreement from those contained herein, Commission approval shall be required for such changes.

4) SVEC shall bear the burden, in any rate proceeding, of proving that it received the higher of cost or market for services provided to the Subsidiary for which a market exists.

5) The approval granted herein shall have no ratemaking implications.

6) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

7) The Commission reserves the authority to examine the books and records of any affiliate of SVEC in connection with the authority granted herein whether or not the Commission regulates such affiliate.

8) SVEC shall include the Revised Agreement in its Annual Report of Affiliate Transactions submitted to the Director of Public Utility Accounting.

9) If general rate case filings are not based on a calendar year, then SVEC shall include the affiliate information contained in the Annual Report of Affiliate Transactions in such filings.

10) Within 10 days of SVEC having to provide funds under the guarantee, SVEC shall submit a report of action to the Commission's Division of Economics and Finance to include the amount of the monies paid by SVEC on the Subsidiary's behalf and the events occurring to cause such payment.

11) There appearing nothing further to be done in this matter, it hereby is, dismissed.

CASE NO. PUF010006
MARCH 14, 2001

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For modification of reporting requirement

ORDER GRANTING MOTION AND VACATING REPORTING REQUIREMENT

On March 6, 2001, Virginia Natural Gas, Inc. ("VNG" or "the Company"), filed a motion requesting that the Commission modify the reporting requirement set forth in ordering paragraph (3) of its December 7, 1990, Order in Case No. PUF900010. Ordering paragraph (3) states that:

> . . . Applicant shall file with the Commission's Division of Economics and Finance, a report on a semi-annual basis for the calendar year 1991 and then annually thereafter, regarding leases entered into pursuant to this application, such report shall include: the aggregate basic rental payment for each month, the aggregate adjusted acquisition cost for each month, the embedded interest rate in the lease payments, Conag's borrowing rate and margin embedded in the interest rate, and a brief description of the equipment lease[.]

In support of its motion, VNG states that it understands that the Division of Economics and Finance no longer needs the reporting required in the above-referenced order. The Company states, however, that it will continue to reflect its equipment lease activity on its books and that such information will remain available for examination by the Commission and its Staff upon request and in its other regulatory filings.

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that the Company's request should be granted.

Accordingly, IT IS ORDERED THAT:

(1) Virginia Natural Gas, Inc.'s motion for modification of reporting requirement is hereby granted.

(2) The reporting requirement detailed in ordering paragraph (3) of our Order Granting Approval dated December 7, 1990, in Case No. PUF900010 is hereby vacated.

(3) This matter is hereby dismissed.

CASE NO. PUF010007
APRIL 19, 2001

APPLICATION OF
RAPPAHANNOCK ELECTRIC COOPERATIVE

For approval of affiliate transactions and for authority to make loans to and/or to guarantee the debt of an affiliate

ORDER GRANTING AUTHORITY

On March 28, 2001, Rappahannock Electric Cooperative ("REC" or "Applicant") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia for approval of transactions with an affiliate and for authority to guarantee the debt of an affiliate. Applicant paid the requisite fee of $250.

By Order dated December 21, 2000, in Case No. PUA000100, REC was granted authority to enter into an Administrative, Operations, and Management Contract ("the Contract") with its subsidiary, Rappahannock Electric Communications, Inc. ("the Subsidiary").

In its current application, REC requests authority to make loans to and/or to guarantee the debt of the Subsidiary. The purpose of the proposed loan or guarantee is to support the financial requirements of the Subsidiary. According to REC, such financial support will provide the Subsidiary with the financial creditworthiness to obtain leases and loans as well as with access to the capital needed to pursue new business activities.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that the proposed loan and/or guarantee will not be detrimental to the public interest, provided that the pricing of services is consistent with our Order dated December 21, 2000, in Case No. PUA000100.

Accordingly, IT IS ORDERED THAT:

1) REC is authorized to make loans to and/or to guarantee the debt of its Subsidiary, under the terms and conditions and for the purposes stated in its application, provided that the pricing of services is consistent with our Order dated December 21, 2000, in Case No. PUA000100.

2) Consistent with the pricing provisions of the Commission's Order dated December 21, 2000, in Case No. PUA000100, REC shall bear the burden, in any rate proceeding, of proving that it received the higher of cost or market for services 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 hereafter.

5) The Commission reserves the authority to examine the books and records of any affiliate of REC in connection with the authority granted herein whether or not the Commission regulates such affiliate.

6) If general rate case filings are not based on a calendar year, then REC shall include the affiliate information contained in the Annual Report of Affiliate Transactions in such filings.

7) Within 10 days of REC loaning funds to its Subsidiary, REC shall submit a report of action to the Commission's Division of Economics and Finance to include the amount loaned, the interest rate, the maturity, and the anticipated use of the loan proceeds by the Subsidiary.

8) Within 10 days of REC providing funds under a guarantee agreement, REC shall submit a report of action to the Commission's Division of Economics and Finance to include the amount of the monies paid by REC on the Subsidiary's behalf and the events occurring to cause such payment.

9) There appearing nothing further to be done in this matter, it hereby is, dismissed.

CASE NO. PUF010008
APRIL 23, 2001

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

For authority to issue up to $60 million of tax-exempt refunding bonds

ORDER GRANTING AUTHORITY

On April 4, 2001, 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 $60,000,000 of tax-exempt Delaware Economic Development Authority Bonds ("Refunding Bonds"). Applicant paid the requisite fee of $250.

Delmarva requests authority to borrow the proceeds of up to $60,000,000 of the Refunding Bonds to refinance $20,000,000 of 7.30% Gas Facilities Revenue Bonds due July 1, 2021; $34,500,000 of 7.15% Pollution Control Refunding Revenue Bonds due July 1, 2018; $4,500,000 of 7.15% Gas Facilities Refunding Revenue Bonds due July 1, 2021; and $1,000,000 of 7.15% Electric Facilities Refunding Revenue Bonds due July 1, 2011 (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 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.

Delmarva'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 Applicant 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, Delmarva may issue a like amount of secured or unsecured notes or bonds to further secure its payment obligations for the Refunding Bonds. The Applicant 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, 2002:

(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 $60,000,000 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 Delmarva 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), Delmarva 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, 2003, 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. PUF010009
MAY 11, 2001

APPLICATION OF
NTELOS INC.
and
ROANOKE & BOTETOURT TELEPHONE COMPANY

For authority to guarantee obligations of an affiliate

ORDER GRANTING AUTHORITY

On April 18, 2001, NTELOS Inc. ("NTELOS") and Roanoke & Botetourt Telephone Company ("R&B Telephone") (collectively, "Applicants") filed an application with the Commission under Chapters 3 and 4 of Title 56 of the Code of Virginia for authority to allow R&B Telephone to guarantee certain obligations of its affiliate, NTELOS. Applicants paid the requisite fee of $250.

NTELOS is a Virginia business corporation whose subsidiaries provide telecommunications services in Virginia (i.e. CFW Telephone Inc.) and in five other states. R&B Telephone is a Virginia public service corporation that provides incumbent local exchange telephone service in and around Daleville, Virginia. R&B Telephone is a wholly owned subsidiary of R&B Communications, Inc., which, in turn, is a wholly owned subsidiary of NTELOS.[1] Thus, R&B Telephone and NTELOS are affiliates under Chapter 4 of Title 56 of the Code of Virginia.

On July 26, 2000, NTELOS executed a $325,000,000 credit agreement with a group of financial institutions to provide a comprehensive package of debt financing ("Credit Agreement") for an eight-year period in order to finance a series of transactions that would enable NTELOS to acquire the personal communication service business of PrimeCo PCS, L.P., merge with R&B Communications, Inc., and expand its telecommunications business. To support the Credit Agreement, all subsidiaries of NTELOS are required to be guarantors to the Security Agreement. The Commission approved CFW Telephone as a guarantor of above-referenced NTELOS Credit Agreement in Case No. PUF000022 by Final Order dated July 26, 2000.

R&B Telephone incurred the guarantee obligation on February 13, 2001, the date it became a wholly owned subsidiary of NTELOS. The Applicants represent that NTELOS is the source of capital to R&B Telephone and may benefit from future access to borrowing under the Credit Agreement.

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,

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[1] The merger of CFW Communications Company and R&B Communications, Inc. was approved in Case No. PUA000056 by Final Order dated August 24, 2000. CFW Communications Company subsequently changed its name to NTELOS Inc.

IT IS ORDERED THAT:

1) R&B Telephone is hereby authorized to guarantee loans of NTELOS through the Credit Agreement and to participate as a guarantor in the Security Agreement up to $325,000,000, under the terms and conditions, and for the purposes as set forth in the application.

2) Approval of the above-referenced guarantee obligation shall have no implications for ratemaking purposes.

3) In the event R&B Telephone should borrow any monies in connection with the authority granted herein, it shall seek prior approval under Chapters 3 and 4 of Title 56 of the Code of Virginia.

4) Any subsequent financing arrangements with affiliates or other affiliate agreements shall require separate authority, which shall not be implied by the approval granted herein.

5) Approval of this 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 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) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUF010010
MAY 18, 2001

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to establish credit facility

ORDER GRANTING AUTHORITY

On April 26, 2001, 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"), proposes to establish a 364-day $1.75 billion syndicated revolving credit and competitive loan facility ("facility").

By Commission Order dated May 26, 2000, in Case No. PUF000015, Virginia Power was authorized to establish a $1.75 billion syndicated revolving credit and competitive loan facility with Dominion and CNG for one calendar year. However, in that case, we limited the amount of facility fees that Virginia Power was responsible for to an implied borrowing capacity equivalent to its $200 million revolving credit facility that was expiring in June 2000. This limitation was based on a lack of justification for the Applicant's proposed $718 million of implied capacity.

Virginia Power's proposal in the current application is almost identical to the proposal in Case No. PUF000015. As before, the Chase Manhattan Bank ("Chase") will act as administrative agent and JPMorgan, a wholly owned subsidiary of Chase, will act as arranger for the facility. 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 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 bear interest 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. The Applicant proposes that Virginia Power pay for capacity of $500 million, or $400,000 of the total $1.4 million in facility fees.

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. Each borrower is responsible for its own borrowings under the facility.

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 will not be detrimental to the public interest. 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 year beginning with the execution of the facility agreement, under the terms and conditions and for the purposes set forth in the application

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 $500 million as stated in the application. Such allocation shall be made in accordance with the Commission's Order in Case No. PUA990068.

4) On or before June 30, 2002, Applicant shall file a report detailing use of the facility to include the date, amount, applicable interest rate of any loans under the facility 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. PUF010011
JUNE 19, 2001

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to receive cash capital contributions from an affiliate

ORDER GRANTING AUTHORITY

On May 17, 2001, Washington Gas Light Company ("WGL" 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, WGL Holdings, Inc. ("Holdings").

WGL proposes to receive cash capital contributions up to an aggregate principal amount of $150,000,000 from Holdings from time to time during the period June 15, 2001, through September 30, 2003. The proceeds from the proposed capital contributions will be applied by WGL to fund its construction program, to repay short-term debt, and for other corporate purposes. Applicant further states that the authority requested is consistent with WGL's goals of maintaining financial integrity and keeping its equity ratio in the mid-50% range, excluding short-term debt.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to receive up to $150,000,000 in cash capital contributions from Holdings, 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 November 28, 2003, 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 September 30, 2003.

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. PUF010012
JUNE 20, 2001

APPLICATION OF
SOUTHSIDE ELECTRIC COOPERATIVE

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On May 31, 2001, Southside Electric Cooperative ("Applicant") filed an application with the Commission 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 $250.

Applicant requests authority to borrow $20,000,000 from the Federal Financing Bank ("FFB"). The FFB loan will be guaranteed by the Rural Utilities Services ("RUS"). The loan funds may be drawn down from time-to-time and will be used to finance Applicant's construction work plan covering the period 2001 through 2002 or to repay short-term debt.

The FFB loan will have a thirty five year maturity. Applicant will have the option of fixing the interest rate on each advance for 1 to 35 years. Therefore, Applicant has requested the flexibility to select the interest rate maturity 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 $20,000,000 from the Federal Financing Bank, under the terms and conditions an 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) The authority granted herein shall have no implications for ratemaking purposes.

4) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUF010013
SEPTEMBER 5, 2001

APPLICATION OF
VIRGINIA GAS PIPELINE COMPANY

For authority to incur indebtedness and to acquire public utility assets

ORDER GRANTING APPROVAL

On June 7, 2001, Virginia Gas Pipeline Company ("Pipeline" or "Applicant") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia for authority to incur indebtedness, assume obligations, and acquire assets from an affiliate. On June 21, 2001, Pipeline supplemented its application to include a request under Chapter 5 of Title 56 for the acquisition of public utility assets. Applicant has paid the requisite fee of $250.

Pipeline holds numerous certificates of public convenience and necessity to own, construct, operate, and maintain underground gas storage facilities and intrastate natural gas transmission lines.[1] Pipeline is a wholly owned subsidiary of Virginia Gas Company ("VGC").

Pipeline represents in its application that, on September 11, 2000, prior to the date of the merger of VGC with NUI Corporation ("NUI")[2], VGC entered into a Revolving Credit Note ("Note") with NUI Capital Corporation ("Capital") for $20,000,000. Pipeline explained that, due to certain pre-merger legal considerations surrounding the Note, proceeds from the Note could not be distributed to any of VGC's subsidiaries or affiliated companies without creating an associated tax liability.

According to Applicant, in order to avoid the tax liability, but still apply the proceeds of the Note to expand certain pipeline and storage facilities, VGC assumed the role of general contractor for such expansions and similarly retained ownership of the assets. Applicant represents that, as of April 30, 2001, VGC, as general contractor, incurred expenditures of approximately $12,200,000 for expansion of Applicant's P-25 pipeline system and also incurred expenditures of approximately $1,800,000 for expansion of Pipeline's natural gas storage facilities.

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[1] On October 6, 1997, Pipeline was issued Certificate No. GS-2 to construct, own, operate, and maintain an underground storage facility in Smyth and Washington Counties, Virginia, and, on December 8, 1997, Pipeline was issued Certificate No. GT-67 to own, develop, construct, and operate an intrastate gas transmission line in those same counties. On December 8, 1997, Pipeline was issued Certificate No. GT-68 to own, develop, construct, and operate an intrastate gas transmission line in Wythe and Pulaski Counties, Virginia. On December 27, 1999, Pipeline was issued Certificate No. GT-69 to own, develop, construct, and operate an intrastate natural gas transmission line in Pulaski, Roanoke, Montgomery, and Franklin Counties, Virginia.

[2] On March 27, 2001, the Commission approved the merger of VGC into NUI, thereby making VGC a wholly owned subsidiary of NUI.

Pipeline now requests authority to acquire these facilities from VGC and to assume the related debt of $14,000,000. Pipeline also requests authority to incur $5,000,000 in additional debt to fund the further construction of pipeline and underground utility facilities. The $19,000,000 in indebtedness proposed by Applicant in the captioned case will be evidenced by a financing arrangement with VGC in the form of a $19,000,000 note mirroring similar terms and conditions of the Note between VGC and 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. We will grant Pipeline authority pursuant to Chapters 3 and 4 of Title 56 for it to incur indebtedness and to assume the obligations of its affiliate, VGC, consistent with the terms, conditions, and purposes detailed in this application.

We are also of the opinion that adequate service to the public at just and reasonable rates will not be impaired or jeopardized by approving the acquisition of the above-referenced facilities by Pipeline. We will, therefore, approve such acquisition pursuant to Chapter 5.

We note, however, that Pipeline and not VGC is the entity that has authority to own, construct, operate, and maintain certain gas storage facilities and intrastate natural gas transmission lines pursuant to Certificate Nos. GS-2, GT-67, GT-68, and GT-69. Pipeline previously received approval to contract with VGC for certain construction activities pursuant to a Technical Services Agreement ("TSA") approved by this Commission in Case No. PUA960067.[3] Pipeline and VGC did not, however, seek or obtain approval for VGC to own the facilities that are the subject of this application. Whether the TSA permits such arrangement is not before us at this time. We may have cause to address this matter in a separate proceeding.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to §§ 56-89 and -90 of the Code of Virginia, Pipeline is authorized to acquire the utility assets as proposed in this application.

2) Pipeline is hereby granted authority to incur up to $19,000,000 in debt in the form of a note mirroring similar terms and conditions of the Note between VGC and Capital for the purposes described in the application.

3) The approval granted herein shall have no ratemaking implications.

4) Pipeline shall submit a report to the Commission within sixty (60) days of the date of the transfer approved herein. Such Report shall include the date of the transfer, the price at which such assets were transferred, the accounting entries reflecting the transfer, a copy of any agreements executed between Pipeline and/or VGC in conjunction with the assets transfer, a description of any liens or encumbrances on the assets transferred, the interest rate and maturity of the debt assumed, and a balance sheet and income statement for Pipeline and VGC which precede and follow the transfer of the assets authorized.

5) Pipeline shall file a Final Report of Action on or before April 30, 2002, to include, for each advance of funds from VGC, the interest rate and maturity.

6) This matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

[3] The Technical Services Agreement between Virginia Gas Storage Company, Virginia Gas Distribution Company, Virginia Gas Exploration Company, Virginia Gas Propane Company, VGC, and Pipeline, which was approved by the Commission on September 3, 1997, in Case No. PUA960067, granted the above-referenced companies authority to provide/receive certain technical services to/from each other as necessary until April 30, 2003.

CASE NO. PUF010013
OCTOBER 22, 2001

APPLICATION O F
VIRGINIA GAS PIPELINE COMPANY

For authority to incur indebtedness and to acquire public utility assets

ORDER ON PROPOSED SETTLEMENT AGREEMENT

On September 5, 2001, the State Corporation Commission ("Commission") entered an order in this case authorizing Virginia Gas Pipeline Company ("VGPC") to acquire the utility assets of its affiliate Virginia Gas Company ("VGC") pursuant to Chapters 3 and 4 of Title 56 of the Code of Virginia. In that order, however, we noted that because VGPC and VGC did not seek or obtain approval for VGC to own the facilities that were a subject of the application in this case, the Commission may have cause to address the matter in a separate proceeding.

On October 2, 2001, the Staff of the Commission ("Staff") filed a Motion for Consideration of Settlement Agreement ("Motion") with the Commission, along with a copy of the Settlement Agreement ("Agreement") entered into by the Staff and VGPC. According to the Motion, the Agreement resolves all issues related to VGC assuming the role of a general contractor for, and ownership of, the expansion of the VGPC pipeline segment terminating in Radford, Virginia. The Agreement states that it also intends to resolve all issues related to the appeal of Case No. PUE000586 currently pending before the Virginia Supreme Court.

The salient features of the Agreement include:

(1) A $5,000 fine imposed upon VGPC for its alleged violation, namely, permitting VGC, a non-public service corporation, to hold an interest in VGPC's utility assets. Of this amount, $4,000 is suspended on the condition that VGPC not violate this Order, or any Commission rule or order pertaining to the certification of its intrastate gas pipeline;

(2) VGPC's surrender of Certificate No. GT-69, authorizing it to own, develop, construct and operate an intrastate natural gas transmission line in Pulaski, Roanoke, Montgomery and Franklin Counties. VGPC will have no further right or interest in said certificate;

(3) VGPC and the Commission will jointly file a motion to dismiss Record No. 010755 at the Virginia Supreme Court based on the fact that VGPC has surrendered and the Commission has cancelled the certificate in question.

(4) VGPC will be permitted to book $4.2 million of expenses that have been expended by it in securing Certificate No. GT-69. VGPC will defer and amortize these expenses over a 15-year period whose term runs commensurate with its previous agreements with Roanoke Gas Company. The parties recognize that the terms of this Agreement do not carry any binding ratemaking implications; provided however, that the Commission Staff agrees to support the principles contained in this Agreement in any future ratemaking proceedings before the Commission.

(5) VGPC does not admit the allegations against it, but agrees to the settlement as an offer of compromise and settlement to the Commission and acknowledges the Commission's jurisdiction over the subject matter of the Agreement.

On October 4, 2001, the Commission entered an order permitting Stacy Snyder ("Snyder"), the appellant in Record No. 010755 currently pending before the Virginia Supreme Court, an opportunity to respond to the Motion on or before October 10, 2001, and the Staff and VGPC to reply to any such response by October 11, 2001. This opportunity was granted to Snyder at her request.[1] In that order, the Commission directed Snyder to state her interest in the proceeding, and the factual and legal basis for her standing to participate in Case No. PUF010013.

On October 10, 2001, Snyder filed an Opposition to Motion for Consideration of Settlement Agreement ("Opposition") filed by the Staff. On October 11, 2001, both the Staff and VGPC filed Replies to Snyder's Opposition.

In Snyder's Opposition, she states that her interest in Case No. PUF010013 stems from her desire to represent the Commonwealth and its individual and business residents. Further, she states that she herself is affected by the eminent domain proceedings that may occur pursuant to the certificate granted to VGPC by the Commission in Case No. PUE990167. As the legal basis for her standing to participate in Case No. PUF010013, Snyder again cites Case No. PUE990167, as well as Case No. PUE000586, and further states that the Agreement entered into by VGPC and the Staff effectively made her a party to Case No. PUF010013. Snyder also contends that VGPC bought expansive easements from landowners using the threat of eminent domain, falsely representing to some landowners that it had a legal right to condemn the property for all the requested easements.

NOW THE COMMISSION, having considered the Staff's Motion and the Settlement Agreement, Snyder's Opposition to the Agreement, the Staff's and VGPC's Replies to Snyder's Opposition, and all applicable statutes and rules, finds that the Agreement provides a just and reasonable resolution to the issues in the captioned case, protects the public interest, and should be adopted. Further, we find that Snyder has no standing to participate in Case No. PUF010013.

With regard to Snyder's interest in representing the citizens of the Commonwealth, we find that, pursuant to 5 VAC 5-20-30 of the Commission's Rules of Practice and Procedure ("Rules"), she is legally barred from representing the interests of others before the Commission because she is not a licensed attorney. Additionally, any indirect interest Snyder may have in this proceeding solely as a resident of Virginia is not sufficient to make her, or those she purports to represent, proper parties to this proceeding, and as such, neither she nor they can be aggrieved by any judgment rendered herein.

Furthermore, the fact that the Agreement entered into by VGPC and the Staff may affect the outcome of Record No. 010755 currently pending before the Virginia Supreme Court does not give Snyder standing to participate in this case now before us. Her interest remains pending before the Virginia Supreme Court, and any action taken by the Commission in this proceeding cannot bind Snyder or the Virginia Supreme Court. Moreover, Case No. PUF010013 is not the appropriate proceeding for Snyder to raise the various concerns and arguments set forth in her Opposition, for they relate to other matters for which there were and may still be forums for Snyder to pursue her complaints. Thus, we are not persuaded by Snyder's arguments, and find that she does not have standing to participate in Case No. PUF010013.

Notwithstanding this legal bar to Snyder's participation in this case, we feel compelled to address certain of Snyder's objections to the Agreement. First, Snyder argues that the Commission found in Case No. PUE000586 that it did not have jurisdiction to rule upon formal complaints, such as that filed by Snyder. That is not the case. In our November 14, 2000 Order in Case No. PUE000586, we found no grounds to revoke VGPC's certificate because of any fraud in its procurement, as alleged by Snyder in her October 5, 2000 motion filed with the Commission. In that motion, Snyder claimed that VGPC's use of expansive easements containing language regarding the use of the property for other utility lines amounted to a fraudulent misrepresentation before the Commission. Because Snyder's complaint did not state a claim for which relief could be granted, the Commission did not establish a separate proceeding to consider it, but rather addressed the complaint in its November 14, 2000 Order. The Commission did not state, as Snyder alleges in her Opposition, that it lacked jurisdiction to rule upon the complaint filed by Snyder.

Indeed, any persons having a cause before the Commission, whether by statute, rule, or otherwise, against a public service company in Virginia, may file a petition with the Commission pursuant to 5 VAC 5-20-100 B of the Commission's Rules. The petition shall contain, among other things, a statement of the action sought and the legal basis for the Commission's jurisdiction to take the action sought. Where there is sufficient legal basis to warrant the action, the Commission will conduct formal proceedings on the petition. The Commission routinely entertains such petitions, and when appropriate, conducts formal proceedings on the complaints contained therein.[2] If Snyder or any other landowner has a complaint against VGPC regarding its activities as a public service company in Virginia, the Commission will consider any such complaints pursuant to 5 VAC 5-20-100 B of our Rules.

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[1] Snyder sent a letter by facsimile to the Commission's General Counsel stating her objection to the Motion and her desire to file such objection prior to the Commission's ruling on the Motion.

[2] See Application of Vyvx of Virginia, Inc., For a certificate of public convenience and necessity to provide interexchange telecommunications services and to have its rates determined competitively, Case No. PUC970047, 1998 S.C.C. Ann. Rept. 221, *aff'd* Vyvx of Virginia, Inc., v. John W. Cassell, et al., 258 Va. 276 (1999); Petition of Michael H. Ditton, To investigate Bell Atlantic-Virginia, Inc., Case No. PUC990176, Doc. Cont. Ctr. No. 010810145 (August 3, 2001 Final Order); Commonwealth of Virginia, ex rel. Robert E. Lee Jones, Jr. v. MCI WorldCom Network Services of Virginia, Inc., and MCI WorldCom

In her Opposition, Snyder also argues that the Agreement obligates the Commission to award another similar certificate to VGPC and determines that VGPC's customers will be required to absorb the $4.2 million cost associated with preliminary expenditures for construction of the pipeline. The Agreement does nothing of the sort. It simply states that VGPC shall not be precluded from seeking the same or similar authority as that sought in Case No. PUE990167. If VGPC or any other public utility seeks such authority from the Commission, we are bound by law to proceed pursuant to § 56-265.2 of the Code of Virginia, which requires notice and opportunity for hearing. The Commission cannot, as Snyder suggests, award VGPC another certificate absent the utility filing an application, complying with the relevant statutory requirements, and meeting its burden of proof to justify the issuance of a certificate. Furthermore, the Agreement was entered into by the Staff of the Commission and VGPC, not the Commission itself. The Commission's adoption of the Agreement as a resolution to Case No. PUF010013 does not bind the Commission with respect to a new certificate or VGPC's recovery of the $4.2 million of expenses associated with construction of the pipeline. The Agreement itself states that it shall have no binding ratemaking implications. If, at some future time, VGPC attempts to recover these costs through its rates, any interested parties will have the opportunity to participate in the rate proceeding, which is the proper forum to contest such recovery.

Accordingly, IT IS ORDERED THAT:

(1) The Settlement Agreement between VGPC and the Staff filed on October 2, 2001, is ADOPTED in its entirety, without change or condition.

(2) Certificate No. GT-69, having already been surrendered to the Commission by VGPC, is hereby cancelled. VGPC or its affiliates shall not be precluded from seeking future authority from the Commission to own, develop, construct and operate an intrastate natural gas pipeline system similar to that approved by the Commission for Certificate No. GT-69.

(3) A fine shall be imposed upon VGPC in the amount of $5,000 for its alleged violation, $4,000 of which shall be suspended on the condition that VGPC not violate this Order, or any Commission rule or order pertaining to the certification of its intrastate gas pipeline.

(4) On or before October 24, 2001, VGPC shall deliver to the Commission's Division of Energy Regulation a check in the amount of $1,000 for the unsuspended portion of the fine, payable to the Treasurer of Virginia.

(5) The terms of the Agreement adopted herein do not carry any ratemaking implications.

(6) This matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

Communications of Virginia, Inc., Case No. PUC990157, Doc. Cont. Ctr. No. 010840017 (August 22, 2001 Final Order), *reconsideration granted*, Doc. Cont. Ctr. No. 010920111 (*Order Granting Petition for Reconsideration and Motion to Suspend Final Order*, September 11, 2001).

CASE NO. PUF010014
JULY 5, 2001

APPLICATION OF
ATMOS ENERGY CORPORATION

For authority to incur short-term indebtedness and to lend short-term funds to affiliates

ORDER GRANTING AUTHORITY

On June 12, 2001, 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 incur short-term indebtedness up an aggregate maximum of $420,000,000 at any time between July 1, 2001, and June 30, 2002. 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. Atmos also requests the authority to lend short-term funds to affiliates in an amount not to exceed $100,000,000 at any one time. Applicant has paid the requisite fee of $250.

Atmos proposes to borrow the short-term funds by making draw-downs under existing credit facilities or through the use of its commercial paper program. Under the credit facilities, the interest rate may be either negotiated at the time of draw-down or based on the then-prevailing LIBOR rate. Under the commercial paper program, the interest rate is set daily based upon market conditions.

The interest rate on the proposed affiliate transactions will be based on the lender's borrowing rate plus a mark-up. Applicant states that in no event will the rate be less than Atmos' then effective borrowing rate.

Applicant states that the funds will be used to provide working capital for the extension, improvement, construction, and/or acquisition of facilities until financial market conditions are appropriate for entering into long-term financing arrangements.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue short-term debt in excess of twelve percent of capitalization in an aggregate amount not to exceed $420,000,000 between the date of this Order and June 30, 2002, under the terms and conditions and for the purposes set forth in the application.

2) Applicant is hereby authorized to lend and borrow short-term debt between it and its subsidiaries up to an aggregate amount of $100,000,000 between the date of this Order and June 30, 2002, under the terms and conditions and for the purposes set forth in the application.

3) Applicant shall file quarterly reports of action within 45 days of the end of each calendar quarter following the date of this Order, to include a monthly schedule of daily short-term borrowings, average monthly balance, average monthly interest rate, the monthly maximum amount outstanding, as well as a report describing the source, amount, date, interest rate, and the schedule of repayment for each affiliate loan/borrowing.

4) Applicant shall file a final report of action on or before August 15, 2002, to include data for the second quarter of 2002 as prescribed in ordering paragraph (3) herein.

5) The authority granted herein shall terminate and supercede the authority granted in Case Nos. PUF000020 and PUF000048.

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. PUF010015
JULY 12, 2001

APPLICATION OF
PRINCE GEORGE ELECTRIC COOPERATIVE

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On June 26, 2001, Prince George Electric Cooperative ("Applicant") filed an application with the Commission 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 $250.

Applicant requests authority to borrow $860,000 from the Federal Financing Bank ("FFB"). The FFB loan will be guaranteed by the Rural Utilities Services ("RUS"). The loan funds are expected to be drawn down in September of 2001. The proceeds will be used to reimburse Applicant for a portion of its construction expenditures for its three-year construction work plan approved by RUS in 1998.

The FFB loan will have a thirty year maturity. Applicant represents that FFB interest rates change daily, so it has requested the flexibility to select the interest rate maturity 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 $860,000 from the Federal Financing Bank, under the terms and conditions ans 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) The authority granted herein shall have no implications for ratemaking purposes.

4) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUF010016
JULY 24, 2001

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to lease rail equipment

ORDER GRANTING AUTHORITY

On July 3, 2001, 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 railcars. Applicant has paid the requisite fee of $250.

Applicant requests authority to lease 100 railcars for 20 months and 300 railcars for 44 months. The lease requires monthly payments of $340 per car for the first 20 months and $300 per car for the remainder of the lease. The lease is a full service lease wherein the lessor, not Virginia Power, will be responsible for all normal maintenance, licensing, registrations, and taxes associated with ownership, delivery, use and operation of the railcars. Virginia Power estimates that the net freight cost savings resulting from the proposed lease arrangement will be approximately $2 million annually.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to lease 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. PUF010017
NOVEMBER 7, 2001

APPLICATION OF
TOLL ROAD INVESTORS PARTNERSHIP II, L.P.

For Approval of Refinancing and Amendment of Certificate of Authority

FINAL ORDER APPROVING REFINANCING AND AMENDING CERTIFICATE OF AUTHORITY

On July 3, 2001, Toll Road Investors Partnership II, L.P. ("Toll Road Investors" or "Partnership"), filed with the Clerk of the Commission its Application for Approval of Refinancing and for Amendment of its Certificate of Authority to Extend the Termination Date. The Partnership requested approval of a plan to call certain outstanding bonds and to raise additional capital by issuing new bonds maturing from 2036 to 2056. In conjunction with the refinancing, Toll Road Investors sought an extension the Partnership's certificate of authority termination date from April 2, 2036, to April 2, 2056, or a later date if any bonds remain outstanding. For the reasons discussed in this Order, the Commission will grant, in part, the application.

By letter dated July 20, 2001, and filed with the Commission, Secretary of Transportation Shirley J. Ybarra stated that her office and the Virginia Department of Transportation ("VDOT") supported the application.

On July 31, 2001, the Commission entered its Order Directing Notice and Authorizing Comments on the application. The Partnership was ordered to provide a copy of the Order and a copy of its application to designated public bodies. In addition, the Partnership was directed to publish a notice in a daily newspaper of general circulation within the area of the Dulles Greenway. On September 6, 2001, the Partnership filed its proof of publication and service of the order and its application. The Commission finds that proper notice of this application was given.

In response to the notice of the application, the Loudoun County Administrator requested that the Commission schedule a hearing on the application in a letter filed with the Commission September 14, 2001. On October 2, 2001, the Administrator filed with the Commission a letter advising that Loudoun County representatives and the Partnership had conferred and that Loudoun County withdrew its request for a public hearing.

The President and Chief Executive Officer of the Metropolitan Washington Airports Authority ("MWAA") filed a letter dated September 14, 2001. According to the letter, MWAA leases Washington Dulles International Airport ("Washington Dulles") and Ronald Reagan Washington National Airport from the United States for 50 years ending June 7, 2037. The Partnership's easement allowing use of Washington Dulles property terminates on the same date, and MWAA has no authority to extend the term of the agreement.

The Staff Report on the Application of Toll Road Investors II, L.P. ("Staff Report") was filed on October 10, 2001. In the Staff's analysis, significant commercial development at Washington Dulles and in Loudoun County prompted the refinancing proposal. New corporate development, including large facilities for AOL Time Warner and WorldCom, and growing residential communities flank the Dulles Greenway. This growth has led to a corresponding increase in traffic on the Dulles Greenway and surrounding public roadways. The improvements to be financed with the additional investment were contemplated by the Partnership and VDOT.

The Staff concluded that Toll Road Investors do not have the cash flow from operating revenue, after paying operating expenses and covering current financing obligations, to fund a major capital improvement program. Significant additional capital is needed to fund improvements. Funding improvements through higher tolls could discourage use of the Greenway and reduce revenues. Issuing zero-coupons bonds, as proposed, appeared reasonable.

The Staff recommended approval of the proposed financing plan. The Staff did not, however, agree with the Partnership's open-ended extension of the certificate of authority termination date. The termination date, in the Staff's view, should be the earlier of ten years past the latest maturity date or upon final repayment of the new zero-coupon bonds. The Staff also recommended that the Commission establish certain reporting requirements for the refinancing and preparation and reporting of information on the Partnership's reinvested earnings account.

By letter filed with the Commission on October 22, 2001, the Partnership advised the Commission that it did not object to the Staff's recommended conditions.

We approved a refinancing of the Dulles Greenway on November 24, 1998. Toll Road Investors, II L.P., Case No. PUF980025, 1998 S.C.C. Ann. Rep. 454. The Partnership identified in its application now before the Commission the need for additional investment, and the Staff agreed. The Partnership determined that a refinancing using zero-coupon bonds with extended maturities to replace the debt authorized in 1998 and to raise additional funds was an appropriate financing tool. The Staff concurred with the Partnership's assessment. Upon consideration of the record previously described, the Commission will grant Toll Road Investors' application to the extent discussed in this Order. The Commission finds that the refinancing is in the public interest, and we will approve the refinancing proposal.

With regard to the extension date of the certificate of authority, the Commission agrees with the Staff that the Virginia Highway Corporation Act of 1986, Chapter 20 (§ 56-535 et seq.) of Title 56 of the Code of Virginia, contemplates a definite termination date for a certificate of authority. The Staff proposed linking the termination date to the date the bonds are retired, and the Partnership does not object. While the current termination is a fixed date, April 2, 2036, we find that the statute provides the Commission with the discretion to prescribe a formula, which will subsequently fix the date. Accordingly, the Commission will adopt the Staff's proposed formula for the certificate of authority termination date: the earlier of ten years past the latest maturity date of the bonds authorized in this Order or upon final repayment of the new zero-coupon bonds. We will condition the extension of the certificate of authority on completion of the refinancing.

Several reporting requirements were recommended in the Staff Report, and Toll Road Investors do not object to their imposition. As recommended by the Staff, Toll Road Investors shall submit reports until the refinancing is completed or abandoned. The reports should detail the progress of the refinancing efforts and any changes in the proposed plan. The Partnership shall also file a final report after the closing of the refinancing.

The Staff Report also addressed the need for reporting the balance in the reinvested earnings account. The Commission approved the reinvested earnings account as a means of providing the Partnership an opportunity to earn a fair return without guaranteeing a return. In conjunction with the reinvested earnings account, the Commission approved a return on equity. Toll Road Corp., Case No. PUA900013, Opinion and Final Order of July 6, 1990, 1990 S.C.C. Ann. Rep. 197, 199, Order Amending Certificate of June 28, 1991, 1991 S.C.C. Ann. Rep. 208, 209. To discharge our oversight responsibilities, the balance in the reinvested earnings account and all supporting information must be available to the Commission and our Staff. We will order the Partnership to maintain the account so that a balance may be determined. In conjunction with this requirement for the reinvested earnings account, the Commission will revise in this Order the reporting requirements for Toll Road Partners to eliminate monthly reports.

The Partnership files its reports with the Commission's Divisions of Public Utility Accounting and Economics and Finance rather than with the Clerk of the Commission. Toll Road Corp., Case No. PUA900013, Fourth Order Amending Certificate of Dec. 14, 1994, 1994 S.C.C. Ann. Rep. 207. While we will continue this filing procedure, the Commission gives the Partnership notice that, absent further order of the Commission, these reports will not be treated as confidential.

In Case No. PUA900013, the Commission entered three orders providing confidential treatment of specifically identified exhibits to various applications, and we authorized the Staff to withhold confidential material from public disclosure.[1] The Commission sees no obvious basis for continued confidential treatment of quarterly reports, annual reports, and any special report requested by the Staff.

No facility operating pursuant to the Virginia Highway Corporation Act of 1986 competes with Toll Road Partners. The Partnership does not appear to have identified any trade or process secret that might merit protection. According to its application, the Partnership anticipates private placement of its bonds. Consequently, there will be limited, if any trading of the bonds. Disclosure of the Partnership's financial information would not appear to have the potential to disrupt financial markets. The Partnership can, of course, seek confidential treatment of information as provided by our Rules of Practice and Procedure, 5 VAC 5-20-170.

As noted in the Staff Report, and as MWAA advised in its letter to the Commission, the termination date of MWAA's lease of the Washington Dulles property injects another consideration for investors. The maturity date of some bonds that may be issued pursuant to the authority we grant in this Order will fall after the Partnership's current right to occupy portions of the airport property expires. The Commission does not view this timing matter as barring our authorization of the refinancing. An investor in the Partnership's securities must weigh the anticipated growth in traffic on the Dulles Greenway, anticipated gross revenues, anticipated revenues available for debt service and retirement, and associated risk. This timing matter will, the Commission assumes, be taken into consideration by investors.

The Staff recommended that the Partnership negotiate with MWAA to extend its lease and report on the progress of negotiations. Toll Road Investors obviously have an incentive to continue occupancy. The Office of the Secretary of Transportation and the Virginia Department of Transportation, which will eventually own the Dulles Greenway, support the refinancing. The Commission assumes that these agencies responsible for the Commonwealth's

[1] Protective Order of June 16, 1992 (Document Control No. 92040040 filed June 16, 1992), Order Inviting Response and Protective Order of July 19, 1993 (Document Control No. 930730121 filed July 19, 1993), and Protective Order of March 21, 1994 (Document Control No. 940330244 filed March 21, 1994). In addition, the Commission has stated that the "Staff is authorized to withhold any confidential material from public disclosure, but TRIP II and TRCV are directed to avoid filing confidential information if compliance . . . can otherwise be achieved." Toll Road Corp., Case No. PUA900013, Order of Nov. 29, 1993, 1993 S.C.C. Ann. Rep. 180.

road system have considered the uncertainty of continued occupancy. In these circumstances, the Commission finds that there is no need for the Commission to direct negotiations and to require reporting.

Accordingly, IT IS ORDERED THAT:

(1) As provided by The Virginia Highway Corporation Act of 1986, Chapter 20 (§ 56-535 et seq.) of Title 56 of the Code of Virginia, the Partnership's application for approval of refinancing and amendment of its certificate of authority is granted to the extent discussed in this Order and is otherwise denied.

(2) The Partnership is authorized to issue approximately $270.0 million in new debt securities with the proceeds to be used to retire approximately $100.0 million of existing debt and to finance improvements to the Dulles Greenway as described in its Application of Toll Road Investors II, L.P. for Approval of Refinancing and for Amendment of its Certificate of Authority to Change Termination Date filed July 3, 2001.

(3) On January 2, 2002, and on the first Commission business day of each succeeding calendar quarter until the closing of the refinancing, the Partnership shall file with the Clerk of the Commission a report on the progress of the refinancing and any changes in the Plan of Financing, Exhibit 1 of the Application of Toll Road Investors II, L.P. for Approval of Refinancing and for Amendment of its Certificate of Authority to Change Termination Date filed July 3, 2001. The Clerk of the Commission shall associate these reports with this Case No. PUF010017. Copies of the reports shall be simultaneously served on the directors of the Commission's Divisions of Public Utility Accounting and Economics and Finance.

(4) Within sixty (60) days of the closing of the refinancing, the Partnership shall file with the Clerk a report of the full details of the refinancing, including the terms of all obligations issued. This information shall include a schedule of the maturity dates and interest payment dates, if any, of all obligations. Copies of the report shall be simultaneously served on the directors of the Commission's Divisions of Public Utility Accounting and Economics and Finance.

(5) If the plan of refinancing approved in ordering paragraphs (1) and (2) of this Order is abandoned, the Partnership shall promptly file a report on the abandonment with the Clerk of the Commission. The Clerk of the Commission shall associate this report with this Case No. PUF010017. Copies of the report shall be simultaneously served on the directors of the Commission's Divisions of Public Utility Accounting and Economics and Finance.

(6) The Partnership's certificate of authority granted in Toll Road Corp., Case No. PUA900013, Opinion and Final Order of July 6, 1990, 1990 S.C.C. Ann. Rep. 197, and amended by Order of January 28, 1991 (Document Control No. 91012304 filed Jan. 28, 1991), Order Amending Certificate of June 28, 1991, 1991 S.C.C. Ann. Rep. 208, Second Order Amending Certificate of July 21, 1992, 1992 S.C.C. Ann. Rep. 205, Third Order Amending Certificate of August 19, 1993, 1993 S.C.C. Ann. Rep. 178, Order of November 29, 1993, 1993 S.C.C. Ann. Rep. 180, and Fourth Order Amending Certificate of December 14, 1994, 1994 S.C.C. Ann. Rep. 207, is further amended as follows:

(a) Ordering paragraph (1) of the Fourth Order Amending Certificate of December 14, 1994, 1994 S.C.C. Ann. Rep. 207, is deleted from the certificate of authority.

(b) Ordering subparagraphs 11(a) and 11(c) of the Opinion and Final Order of July 6, 1990, 1990 S.C.C. Ann. Rep. 197, 199-200, and reaffirmed in ordering paragraph (6) of the Order of November 29, 1993, 1993 S.C.C. Ann. Rep. 180, are deleted from the certificate of authority.

(c) The second sentence of the second paragraph of the Order of November 29, 1993, 1993 S.C.C. Ann. Rep. 180, authorizing the Staff to withhold confidential information from public disclosure, is deleted from the certificate of authority.

(7) The provisions of Toll Road Corp., Case No. PUA900013, Opinion and Final Order of July 6, 1990, 1990 S.C.C. Ann. Rep. 197, and amended by Order of January 28, 1991 (Document Control No. 91012304 filed Jan. 28, 1991), Order Amending Certificate of June 28, 1991, 1991 S.C.C. Ann. Rep. 208, Second Order Amending Certificate of July 21, 1992, 1992 S.C.C. Ann. Rep. 205, Third Order Amending Certificate of August 19, 1993, 1993 S.C.C. Ann. Rep. 178, Order of November 29, 1993, 1993 S.C.C. Ann. Rep. 180, Fourth Order Amending Certificate of December 14, 1994, 1994 S.C.C. Ann. Rep. 207, except as modified in this Order, remain in full force and effect.

(8) The Partnership's certificate of authority shall terminate on the earlier of the date ten (10) years after the last maturity date of any bond issued pursuant to the authority granted in ordering paragraph (2) of this Order or upon the final payment of principal or interest of any bond issued pursuant to the authority granted in ordering paragraph (2) of this Order. If the Partnership abandons the plan of refinancing as addressed in ordering paragraph (4) of this Order, ordering paragraph (1) of the Fourth Order Amending Certificate of December 14, 1994, 1994 S.C.C. Ann. Rep. 207, will be reinstated without further order of the Commission upon the filing of the report with the Clerk.

(9) On or before December 10, 2001, the Partnership shall file with the Commission's Divisions of Public Utility Accounting and Economics and Finance a statement of the historic and current balances in the reinvested earnings account, and information supporting these balances, including historic and current levels of equity investment and changes in the equity investment. The Partnership shall maintain a balance of the reinvested earnings account on a calendar quarterly basis and shall provide the balance and supporting information within 15 days upon the request of the Commission's Division of Public Utility Accounting or the Division of Economics and Finance.

(10) Commencing with the fourth calendar quarter of 2001, the Partnership shall file with the Commission's Divisions of Public Utility Accounting and Economics and Finance within 60 days of the end of the quarter a balance sheet, an income statement, and a cash flow statement for the quarter and for the fiscal year to date.

(11) Toll Road Corp., Case No. PUA900013, Opinion and Final Order of July 6, 1990, 1990 S.C.C. Ann. Rep. 197, Order of January 28, 1991 (Document Control No. 91012304 filed Jan. 28, 1991), Order Amending Certificate of June 28, 1991, 1991 S.C.C. Ann. Rep. 208, Second Order Amending Certificate of July 21, 1992, 1992 S.C.C. Ann. Rep. 205, Third Order Amending Certificate of August 19, 1993, 1993 S.C.C. Ann. Rep. 178, Order of November 29, 1993, 1993 S.C.C. Ann. Rep. 180, Fourth Order Amending Certificate of December 14, 1994, 1994 S.C.C. Ann. Rep. 207, and this Final Order Approving Refinancing and Amending Certificate of Authority in Case No. PUF010017 shall constitute the certificate of authority issued pursuant to the Virginia Highway Corporation Act of 1986, Chapter 20 (§ 56-535 et seq.) of Title 56 of the Code of Virginia.

(12) The Clerk shall mail attested copies of this Order to Shirley J. Ybarra, Secretary of Transportation, P.O. Box 1475, Richmond, Virginia 23218; Charles D. Nottingham, Commissioner of Transportation, Department of Transportation, 1401 East Broad Street, Room 414, Richmond, Virginia 23219; Kirby M. Bowers, County Administrator, Loudoun County, P.O. Box 7000, Leesburg, Virginia 20177-7000; and James A. Wilding, President and Chief Executive Officer, Metropolitan Washington Airports Authority, 1 Aviation Circle, Washington, D.C. 20001-6000.

(13) This Case No. PUF010017 is closed and dismissed from the Commission's docket.

Commissioner Moore did not participate in this proceeding.

CASE NO. PUF010017
NOVEMBER 27, 2001

APPLICATION OF
TOLL ROAD INVESTORS PARTNERSHIP II, L.P.

For Approval of Refinancing and Amendment of Certificate of Authority

ERRATA ORDER

It is Ordered that the Commission's Final Order Approving Refinancing and Amending Certificate of Authority of November 7, 2001 (Document Control No. 011110228, filed Nov. 7, 2001), is corrected as follows:

(1) Ordering paragraph (6)(c) is corrected to read

The third sentence of the second paragraph of the Order of November 29, 1993, 1993 S.C.C. Ann. Rep. 180, authorizing the Staff to withhold confidential information from public disclosure, is deleted from the certificate of authority.

(2) Ordering paragraph (8) is corrected to read

The Partnership's certificate of authority shall terminate on the earlier of the date ten (10) years after the last maturity date of any bond issued pursuant to the authority granted in ordering paragraph (2) of this Order or upon the final payment of principal or interest of any bond issued pursuant to the authority granted in ordering paragraph (2) of this Order. If the Partnership abandons the plan of refinancing as addressed in ordering paragraph (5) of this Order, ordering paragraph (1) of the Fourth Order Amending Certificate of December 14, 1994, 1994 S.C.C. Ann. Rep. 207, will be reinstated without further order of the Commission upon the filing of the report with the Clerk.

(3) Toll Road Corp., Case No. PUA900013, Opinion and Final Order of July 6, 1990, 1990 S.C.C. Ann. Rep. 197, Order of January 28, 1991 (Document Control No. 91012304 filed Jan. 28, 1991), Order Amending Certificate of June 28, 1991, 1991 S.C.C. Ann. Rep. 208, Second Order Amending Certificate of July 21, 1992, 1992 S.C.C. Ann. Rep. 205, Third Order Amending Certificate of August 19, 1993, 1993 S.C.C. Ann. Rep. 178, Order of November 29, 1993, 1993 S.C.C. Ann. Rep. 180, Fourth Order Amending Certificate of December 14, 1994, 1994 S.C.C. Ann. Rep. 207, and the Final Order Approving Refinancing and Amending Certificate of Authority of November 7, 2001(Document Control No. 011110228, filed Nov. 7, 2001), as corrected by this Errata Order, in Case No. PUF010017 shall constitute the certificate of authority issued pursuant to the Virginia Highway Corporation Act of 1986, Chapter 20 (§ 56-535 et seq.) of Title 56 of the Code of Virginia.

(4) The Clerk shall mail attested copies of this Order to Shirley J. Ybarra, Secretary of Transportation, P.O. Box 1475, Richmond, Virginia 23218; Charles D. Nottingham, Commissioner of Transportation, Department of Transportation, 1401 East Broad Street, Room 414, Richmond, Virginia 23219; Kirby M. Bowers, County Administrator, Loudoun County, P.O. Box 7000, Leesburg, Virginia 20177-7000; and James A. Wilding, President and Chief Executive Officer, Metropolitan Washington Airports Authority, 1 Aviation Circle, Washington, D.C. 20001-6000.

Commissioner Moore did not participate in this proceeding.

CASE NO. PUF010019
AUGUST 29, 2001

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 August 7, 2001, 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 the AGLR Money Pool, to issue and sell common stock, and to issue 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 $100,000,000 through participation in the AGLR Money Pool administered by AGL Services; 2) issue long-term debt to AGLR in an amount not to exceed $250,000,000; and 3) issue and sell common stock to AGLR in an amount not to exceed $300,000,000, all through September 30, 2002.

The Applicants indicate that the AGLR Money Pool has been in operation for nearly one year and was approved by the Securities and Exchange Commission. The Applicants note that VNG's proposed short-term borrowing limit of $100,000,000 in this case is identical to the limits previously authorized in Case Nos. PUF000025, PUF990018, and PUF970015.

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 AGLR Money Pool will be administered by AGL Services on behalf of AGLR and certain of its subsidiaries.

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 drawn 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 is drawn under this application.

Finally, up to 4,727 shares of VNG common stock without par 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 will be 10,000 shares. 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 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 AGLR Money Pool and to incur short-term indebtedness in excess of twelve percent of capitalization not to exceed $100,000,000, through September 30, 2002, 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 $250,000,000 and to issue and sell common stock to AGLR in an amount not to exceed $300,000,000, through September 30, 2002, under the terms and conditions and for the purposes set forth in the application.

3) The authority granted herein shall terminate and supercede the authority granted in Case Nos. PUF990018 and PUF000025.

4) Approval of this application shall have no implications for ratemaking purposes.

5) Approval of this application does not preclude the Commission from applying the provisions of § 56-78 and § 56-80 of the Code of Virginia hereafter.

6) The Commission 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) 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 VNG or affiliate); and

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.

8) 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.

9) 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 (8), the cumulative amount of securities issued to date for each type of security and the amount of authority remaining, a general statement concerning the purposes for which the securities were issued, and a balance sheet reflecting the actions taken.

10) Applicants shall file their final report of action on or before November 29, 2002, to include all of the information outlined in Ordering Paragraph (9), summarizing the financings entered into pursuant to Ordering Paragraph (2) during the third calendar quarter of 2002.

11) This matter shall be continued subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF010020
SEPTEMBER 13, 2001

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to issue short-term debt

ORDER GRANTING AUTHORITY

On August 21, 2001, 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 up to $300,000,000 aggregate principal amount of short-term debt outstanding at any one time from October 1, 2001, through September 30, 2002. In aggregate, 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.

Applicant states that the borrowings may be in the form of short-term notes to financial institutions, commercial paper, and affiliate borrowings under the terms of the System Money Pool ("Money Pool"). WGL notes that the Commission authorized Applicant to participate in the Money Pool by Order dated October 23, 2000, in Case No. PUF000026.

Applicant also states that the borrowings will finance seasonal requirements and increases in working capital as permitted by § 56-58 of the Code of Virginia and that such borrowings will be temporary in nature. Applicant further states that the authority requested is consistent with the authority previously approved by the Commission for short-term debt during the fiscal year 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 issue up to $300,000,000 aggregate principal amount of short-term debt securities in the form of short-term notes, commercial paper, and Money Pool borrowings, from October 1, 2001, through September 31, 2002, under the terms and conditions and for the purposes set forth in the application.

2) 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.

3) Approval of the application does not preclude the Commission from applying the provision of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

4) Approval of this application shall have no implications for ratemaking purposes.

5) Applicant shall file a report of action on or before December 31, 2002, showing WGL's daily short-term debt activity from October 1, 2001, through September 31, 2002. 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 bank line of credit fees paid in connection with short-term borrowings, and a balance sheet as of September 30, 2002.

6) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF010021
SEPTEMBER 25, 2001

APPLICATION OF
PRINCE GEORGE ELECTRIC COOPERATIVE

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On September 4, 2001, Prince George Electric Cooperative ("Applicant" or "the Cooperative") filed an application with the Commission 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.

Applicant requests authority to borrow $860,000 from the Federal Financing Bank ("FFB"). The FFB loan will be guaranteed by the Rural Utilities Services ("RUS"). The loan funds are expected to be drawn down in September of 2001. The proceeds will be used to reimburse Applicant for a portion of its construction expenditures for its three-year construction work plan approved by RUS in 1998.

The FFB loan will have a 35 year maturity.[1] Applicant represents that FFB interest rates change daily, so it has requested the flexibility to select the interest rate maturity at the time of each advance.

[1] By Order dated July 12, 2001, in Case No. PUE010015, the Commission granted the Cooperative authority to borrow from FFB $860,000 in loan proceeds for a period of 30 years. Subsequently, the Cooperative learned that the loan would have a 35 year maturity. Thus, the Cooperative filed this application.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to borrow up to $860,000 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) The authority granted herein supercedes the authority granted in Case No. PUF010015.

4) The authority granted herein shall have no implications for ratemaking purposes.

5) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUF010022
NOVEMBER 9, 2001

APPLICATION OF
THE POTOMAC EDISON COMPANY d/b/a ALLEGHENY POWER

For continuing approval of money pool agreement with affiliates

ORDER GRANTING APPROVAL

On September 10, 2001, 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 to companies with affiliated interests through a revised Money Pool Agreement (the "Revised Agreement").

Applicant most recently received Commission approval to borrow and lend funds to companies with affiliate interests ("the Money Pool") in Case No. PUF000012 by Order dated June 12, 2000. 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 approved in Case No. PUF000012 should change.

The instant application states that, due to the recent acquisition of a regulated public utility company by Applicant's parent company, Allegheny Energy, Inc., the list of participants in the Revised Agreement has increased. The requested change adds Mountaineer Gas Company as a participant in the Money Pool. All other terms and conditions remain unchanged.

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 is in the public interest.

Accordingly, IT IS ORDERED THAT:

1) Applicant is hereby authorized to participate in the Money Pool under the Revised Agreement, 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 Revised 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, 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.

5) The approval of this application shall have no implications for ratemaking.

6) Should Applicant request any changes to the Money Pool from the Securities and Exchange Commission ("SEC"), Applicant shall file with the Commission's Division of Economics and Finance a copy of Form U-1 or Form U-1A filed with the SEC within ten (10) days of such filing.

7) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUF010023
NOVEMBER 9, 2001

APPLICATION OF
KENTUCKY UTILITIES COMPANY D/B/A OLD DOMINION POWER COMPANY,
LOUISVILLE GAS & ELECTRIC COMPANY,
LG&E ENERGY SERVICES, INC.,
and
LG&E ENERGY CORP.

For authority to incur short-term indebtedness and participate in a Money Pool

ORDER GRANTING AUTHORITY

On October 5, 2001, Kentucky Utilities Company d/b/a Old Dominion Power Company ("KU") jointly filed an application with Louisville Gas and Electric Company ("LG&E"), LG&E Energy Services, Inc. ("LG&E Services"), and LG&E Energy Corp. ("LG&E Energy")(collectively "Applicants") for authority to incur short-term indebtedness ("Borrowings") and to participate in a system 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 paid the requisite fee of $250 on October 18, 2001.

In its application, KU proposes entering into the following transactions: 1) to issue short-term debt in excess of 12% of capitalization in the form of unsecured promissory notes and/or commercial paper not to exceed $250,000,000 through the period ending December 31, 2002; and 2) to participate in a proposed Money Pool in which KU, on a short-term basis, could invest excess funds or borrow funds up to its requested limit of $250,000,000.

KU represents that its Borrowings outside of the Money Pool may be issued in the form of commercial paper and/or unsecured promissory notes ("Notes") to one or more banks or financial institutions. The interest rate on Borrowings will vary depending on current market conditions at the time of issuance and maturity. KU states that its Notes will mature on a date not more than twelve (12) months from the date of issuance while any Commercial Paper will mature on a date not more than nine (9) months from the date of issuance.

Applicants state that, pursuant to the Securities and Exchange Commission's Order approving Powergen plc's acquisition of LG&E Energy, the proposed Money Pool reflects the separation of money pools for LG&E Energy's utility and non-utility companies.[1] Consequently, Applicants note that LG&E Energy and all other non-utility companies will not be borrowers under the proposed Money Pool and that LG&E Energy will participate only as a lender under the Money Pool Agreement attached as an Exhibit E the application. Only KU and LG&E may borrow from the proposed Money Pool, which will be administered by LG&E Services. Pursuant to the terms of the Money Pool Agreement, loans from the Money Pool shall be made as open account advances under a single promissory note that maintains a schedule of the advances, repayments, and principal amount outstanding.

Funds for Money Pool borrowings will be provided from surplus funds in the treasuries of Applicants invested in the Money Pool ("Internal Funds") and proceeds made available from bank borrowings and/or the sale of commercial paper by Applicants ("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 of major corporations sold through dealers as quoted in *The Wall Street Journal*. If Money Pool funds are solely comprised of External Funds, the applicable borrowing rate will equal the weighted average of the cost incurred by the participants 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. The Commission is of the further opinion that Applicant's authority to participate in the Money Pool should correspond with the period authorized for the proposed Borrowings. Accordingly,

IT IS ORDERED THAT:

1) KU is authorized to enter into the following financial transactions:

   a) to participate with Applicants in the proposed Money Pool; and

   b) to issue short-term debt in excess of 12% of capitalization in the form of unsecured promissory notes and/or commercial paper with aggregate short-term debt, inclusive of Money Pool Borrowings, not to exceed the aggregate principal amount of $250,000,000,

through December 31, 2002, all in the manner, and under the terms and conditions, and for the purposes set forth in the application.

2) Approval of this application shall have no implications for ratemaking purposes.

3) The authority granted herein shall not preclude the Commission from exercising its authority under the provisions of §§ 56-78 through 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 notify the Commission within 10 days if any of the Applicants participating in the Money Pool are placed on Credit Watch or have their credit rating downgraded.

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[1] See, Powergen plc, et al., Order Authorizing the Acquisition of LG&E Energy Group and Various Financing Transactions et seq., Securities and Exchange Commission Release No. 35-27291 (December 6, 2000).

6) Applicant shall file a final report of action on or before March 3, 2003, to include:

   a) A daily schedule of Money Pool transactions segmented by participant to include: the Money Pool interest rate for the transaction, the comparable external borrowing or lending rate for each transaction, each type of allocated fee, and an explanation of how both the Money Pool Rate and any allocated fees have been calculated;

   b) A daily schedule of the participating Applicants' short-term borrowings (balance and rates) outside of the Money Pool; and

   c) The maximum amount of KU's aggregate short-term debt outstanding during the period of authority.

7) This matter shall be continued, subject to the continued review, audit, and appropriate directive of the Commission.

CASE NO. PUF010025
NOVEMBER 6, 2001

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.,
Principal Applicant,
and
NISOURCE INC., et al,
Affiliate Applicants

For approval of Money Pool Agreement

ORDER GRANTING AUTHORITY

On October 5, 2001, Columbia Gas of Virginia, Inc. ("CGV" or "Company"), NiSource Inc. ("NiSource"), and certain other NiSource subsidiaries, (collectively, "Applicants"), filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia requesting approval of a revised Money Pool Agreement with NiSource Inc. ("Revised Agreement"). On October 12, 2001, Applicants paid the requisite fee of $250.

By Commission Order dated December 15, 2000, in Case No. PUF000045 ("December 15 Order"), CGV was granted authority to enter into financing arrangements through the Intrasystem Money Pool during calendar year 2001. CGV was specifically authorized to: 1) borrow up to $45,000,000 in short-term notes from the Intrasystem Money Pool; and 2) invest temporary excess cash in the Intrasystem Money Pool up to $21,000,000.[1] That short-term borrowing limit was increased to $70,000,000 through December 31, 2001, by Commission Order dated January 24, 2001. Pursuant to the Revised Agreement, Applicants now propose to expand the participants in the Intrasystem Money Pool to include essentially all utility and non-utility subsidiaries of NiSource. The Intrasystem Money Pool will continue to operate identically to the one previously approved in Case No. PUF000045, with the exception of the addition of new participants. CGV did not request any change in the borrowing or lending limits.

NOW 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, however, that CGV did not forward copies of the its money pool application filed with the Securities and Exchange Commission ("SEC"), to our Division of Economics and Finance as required by our December 15 Order in Case No. PUF000045.[2] Applicants were required, pursuant to that Order, to file Form U-1A with the Division of Economics and Finance on or before September 23, 2001, since they filed their Form U-1A with the SEC on September 13, 2001.[3] Applicants did not notify the Commission Staff of the requested changes until their application was filed in this proceeding on October 5, 2001, and did not provide a copy of the U-1A filing until November 1, 2001. In addition, we note reports of action filed on May 31, 2001, and August 29, 2001, in Case No. PUF000045, wherein it appears that CGV has exceeded the $21,000,000 investment limit authorized in Case No. PUF000045. We will address those apparent violations in another proceeding.

Accordingly, IT IS ORDERED THAT:

(1) CGV is hereby authorized to enter into financial transactions with NiSource and other affiliates through the Revised Agreement, under the terms and conditions and for the purposes set forth in the application.

(2) CGV is hereby authorized to enter into financial transactions to borrow up to $70,000,000 through December 31, 2001, from NiSource 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.

(3) CGV is hereby authorized to invest temporary excess cash up to $21,000,000 in the Intrasystem Money Pool through December 31, 2001, all in a manner and under the terms and conditions and for the purposes set forth in the application.

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[1] Reports of action filed on May 31, 2001, and August 29, 2001, show that CGV exceeded the investment limit of $21 million for 96 days during the calendar year 2001.

[2] Pursuant to Ordering Paragraph (4) of that Order, CGV, Columbia Energy Group, Inc., and NiSource Finance Corp. were directed to submit to the Commission's Division of Economics and Finance a copy of Form U-1A filed with the SEC if they requested any changes to the Intrasystem Money Pool approved in the Commission's December 15 Order. CGV and the above-referenced affiliates were directed to submit such filings within ten (10) days of their filing with the SEC.

[3] Securities and Exchange Commission, Form U-1/A Application of Declaration under the Public Utility Holding Company Act of 1935 (visited on November 2, 2001) <http://www.sec.gov/Archives/edgar/data/1111711/000095012001500164/formula.ext>.

4) Should Applicants request any changes to the Intrasystem Money Pool from the SEC, Applicants shall file with the Commission's Division of Economics and Finance a copy of Form U-1 or 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 final report of action on or before February 28, 2002, for the fourth quarter of 2001, to include:

a) a monthly schedule of Intrasystem Money Pool borrowings, segmented by borrower; and

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.

9) This matter shall be continued, subject to the continued review, audit, and appropriate directive of the Commission.

CASE NO. PUF010028
DECEMBER 19, 2001

APPLICATION OF
SOUTHWESTERN VIRGINIA GAS COMPANY

For approval of an interest rate swap agreement on an existing first mortgage term note

ORDER GRANTING AUTHORITY

On October 25, 2001, Southwestern Virginia Gas Company, ("Southwestern" or "Applicant") filed an application for authority under Chapter 3 of Title 56 of the Code of Virginia for approval of an interest rate swap ("Rate Swap") on an existing first mortgage term note ("Existing Note"). Applicant paid the requisite fee of $250.

Applicant requests authority to modify the effective interest rate on the Existing Note, originally authorized by the Commission in Case No. PUF930001. Applicant intends to enter into a financial transaction ("Swap Agreement") with a financial institution by executing an International Swap Dealer's Association ("ISDA") Master Agreement. By executing the Swap Agreement, Applicant can, in effect, convert the interest rate on its Existing Note from a variable rate of interest to a fixed rate of interest. The fixed rate of interest ("Fixed Swap Rate") will be determined at the time of execution of the Swap Agreement but will not exceed 6.71%.

By letter dated December 17, 2001, Applicant stated its willingness to solicit multiple bids before executing any Swap Agreement.

Applicant requests the flexibility to execute the Swap Agreement anytime before June 30, 2002, the date the interest rate on the Existing Note is scheduled to be revised for the next 12-month period at the London InterBank Offered Rate ("LIBOR") plus 135 basis points. The Applicant states that the Rate Swap will not become effective until July 1, 2002. According to the application, the amount of Existing Debt on June 30, 2002, will be $1,861,062. The Rate Swap will mature at the same time the Existing Note matures, on July 1, 2010.

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. Interest rate swap agreements, like the one contemplated in this application, have become effective tools for utility management to manage the financial risk of the debt capital. In Case No. PUF970019,[1] we ruled that interest rate swap agreements are securities as defined in Chapter 3 of Title 56 of the Code of Virginia. We also found that certain conditions were appropriate to protect the public interest.

With respect to this application, we find that Southwestern should be required to solicit multiple offers of comparable interest rate swap proposals before executing such an agreement. We also find that limiting the notional amount of the swap agreement to the balance of the Existing Note as of June 30, 2002, is in the public interest. Further, we find that limiting the maturity of the swap agreement to July 1, 2010, the maturity of Southwestern's Existing Note, is also in the public interest.

Accordingly, IT IS ORDERED THAT:

1) Applicant is hereby authorized to enter into a Rate Swap transaction with a financial institution up to a notional amount of $1,861,062, under the terms and conditions and for the purposes set forth in the application, from the date of this Order through July 1, 2002, providing the Applicant obtains multiple proposals before executing a Swap Agreement.

2) The maturity of any interest rate swap agreement shall not exceed July 1, 2010.

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[1] In the Matter of Virginia Electric and Power Company – Interest Rate Swap Agreement (Orders dated November 24, 1997, and March 12, 1999.)

3) Applicant shall submit an annual Report of Action on or before August 15 each year, beginning with August 15, 2002, to include a monthly schedule of mortgage payments (principal and interest), and interest rate swap payments made or received.

4) Should Applicant choose to unwind or terminate the Swap Agreement, Applicant shall submit a Final Report of Action within 15 days of termination of the Swap Agreement to include the workpapers that describe the method and calculations that unwind the Swap Agreement and any net cash flows between Southwestern and the financial institution.

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. PUF010029
NOVEMBER 20, 2001

APPLICATION OF
KENTUCKY UTILITIES COMPANY D/B/A OLD DOMINION POWER COMPANY

For authority to issue refunding tax-exempt bonds

ORDER GRANTING AUTHORITY

On October 31, 2001, 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 issuance of tax-exempt pollution control revenue bonds ("New PCR Bonds") by Carroll, Muhlenberg, and Mercer Counties in Kentucky ("County Authorities") in an aggregate principal amount not to exceed $37,930,000. In conjunction, Applicant also requests authority to issue up to $37,930,000 of First Mortgage Bonds ("New Mortgage Bonds")to secure and collateralize repayment obligations on the New PCR Bonds. Applicant paid the requisite fee of $250.

Applicant states that the purpose of the proposed New PCR Bonds and New Mortgage Bonds will be to refinance up to $37,930,000 of collateralized pollution control revenue bonds consisting of: i) $20,930,000 of Carroll County, Kentucky Bonds, 1992 Series B, due February 1, 2018; ii) $2,400,000 of Carroll County, Kentucky Bonds, 1992 Series C, due February 1, 2018; iii) $7,200,000 of Muhlenberg County, Kentucky Bonds, 1992 Series A, due February 1, 2018; and iv) $7,400,000 of Mercer County, Kentucky Bonds, 1992 Series A, due February 1, 2018 (collectively referred to as "Existing PCR Bonds"). The Existing PCR Bonds are collaterally secured by Series 1B, 2B, 3B, and 4B, respectively, of the Company's First Mortgage Bonds ("Existing Mortgage Bonds").[1]

Applicant requests broad authority with respect to issuance of the New PCR Bonds and New Collateral Bonds (collectively "Refunding Bonds") in order to obtain the most favorable terms and conditions at the time of their issuance. Applicant intends to realize interest savings by refinancing during the current period of historically low long-term interest rates. Applicant may also seek to extend the maturity the Refunding Bonds relative to Existing PCR Bonds to provide further interest savings.

Applicant states 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 price, 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, the applicable County Authorities, and the purchasers of the bonds.

The Company further requests authority to enter into one or more interest rate hedging agreements with a bank or financial institution ("Counter Party") in connection with the Refunding Bonds. Through such authority, Applicant represents that it seeks to manage and to limit its exposure to interest rate risk on variable rate Refunding Bonds or to lower overall borrowing costs on any fixed rate Refunding Bonds[2].

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 Applicant's request for authority to enter into one or more interest rate hedging agreements in connection with the Refunding Bonds is unnecessary since Applicant already has such authority pursuant to the Commission Order Granting Authority dated June 23, 2000, in Case No. PUF000017. 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, 2002:

(a) to enter into one or more loan agreements with the County Authorities to assume obligations for the payment of principal, interest, and other costs associated with the issuance of up to $37,930,000 of New PCR Bonds at a fixed or variable rate;

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[1] The Existing PCR Bonds and Existing Mortgage Bonds were issued pursuant to the Commission's Order Granting Authority dated July 24, 1992, and Order Extending Authority dated July 11, 1994, in Case No. PUE920025.

[2] Pursuant to the Commission's Order Granting Authority dated June 23, 2000, in Case No. PUF000017, Applicant has authority to enter into one or more financial derivative instruments, including interest rate hedging agreements, through the period ending December 31, 2002, provided the aggregate notional amount of such transactions does not exceed $400,000,000.

(b) to use the proceeds from the New PCR Bonds to redeem the outstanding principal of the Existing PCR Bonds and pay related costs to accomplish such redemption;

(c) to issue one or more guarantees for the repayment of all obligations under the New PCR Bonds and to issue and deliver a like amount of New Mortgage Bonds to secure Applicant's payment obligations pursuant to the terms of any loan agreements with the County Authorities; and

(d) to enter into one or more liquidity facilities, credit support facilities, remarketing agreements, auction agreements, bond insurance agreements, as set out in the Company's application to perform the transactions contemplated by all such agreements.

2) Proceeds from the transactions authorized herein shall be used only for the lawful purposes set out in the Application.

3) Applicant shall submit a Preliminary Report of Action within ten (10) days after the issuance of any Refunding Bonds 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.

4) 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 remaining amount authorized for issuance;

(d) a schedule showing any associated losses incurred to reacquire the Existing PCR Bonds, 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.

5) Applicant shall file a final Report of Action on or before March 31, 2003, 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.

6) Approval of the application shall have no implications for ratemaking purposes.

7) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF010030
DECEMBER 11, 2001

APPLICATION OF
CENTRAL VIRGINIA ELECTRIC COOPERATIVE

For authority to convert interest rates on existing long-term debt from fixed to variable

ORDER GRANTING AUTHORITY

On November 20, 2001, Central Virginia Electric Cooperative ("Applicant" or "the Cooperative") filed an application with the Commission under Chapter 3 of Title 56 of the Code of Virginia requesting authority to convert one or more of its fixed interest rate loans to variable. Applicant has paid the requisite fee of $250.

Applicant represents that it currently has outstanding $11,887,209.74 of fixed rate loans with the National Rural Utilities Cooperative Financing Corporation ("CFC"). The Cooperative has indicated that, based upon current fixed rates on its CFC debt and current CFC variable rates, the Cooperative could realize cost savings by converting some of these loans from fixed to variable. The Cooperative represents that no new debt or obligations will be incurred, rather the Cooperative will review the impact of converting one or more of its CFC loans from fixed to variable on a daily basis over the next year and convert the loans that provide savings.

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 convert one or more of it CFC loans from fixed to variable from the date of this order until December 31, 2002.

2) Applicant is hereby authorized to convert the variable rate loans to fixed rate loans at any point the loans are outstanding.

3) Within thirty (30) days of the date of each conversion, Applicant shall file with the Commission's Division of Economics and Finance a Report of Action which shall include the face value of the loan that has been converted, the interest rate selected and an analysis showing the expected cost savings.

4) The authority granted herein shall have no implications for ratemaking purposes.

5) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUF010032
DECEMBER 19, 2001

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.

For approval of intercompany financings for 2002

ORDER GRANTING AUTHORITY

On November 20, 2001, Columbia Gas of Virginia, Inc. ("CGV" or "Applicant"), filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia for approval of intercompany financing for 2002. Applicant requested authority to: 1) borrow up to $70,000,000 in short-term debt through the NiSource Money Pool; 2) invest excess short-term funds up to $21,000,000 to the NiSource Money Pool; and 3) issue up to $25,000,000 in common stock and/or long-term debt to the Columbia Energy Group.

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 paid the requisite fee of $250.

By letter dated December 14, 2001, Applicant requested a shortened period of time to participate in the NiSource Money Pool. Specifically, Applicant requested that such authority be granted for a six-month period, or through June 30, 2002, rather than the one-year period initially requested. Applicant also requested to withdraw its request to issue common stock and/or long-term debt.

CGV's revised application requests authority to participate in the NiSource Money Pool with borrowing and investment limitations identical to those established by the Commission in the Applicant's previous intercompany financing application in Case No. PUF000045.[1] CGV requests to borrow up to $70,000,000 to finance seasonal gas purchases and related storage activities, to provide for working capital needs, and to provide bridge financing for ongoing capital improvement programs. CGV also requests authority to invest temporary excess cash up to a maximum of $21,000,000 in the NiSource Money Pool. The terms and conditions of the NiSource Money Pool are identical to those most recently authorized in Case No. PUF010025.[2]

NOW THE COMMISSION, upon consideration of the revised application and having been advised by its Staff, is of the opinion and finds that approval of the revised application will not be detrimental to the public interest. We note that Reports of Action filed on May 31, 2001, August 29, 2001, and November 30, 2001, in Case No. PUF000045, wherein it appears that CGV has exceeded the $21,000,000 investment limit authorized in Case No. PUF000045. Applicant acknowledges that it exceeded its authorized limit but states that such violations were inadvertent and were primarily due to its inability to identify violations because of organizational changes implemented by NiSource during 2001. We expect that NiSource will resolve this inadequacy in a timely manner and reiterate our intent to address the violations in another proceeding.

We grant Applicant's request for a shortened period of authorization. Should Applicant wish to participate in the NiSource Money Poll beyond June 30, 2002, we will require CGV to file any application requesting such approval no later than May 21, 2002. Such application shall also include a complete description of the new organizational processes designed to ensure that CGV has the ability to monitor both future borrowing and lending authorized limits.

Accordingly, IT IS ORDERED THAT:

1) CGV is hereby authorized to enter into transactions with NiSource and other affiliates through the NiSource Money Pool, under the terms and conditions and for the purposes set forth in the application, except as modified herein.

2) CGV is hereby authorized to borrow up to $70,000,000 through June 30, 2002, through the NiSource Money Pool in excess of twelve percent of total capitalization, under the terms and conditions and for the purposes set forth in the application.

3) CGV is hereby authorized to invest temporary excess cash up to $21,000,000 in the NiSource Money Pool through June 30, 2002, all in a manner and under the terms and conditions and for the purposes set forth in the application.

4) Should Applicant request from the Securities and Exchange Commission ("SEC") any changes to the Money Pool, Applicant shall submit within ten (10) days of filing with the SEC to the Commission's Division of Economics and Finance a copy of Form U-1 or Form U-1A filed with the SEC.

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[1] Application of Columbia Gas of Virginia, Inc., for approval of intercompany financing for 2001, (Final Orders dated December 15, 2000, and January 24, 2001.)

[2] Application of Columbia Gas of Virginia, Inc., for approval of money pool agreement, (Final Order dated November 6, 2001.)

5) Should Applicant wish to obtain authority beyond June 30, 2002, it shall file an application requesting such authority no later than May 21, 2002. Such application shall include all information required by: 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 complete description of the organizational processes designed to ensure that CGV has the ability to monitor both authorized borrowing and lending limits. 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 investment limit.

6) Approval of this application shall have no implications for ratemaking purposes.

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) Applicant shall file reports of action on or before May 31, 2002, and August 30, 2002, for the preceding calendar quarter, to include:

a) a monthly schedule of NiSource Money Pool borrowings, segmented by borrower; and

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.

9) This matter shall be continued, subject to the continued review, audit, and appropriate directive of the Commission.

CASE NO. PUF010033
DECEMBER 20, 2001

APPLICATION OF
APPALACHIAN POWER COMPANY

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On December 4, 2001, 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, APCO requests authority to issue long-term debt in the form of notes and pollution control bonds. Specifically, the Applicant requests authority to issue: 1) up to $450,000,000 in secured or unsecured promissory notes from time to time through December 31, 2002; 2) $10,000,000 in Mason County Series L pollution control bonds on or before January 1, 2003; 3) $40,000,000 in Mason County Series M pollution control bonds on or before January 1, 2003; 4) $50,000,000 in Mason County Series N pollution control bonds on or before January 1, 2003; 5) $17,500,000 in Russell County Series I pollution control bonds on or before January 1, 2003; and 6) $30,000,000 in Putnam County Series E pollution control bonds on or before January 1, 2003.

The $450,000,000 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 Applicant indicates that these notes will have maturities of not less than nine months 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.

The proceeds from the sale of the notes, together with any other funds which may become available to APCO, will be used to redeem directly or indirectly long-term debt, to refund directly or indirectly preferred stock, to repay short-term debt, to reimburse APCO's treasury for expenditures incurred in connection with its construction program, and for other corporate purposes.

The Applicant states that the new pollution control bonds are being issued to allow for the redemption of outstanding pollution control bonds at their redemption date. The pollution control bonds will be publicly issued pursuant to arrangements with underwriters. The $10,000,000 in Series L bonds will be used to refund APCO's outstanding Mason County, West Virginia, Pollution Control Revenue Bonds, Series H. The $40,000,000 in Series M bonds will be used to refund APCO's outstanding Mason County, West Virginia, Pollution Control Revenue Bonds, Series I. The $50,000,000 in Series N bonds will be used to refund APCO's outstanding Mason County, West Virginia, Pollution Control Revenue Bonds, Series J. The $17,500,000 Series I bonds will be used to refund the Applicant's outstanding Russell County, Virginia, Pollution Control Revenue Bonds, Series G. The $30,000,000 in Series E bonds will be used to refund APCO's outstanding Putnam County, West Virginia, Pollution Control Revenue Bonds, Series C.

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 bonds may be up to 40 years, depending on market conditions at the time of the issuance.

APCO indicates that it may enter into one or more interest rate hedging arrangements from time to time through December 31, 2002, with respect to the notes and/or pollution control bonds. 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 the aggregate levels defined above. The term of any hedge agreement will not exceed 90 days

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue: 1) up to $450,000,000 in secured or unsecured promissory notes from time to time through December 31, 2002; 2) $10,000,000 in Mason County Series L pollution control bonds on or before January 1, 2003; 3) $40,000,000 in Mason County Series M pollution control bonds on or before January 1, 2003; 4) $50,000,000 in Mason County Series N pollution control bonds on or before January 1, 2003; 5) $17,500,000 in Russell County Series I pollution control bonds on or before January 1, 2003; and 6) $30,000,000 in Putnam County Series E pollution control bonds on or before January 1, 2003, 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, 2003, to include the types of securities issued pursuant to this authority, 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.

DIVISION OF SECURITIES AND RETAIL FRANCHISING

CASE NO. SEC990043
FEBRUARY 9, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ROBERT E. BRANKLEY, JR. t/a OYAGE GROUP,
Defendant

DISMISSAL ORDER

By Rule to Show Cause dated July 16, 1999, the Commission, among other things, assigned this case to a Hearing Examiner to conduct a hearing on behalf of the Commission. A hearing was held on October 27, 1999, and by ruling dated November 18, 1999, the Hearing Examiner ordered the defendant forthwith to produce documents specified in the February 1, 1999, subpoena served upon him. Thereafter, the Staff reported to the Hearing Examiner that the defendant ultimately produced the subpoenaed records and the Staff, by counsel, moved that this case be dismissed. The Hearing Examiner, in his Report to the Commission, recommended that the motion be granted. Upon consideration whereof,

IT IS ORDERED THAT:

(1) This case is dismissed.

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

CASE NOS. SEC000005, SEC000006, SEC000007, SEC000009, SEC000010, and SEC000012
JANUARY 3, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MUTUAL BENEFITS CORPORATION, SAMIR GHOSH, DAVID HARDY,
FRED WOODBURY, GLENN BOLLINGER,
and
JIM EPPS,
Defendants

SETTLEMENT ORDER

The Commission's Division of Securities and Retail Franchising ("Division") instituted an investigation of Defendants, Mutual Benefits Corporation ("MBC"); Samir Ghosh, David Hardy, Fred Woodbury, Glenn Bollinger, and Jim Epps ("Individual Defendants"), pursuant to § 13.1-518 of the Virginia Securities Act, ("Act"), § 13.1-501 et seq. of the Code of Virginia. On February 2, 2000, the Division issued a Rule to Show Cause in this matter.

As a result of its investigation the Division issued an Amended Rule to Show Cause on March 3, 2000, in which the Division alleged:

1. MBC offered and sold viatical settlement contracts to residents of Virginia from February 19, 1995 to July, 1998.

2. Viatical settlement contracts are investment contracts and therefore securities as defined in § 13.1-501 of the Act.

3. Individual Defendants offered and sold viatical settlement contracts to eighty-seven (87) residents of Virginia.

4. Individual Defendants were not registered as securities agents to offer or sell securities under § 13.1-504 A of the Act.

5. MBC transacted business by and through its securities agents without registration as a broker-dealer or issuer in violation of § 13.1-504 A of the Act.

6. MBC employed unregistered Individual Defendants in violation of § 13.1-504 B of the Act.

7. MBC and Individual Defendants offered and sold unregistered securities in this state in violation of § 13.1-507 of the Act.

8. MBC and Individual Defendants provided prospective purchasers with disclosure materials that were used to obtain money by means of untrue statements of material fact and omission to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, in violation of § 13.1-502(2) of the Act.

MBC and Individual Defendants filed an answer denying the allegations, and neither admit nor deny the allegations, but admit to the Commission's jurisdiction and authority to enter this order.

As a proposal to settle all matters arising from the allegations made against them, MBC and Individual Defendants have offered and agreed to the entry of the following findings of fact and conclusions of law and to comply with the following terms and undertakings:

Findings of Fact and Conclusions of Law

(1) MBC was not registered as a broker-dealer pursuant to § 13.1-504 A of the Act when the transactions alleged in the Rule to Show Cause was entered.

(2) The viatical settlements contracts alleged in the Amended Rule to Show Cause were not registered pursuant to § 13.1-507 of the Act and MBC made no filings with the Commission in connection with any claimed exemption from registration under the provisions of the Act.

(3) One or more of the sales of viatical settlements contracts were inadvertently made in violation of the registration provisions of the Act.

(4) There is no factual basis for a finding of any violations of the Act by MBC or Individual Defendants in connection with any transaction with any person named on the stipulation filed under seal with the Commission on September 28, 2000. References hereinafter to transactions or persons alleged in the Amended Rule to Show Cause (including Exhibit B thereof) shall exclude the transactions involving such persons.

Terms and Undertakings

(1) MBC shall refrain from any conduct which constitutes a violation of the Act or the Rules promulgated thereunder.

(2) MBC and Individual Defendants shall not offer to sell or sell any fractional interests in any viatical settlement contract in the Commonwealth of Virginia without registering such fractional interest under the Act or making the required filing, either by registration or appropriate exemption from registration.

(3) MBC shall make a written offer of rescission, rescission to be the amount of the original investment from the date of purchase plus six (6%) percent interest, to the residents of Virginia shown on Exhibit B to the Amended Rule to Show Cause.

(a) The letter with the proposed rescission offer will be sent to the Division and approved prior to distribution to the Virginia investors. Such approval shall not be unreasonably withheld.

(b) Within thirty (30) days of the Commission's entry of this settlement order, MBC will file a proposed rescission plan with the Division. Once the Division approves the proposed rescission plan, MBC will have thirty (30) days to distribute the rescission offer. Such approval shall not be unreasonably withheld. The approved rescission plan must be completed within twelve months of the Division's approval of the plan.

(c) The rescission plan will not include any viatical settlements contracts where the life insurance policy has matured and principal and interest has been paid to the investor. Each rescission letter will cover one viatical settlements contract. Contracts will not be aggregated by investor.

(d) Evidence of compliance with the provisions of this section will be filed with the Division within thirty (30) days of the date of the completion of the rescission plan; that such evidence will be in the form of an affidavit, executed by the president of MBC and which shall contain the following information: (i) the date on which payment was remitted to each investor, (ii) the amount of payment remitted to each investor, or, if applicable, (iii) a copy of the signed rejection by any investor who refuses the offer of rescission or proof of mailing to investor if there has been no response.

(e) To the extent the rescission plan applies to any Virginia investor who in a single transaction purchased only an entire interest (as opposed to a fractional interest) in one or more life insurance policies, this settlement shall not prejudice any future application by MBC seeking a determination, order, ruling, or promulgation of a regulation to the effect that interests in entire life insurance policies are not securities under the Act or other current laws or regulations.

(4) Pursuant to § 13.1-521 of the Act, MBC shall pay a fine in the amount of ten thousand dollars ($10,000) to the Commonwealth.

(5) Pursuant to § 13.1-518 B of the Act, MBC shall pay to the Commission thirty thousand ($30,000) dollars to defray the costs of investigation.

(6) Individual Defendants shall refrain from any conduct that constitutes a violation of the Act or the Rules promulgated thereunder.

The Division has recommended that MBC and Individual 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, MBC and Individual Defendants' offer of settlement is accepted.

(2) MBC and Individual Defendants fully comply with the aforesaid terms and conditions of the settlement.

(3) MBC and Individual Defendants refrain from any further conduct which constitutes a violation of the Act or the Rules promulgated thereunder.

(4) Pursuant to § 13.1-521 of the Act, MBC pay a penalty to the Commonwealth in the total of ten thousand ($10,000) dollars upon entry of this settlement order.

(6) Pursuant to § 13.1-518 B of the Act, MBC pay to the Commission the total sum of thirty thousand ($30,000) dollars for the cost of the Division's investigation. Payment of the costs of investigation will be made in the following way:

(a) Ten thousand ($10,000) dollars within thirty (30) days of entry of this settlement order.

(b) Ten thousand ($10,000) dollars within sixty (60) days of entry of this settlement order.

(c) Ten thousand ($10,000) dollars within ninety (90) days of entry of this settlement order.

(7) The sum of forty thousand ($40,000) dollars as described in paragraphs (5) and (6) above is accepted.

(8) All issues raised in this matter are hereby settled and this matter is dropped from the Commission's docket and the papers herein placed in the file for ended causes.

CASE NO. SEC000045
FEBRUARY 27, 2001

BLUE RIDGE NURSING CENTER OF MARTINSVILLE AND HENRY COUNTY, INC.,
Petitioner,
v.
BLUE RIDGE NURSING CENTER, INC.,
Defendants

DISMISSAL ORDER

ON A FORMER DAY the Staff reported to the Commission that the parties have agreed to the dismissal of this case without prejudice.

Accordingly, IT IS ORDERED THAT:

(1) This case is hereby dismissed without prejudice.

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

CASE NOS. SEC000069 and SEC000072
JANUARY 25, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
AIRCABLE OF ROANOKE, LLC,
DIGITAL BROADCAST CORPORATION,
Defendants

FINAL ORDER AND JUDGMENT

By Rule to Show Cause issued against AirCable of Roanoke, LLC ("AirCable") dated October 21, 2000 and Motion for Temporary Injunction issued against AirCable and Digital Broadcast Corporation ("Digital") dated November 9, 2000, the Commission assigned this case to Alexander F. Skirpan, Jr., Hearing Examiner, to conduct a hearing for the Commission. The Hearing Examiner issued his Report setting forth his recommended findings of fact and conclusions of law on December 19, 2000. Upon consideration of the Report and the record in this case, the Commission is of the opinion and finds as follows:

(1) AirCable is a Virginia limited liability company that maintains its offices in Salem, Virginia.

(2) Digital is a Delaware corporation that maintains its offices in Nassau County, New York and is the managing corporation for AirCable.

(3) The Rule to Show Cause and the Motion for Temporary Injunction were duly served upon the defendants as required by law.

(4) At hearing, AirCable filed an Assertion of Statutory and Constitutional Privileges ("Privileges Motion") and a Motion to Quash or Otherwise Modify Scope of Subpoena ("Motion to Quash"). The Hearing Examiner noted the Privileges Motion and took the Motion to Quash under advisement.

(5) A copy of the Report of Hearing Examiner ("Report") was filed on December 27, 2000 and mailed to the defendants.

(6) Defendants filed comments to the Report on January 8, 2001 and a Reply Brief on January 16, 2001.

(7) Defendants offered and sold securities in Virginia in violation of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia.

(8) AirCable has failed to show legal justification or excuse for its refusal to produce documents pursuant to the Commission's subpoena.

(9) There is no basis for AirCable's Motion to Quash.

(10) There is a sufficient basis for granting the Motion for Temporary Injunction.

Accordingly, IT IS ADJUDGED AND ORDERED THAT:

(1) Pursuant to § 13.1-519 of the Act, the Motion for Temporary Injunction dated November 9, 2000, is granted for a period of one hundred twenty days (120) beginning from the date of entry of this Order.

(2) The Motion to Quash is hereby denied.

(3) Pursuant to §§ 12.1-33 of the Code of Virginia and 12.1-521 of the Act, AirCable is penalized in the sum of five thousand dollars ($5,000) which sum the Commonwealth shall recover from said defendant with interest at nine percent (9%) per year until paid.

(4) Pursuant to § 12.1-33 of the Code of Virginia, AirCable shall be subject to a daily penalty of five thousand dollars ($5,000) per day beginning fourteen (14) days from the date of the entry of this Order and continuing until AirCable provides all of the documents ordered to be produced by the Commission's Subpoena.

(5) This case is dismissed from the docket, and the papers herein shall be placed among the ended causes.

CASE NOS. SEC000069 and SEC000072
FEBRUARY 15, 2001

STATE CORPORATION COMMISSION
v.
AIRCABLE OF ROANOKE, LLC,
DIGITAL BROADCAST CORPORATION
Defendants

ORDER DENYING PETITION FOR RECONSIDERATION

On February 12, 2001, Defendants filed in these cases a petition styled "Petition For Reconsideration". In its petition Defendants requested that the "Commission reconsider its January 25, 2001 Order by (1) eliminating the TRO requirement; (2) modifying the subpoena to correspond to the boundaries of Virginia; (3) eliminating the sanctions provision of the Order; (4) staying in the order granting reconsideration or otherwise the sanctions of $5,000 per day commencing 14 days from the date of the Jan. 25, 2001 Order; (5) extending the time for perfecting an appeal in the order granting reconsideration or otherwise in the event submission of this matter utilizes a significant portion of the appeal period." Upon consideration of said petition, the State Corporation Commission is of the opinion and finds that the Petition for Reconsideration should be and is hereby denied.

CASE NO. SEC000069 and SEC000072
JUNE 8, 2001

STATE CORPORATION COMMISSION
v.
AIRCABLE OF ROANOKE, LLC,
DIGITAL BROADCAST CORPORATION
Defendants

ORDER DENYING PETITION FOR RECONSIDERATION

On June 4, 2001, Defendants filed in these cases a petition styled "Petition For Reconsideration". In its petition Defendants requested that the "Commission reconsider its May 24, 2001 Order Granting Extension of TRO." In its Petition Defendants alleged and stated:

1. On May 18, 2001, the Commission's Division of Securities and Retail Franchising ("Division") filed a motion styled a "Motion for Extension of Temporary Injunction."

2. Defendants proffered a Motion to Dismiss, attached hereto as Exhibit "A" and by reference incorporated herein.

3. On May 24, 2001, the Commission granted said Motion.

4. For reasons cited in Defendants' Motion to Dismiss, the Commission's Order is ultra vires.

5. Furthermore, SCC Rule 8.9 provides that a Commission's "orders...shall remain under the control of the Commission and subject to modification or vacated for twenty-one (21) days after the date of entry, and no longer." The Commission's original TRO was entered January 25, 2001, and may only be "modified" for 21 days thereafter. The Division's May 18, 2001 "Motion", and the Commission's May 24, 2001 "Order", are violative of SCC Rule 8.9.

Upon consideration of said petition, the State Corporation Commission is of the opinion and finds that the request for extension of the temporary restraining order was based upon independent motion, affidavit, and grounds, separate from the original motion for temporary injunction. As such, the Commission granted an extension for the temporary injunction; it did not modify its original order. Therefore, the Petition for Reconsideration is denied.

CASE NO. SEC000075
JANUARY 4, 2001

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

SETTLEMENT ORDER

The Commission's Division of Securities and Retail Franchising has instituted an investigation of Tribro, Inc., Defendant, 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 (i) offered for sale and sold in the Commonwealth unregistered non-exempt securities in the form of shares of Tribro, Inc. stock in violation of §13.1-507 of the Act, and (ii) employed an unregistered agent in violation of § 13.1-504 B of the Act. 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 agrees to comply with the following terms and undertakings:

(A) Within sixty (60) days of the date of this Settlement Order, the Defendant will make or cause to be made a written offer of rescission to each stockholder, to include (i) an offer to repay the full principal sum invested, plus interest thereon at an annual rate of six (6) percent calculated from the date of the stockholder's purchase, (ii) an explanation as to the reason for the rescission offer; and (iii) provisions that the stockholders have thirty (30) days from the date of receipt of the rescission offer to provide Tribro written notification of their decision to accept or reject the offer, and that, if the offer is accepted, Tribro will make repayment within thirty (30) days from the date it receives acceptance of the offer.

(B) Evidence of compliance with the provisions of paragraph (A) will be filed with the Division by the Defendant within thirty (30) days from the date that the offer lapses; that such evidence will be in the form of an affidavit, executed by Tribro, Inc. President, John Cooney, which will contain the following information: (i) the date on which each stockholder received the offer of rescission; (ii) the date and nature of each stockholder's response to the offer; and (iii) if applicable, the date on which payment was remitted to the stockholder and the dollar amount of each payment.

(C) Defendant is permanently enjoined from violating §§13.1-507 and 504 B of the Act.

(D) It is recognized and understood that if the Defendant fails to comply with any of the foregoing terms and undertakings related to the offer of rescission, 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.

NOW THEREFORE, 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 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. SEC000084
MAY 1, 2001

THE LANDMARK DESIGN GROUP, INC.,
PETITIONER,
v.
TOM B. LANGLEY,
DEFENDANT

DISMISSAL ORDER

ON A FORMER DAY the Petitioner Filed a Petition with the Clerk of the Commission seeking cancellation of Defendant's registration of a certain service mark pursuant to § 59.1-92.10 of the Code of Virginia. By Order dated February 26, 2001 the Commission, among other things, assigned the case to a Hearing Examiner to conduct further proceedings in the matter. Thereafter, the Petitioner filed a motion for nonsuit and the Hearing Examiner, by his Report dated April 27, 2001, recommended that the Commission enter an order dismissing the case without prejudice. Upon consideration thereof,

IT IS ORDERED THAT:

(1) This case is hereby dismissed without prejudice.

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

CASE NO. SEC000097
JANUARY 5, 2001

APPLICATION OF
WS INVESTMENT COMPANY LLC
WILSON SONSINI GOODRICH & ROSATI, PC

For an official interpretation pursuant to § 13.1-514 A 10 Virginia Securities Act, § 13.1-501 et seq. of the Code of Virginia

OFFICIAL INTERPRETATION

THIS MATTER came in for consideration upon written application of Wilson Sonsini Goodrich & Rosati, P.C. ("WSGR") for its proposed employee benefit plan WS Investment Company LLC ("WS LLC") filed on November 15, 2000, and upon payment of the requisite fee, requesting a determination that the proposed securities qualify as exempt securities from securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia, pursuant to § 13.1-514 A 10 of the Act.

Section 13.1-514 A 10 of the Act exempts certain securities from the registration requirements of the Act if the security is ". . . issued in connection with an employee stock purchase, savings, pension, profit-sharing or similar benefit plan." WSGR intends to establish an employee benefit plan, WS LLC, pursuant to which its members, associates and certain other management-level employees may participate in the purchase of the interests in WS LLC. WSGR will offer the interests in WS LLC to persons who are, at the time of the investment (a) current members and employees of WSGR and/or its subsidiaries and (b) trust or other entities the sole beneficiaries of which or the settlors and the trustees of which consist of current members and employees of WSGR or immediate family members of such persons. The exemption is not limited by Virginia statute as to the type of employee that is eligible for the said exemption as long as the plan is for the benefit of employees.

Section 13.1-514 A 10 of the Act further allows the Commission to ". . . by rule or order, as to any security issued pursuant to such plan, specify or designate persons eligible to participate in such plan." WS LLC, as a part of this employee benefit plan, intends to offer these interests to employed attorneys of WSGR, who are not members of WSGR, but are employees to the extent that they are (a) a lawyer employed by WSGR and (b) reasonably expected to have compensation of at least $120,000 in the next 12 months and $150,000 in the succeeding 2-12 month periods. As stated previously, the statute is silent as to the type of employee that is eligible for the exemption. Any employee of WSGR would be eligible for the interests as long as the person is and stays an employee. If the person deemed eligible leaves WSGR's employ, that person would no longer be eligible to participate in the plan, not even pursuant to the transactional exemption found in § 13.1-514 B 8.

THEREFORE, the Commission is of the opinion and finds that, WSGR's employee benefit plan, WS LLC, is eligible for the exemption found in § 13.514 A 10 of the Act.

IT IS HEREBY ADJUDGED AND ORDERED that the securities proposed to be offered and sold by WSGR for its employee benefit plan, WS LLC, is exempt from the registration requirements of the Act pursuant to § 13.1-514 A 10.

CASE NO. SEC010004
DECEMBER 21, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
THE CHARTERHOUSE GROUP, LTD.,
Defendant

JUDGMENT

By Rule to Show Cause issued against The Charterhouse Group, LTD ("Charterhouse") on February 12, 2001, the Commission assigned this case to Michael D. Thomas, Hearing Examiner, to conduct a hearing for the Commission. The Hearing Examiner issued his Report setting forth his recommended findings of fact and conclusions of law on September 14, 2001. Upon consideration of the Report and the record in this case, the Commission is of the opinion and finds as follows:

(1) Charterhouse failed to file a responsive pleading to the Rule to Show Cause and it also failed to appear at the hearing.

(2) A copy of the Report of Hearing Examiner ("Report") was mailed to the Defendant.

(3) Charterhouse is in default of the Commission's Rule to Show Cause.

(4) Charterhouse violated § 13.1-504 A of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia by transacting a securities sales business in the Commonwealth of Virginia, by and through agents, without first registering as a broker-dealer.

(5) Charterhouse violated § 13.1-504 B of the Act by employing agents to offer and sell securities in the Commonwealth of Virginia.

(6) Charterhouse violated § 13.1-507 of the Act by offering and selling unregistered securities in and from the Commonwealth of Virginia.

(7) Charterhouse violated § 13.1-502 (2) of the Act by providing prospective purchasers with little or no disclosure materials and obtained money by means of untrue statements of material fact and omissions to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

Accordingly, IT IS ADJUDGED AND ORDERED THAT:

(1) Charterhouse is penalized, pursuant to § 13.1-521 of the Act, the sum of $595,000.00 for 119 violations of § 13.1-504 A of the Act.

(2) Charterhouse is penalized, pursuant to § 13.1-521 of the Act, the sum of $55,000.00 for 11 violations of § 13.1-504 B of the Act.

(3) Charterhouse is penalized, pursuant to § 13.1-521 of the Act, the sum of $595,000.00 for 119 violations of § 13.1-507 of the Act.

(4) Charterhouse is penalized, pursuant to § 13.1-521 of the Act, the sum of $595,000.00 for 119 violations of § 13.1-502 (2) of the Act.

(5) Charterhouse is permanently enjoined, pursuant to § 13.1-519 of the Act, from transacting the business of a securities broker-dealer in the Commonwealth of Virginia.

(6) This case is dismissed from the docket, and the papers herein shall be placed among the ended causes.

CASE NO. SEC010008
DECEMBER 21, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
DAVID R. TANNER,
Defendant

JUDGMENT

By Rule to Show Cause issued against David R. Tanner, on February 12, 2001, the Commission assigned this case to Michael D. Thomas, Hearing Examiner, to conduct a hearing for the Commission. The Hearing Examiner issued his Report setting forth his recommended findings of fact and conclusions of law on September 14, 2001. Upon consideration of the Report and the record in this case, the Commission is of the opinion and finds as follows:

(1) A copy of the Report of Hearing Examiner ("Report") was mailed to the Defendant.

(2) Defendant, through counsel, requested and was granted an extension to file comments to the Hearing Examiner's report on September 26, 2001.

(3) Defendant, through counsel, filed comments to the Hearing Examiner's Report on October 9, 2001.

(4) Defendant violated § 13.1-504 A of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia by offering and selling securities without registration under the Act.

(5) Defendant violated § 13.1-507 of the Act in the form of promissory notes and investment contracts.

(6) Defendant violated § 13.1-502 (2) of the Act providing prospective purchasers with little or no disclosure materials and obtained money by means of untrue statements of material fact and omissions to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

Accordingly, IT IS ADJUDGED AND ORDERED THAT:

(1) Defendant is penalized, pursuant to § 13.1-521 of the Act, the sum of $1,000.00 for one violation of § 13.1-504 A of the Act.

(2) Defendant is penalized, pursuant to § 13.1-521 of the Act, the sum of $11,000.00 for 22 violations of § 13.1-507 of the Act.

(3) Defendant is penalized, pursuant to § 13.1-521 of the Act, the sum of $1,000.00 for one violation of § 13.1-502 (2) of the Act.

(4) Defendant is permanently enjoined, pursuant to § 13.1-519 of the Act, from transacting the business of a securities agent in the Commonwealth of Virginia.

(5) In lieu of paying these penalties to the Commonwealth, Defendant has sixty (60) days in which to present a plan to the Commission, of which, Defendant will pay a proportion of the Commission-imposed penalty to each Virginia investor to whom the Defendant sold securities. Each Virginia investor will be paid in proportion to the total amount invested through Defendant. The Division will assist the Defendant in preparing the proposal for the Commission, including providing the total dollar invested, the amount invested by each Virginia investor, and the most recent address of the Virginia investor. The plan may include a payment plan, but such plan must be concluded within one year of entry of this order. In the vent that the Defendant does not submit a plan for repayment of the investors, which is in compliance with the requirements set forth above, or fails to comply with a plan once submitted, the Defendant shall be subject to the payment of the penalty ordered above. The Commission retains jurisdiction for the express and limited purpose of monitoring the Defendant's compliance with this provision and entering disposition as a consequence thereof. For all other purposes, including Defendant's right of appeal, this order is the final disposition of this case.

(6) This case is dismissed from the docket, and the papers herein shall be placed among the ended causes.

CASE NO. SEC010009
MAY 17, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ROBERT H. GARNER,
Defendant

ORDER ACCEPTING OFFER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of Defendant 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:

1. Defendant is an insurance agent licensed with the Commission's Bureau of Insurance.

2. Defendant was a Director and an agent for The Charterhouse Group, Ltd. ("Charterhouse").

3. Defendant, as an agent of Charterhouse offered and sold promissory notes for U.S. Capital Funding/First Capital Services, Inc. in violation of § 13.1-507 of the Act.

4. Defendant, as an agent of Charterhouse offered and sold investment contracts for Kensington Holding Corporation.

5. Defendant acted as an unregistered agent when he offered and sold said securities in violation of § 13.1-504 A of the Act.

6. Defendant failed to provide adequate disclosure in the offer and sale of said securities in violation of § 13.1-502(2) of the Act.

Defendant neither admits nor denies the allegations, but admits to the Commission's jurisdiction and authority to enter this order.

As a proposal to settle all matters arising from the allegations made against him as described in this Order and in the Rule to Show Cause issued against the Defendant, the Defendant has offered and agrees to comply with the following terms and undertakings:

1. Defendant agrees to be permanently enjoined pursuant to § 13.1-519 of the Act and will refrain from any further conduct that constitutes a violation of the Act or the Commission's Rules promulgated thereunder.

2. Defendant admits that he sold securities as defined in § 13.1-501 of the Act.

3. Defendant has demonstrated that he has no ability to pay any investors or pay civil fines to the Commission. Defendant has represented to the Division that he is nearly in bankruptcy at this time. In addition, Defendant, since the Charterhouse business closed has attempted to continue to pay Charterhouse investors. Defendant provided to the Division a chart showing that he paid $51,173.94 to investors from his own funds. Based upon these representations, the Division will not require additional payments.

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) Defendant will be permanently enjoined pursuant to § 13.1-519 of the Act and will refrain from any conduct that constitutes a violation of the Act or the Commission's Rules promulgated thereunder.

CASE NO. SEC010010
MAY 17, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
JOHN R. PENNINGTON,
Defendant

ORDER ACCEPTING OFFER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of Defendant 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:

1. Defendant was President and a Director of The Charterhouse Group, Ltd. ("Charterhouse").

2. Defendant was an agent for Charterhouse and a registered securities agent, CRD # 1387165, for LifeUSA Securities, Inc. in Virginia from October 29, 1997 to October 7, 1998.

3. Defendant, as an agent of Charterhouse offered and sold promissory notes for U.S. Capital Funding/First Capital Services, Inc. in violation of § 13.1-507 of the Act to Kyle and Kathy Burk, 504 Cape Charles Square, Lynchburg, Virginia 24502; William and Anna Walters, 42 Brookfield Drive, Hampton, Virginia 23666; Wesley United Methodist Church, %Reverend William Walters, Hampton, Virginia 23666; Jim Rivers, 5058 Yellow Mountain Road, Roanoke, Virginia 24017; Maurita Wiggins, 3101 Tomaranne Drive, Roanoke, Virginia 24018; Sarah Guill, 3653 Grit Road, Hurt, Virginia 24563; and Richard Burk, 2982 NorthWest 55 Avenue, Fort Lauderdale, Florida 33313.

4. Defendant offered and sold investment contracts for Kensington Holding Corporation in violation of § 13.1-507 of the Act to Kyle and Kathy Burk, 504 Cape Charles Square, Lynchburg, Virginia 24502.

5. Defendant acted as an unregistered agent when he offered and sold said securities in violation of § 13.1-504 A of the Act.

6. Defendant failed to provide adequate disclosure in the offer and sale of said securities in violation of § 13.1-502(2) of the Act.

Defendant neither admits nor denies the allegations, but admits to the Commission's jurisdiction and authority to enter this order.

As a proposal to settle all matters arising from the allegations made against him as described in this Order and in the Rule to Show Cause issued against the Defendant, the Defendant has offered and agrees to comply with the following terms and undertakings:

1. Defendant agrees to be permanently enjoined from selling viatical settlements or unregistered securities pursuant to § 13.1-519 of the Act and will refrain from any further conduct that constitutes a violation of the Act or the Commission's Rules promulgated thereunder.

2. Defendant admits that he offered and sold securities as defined by § 13.1-501 of the Act to the people listed above.

3. Defendant agrees to pay a total of $25,000 to the above-listed investors over a period of time, to be determined by agreement between the Division and the Defendant; said agreement to be entered no later than thirty days (30) from the date of entry of this order and said payments to begin no later than ninety days (90) from the date of entry of this order.

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) Defendant is permanently enjoined from selling viatical settlements or unregistered securities pursuant to § 13.1-519 of the Act and will refrain from any conduct that constitutes a violation of the Act or the Commission's Rules promulgated thereunder.

(3) The agreement for payments to investors to be submitted within thirty (30) days of entry of this order is accepted.

(4) The payments schedule to begin within ninety days (90) of the entry of this Order is accepted.

CASE NO. SEC010012
MAY 17, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
PALMER D. SHELTON,
Defendant

ORDER ACCEPTING OFFER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of Defendant 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:

1. Defendant is an insurance agent licensed with the Commission's Bureau of Insurance.

2. Defendant was an agent for The Charterhouse Group, Ltd. ("Charterhouse").

3. Defendant, as an agent of Charterhouse offered and sold promissory notes for U.S. Capital Funding/First Capital Services, Inc. in violation of § 13.1-507 of the Act to Nicole Betterton/Betty B. Osborne, 118 Highland Road, Gretna, Virginia 24557, Leonard and Gaile Shelton, P.O. Box 925, Chatham, Virginia 24531, Mary and Steve Moss, 302 Watts Street, Gretna, Virginia 24557, Rudy and Lina Hammer, 854 S. Main Street, Chatham, Virginia 24531 and Maynard and Bonnie McDaniel 2237 McDaniel Road, Java, Virginia 24566.

4. Defendant acted as an unregistered agent when he offered and sold said securities in violation of § 13.1-504 A of the Act.

5. Defendant failed to provide adequate disclosure in the offer and sale of said securities in violation of § 13.1-502(2) of the Act.

Defendant neither admits nor denies the allegations, but admits to the Commission's jurisdiction and authority to enter this order.

As a proposal to settle all matters arising from the allegations made against him as described in this Order and in the Rule to Show Cause issued against the Defendant, the Defendant has offered and agrees to comply with the following terms and undertakings:

1. Defendant will refrain from any further conduct which constitutes a violation of the Act or the Commission's Rules promulgated thereunder.

2. Defendant agrees to submit a check in the sum of $3,000 made payable to Rudi and Lina Hammer and a check in the same of $1500 to Mary and Steve Moss which will be tendered contemporaneously with the entry of this order.

3. Defendant agrees to submit a check in the sum of $3,000 made payable to Nicole Betterton and Betty B. Osborne, within sixty days (60) of the date of the entry of this order.

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) Defendant will refrain from any conduct which constitutes a violation of the Act or the Commission's Rules promulgated thereunder.

(3) The sum of $3,000 made payable to Rudi and Lina Hammer and the sum of $1,500 made payable to Nicole Betterton and Betty B. Osborne tendered contemporaneously with the entry of this Order is accepted.

(4) The sum of $3,000 made payable to Mary and Steve Moss tendered within sixty days (60) of the entry of this Order is accepted.

CASE NO. SEC010013
DECEMBER 21, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BRIAN W. KREIDER,
Defendant

JUDGMENT

By Rule to Show Cause issued against Brian W. Kreider, on February 12, 2001, the Commission assigned this case to Michael D. Thomas, Hearing Examiner, to conduct a hearing for the Commission. The Hearing Examiner issued his Report setting forth his recommended findings of fact and conclusions of law on September 14, 2001. Upon consideration of the Report and the record in this case, the Commission is of the opinion and finds as follows:

(1) A copy of the Report of Hearing Examiner ("Report") was mailed to the Defendant.

(2) Defendant, through counsel, requested and was granted an extension to file comments to the Hearing Examiner's report on September 26, 2001.

(3) Defendant, through counsel, filed comments to the Hearing Examiner's Report on October 9, 2001.

(4) Defendant violated § 13.1-504 A of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia by offering and selling securities without registration under the Act.

(5) Defendant violated § 13.1-507 of the Act by offering and selling securities in the form of promissory notes and investment contracts.

(6) Defendant violated § 13.1-502 (2) of the Act providing prospective purchasers with little or no disclosure materials and obtained money by means of untrue statements of material fact and omissions to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

Accordingly, IT IS ADJUDGED AND ORDERED THAT:

(1) Defendant is penalized, pursuant to § 13.1-521 of the Act, the sum of $1,000.00 for one violation of § 13.1-504 A of the Act.

(2) Defendant is penalized, pursuant to § 13.1-521 of the Act, the sum of $11,000.00 for 22 violations of § 13.1-507 of the Act.

(3) Defendant is permanently enjoined, pursuant to § 13.1-519 of the Act, from selling unregistered securities in the Commonwealth of Virginia.

(4) In lieu of paying these penalties to the Commonwealth, Defendant has sixty (60) days in which to present a plan to the Commission, of which, Defendant will pay a proportion of the Commission-imposed penalty to each Virginia investor to whom the Defendant sold securities. Each Virginia investor will be paid in proportion to the total amount invested through Defendant. The Division will assist the Defendant in preparing the proposal for the Commission, including providing the total dollar invested, the amount invested by each Virginia investor, and the most recent address of the Virginia investor. The plan may include a payment plan, but such plan must be concluded within one year of entry of this order. In the event that the Defendant does not submit a plan for repayment of the investors, which is in compliance with the requirements set forth above, or fails to comply with a plan once submitted, the Defendant shall be subject to the payment of the penalty ordered above. The Commission retains jurisdiction for the express and limited purpose of monitoring the Defendant's compliance with this provision and entering disposition as a consequence thereof. For all other purposes, including Defendant's right of appeal, this order is the final disposition of this case.

(5) This case is dismissed from the docket, and the papers herein shall be placed among the ended causes.

CASE NO. SEC010016
DECEMBER 21, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
JAMES C. PERRY,
Defendant

JUDGMENT

By Rule to Show Cause issued against James C. Perry, on February 12, 2001, the Commission assigned this case to Michael D. Thomas, Hearing Examiner, to conduct a hearing for the Commission. The Hearing Examiner issued his Report setting forth his recommended findings of fact and conclusions of law on September 14, 2001. Upon consideration of the Report and the record in this case, the Commission is of the opinion and finds as follows:

(1) A copy of the Report of Hearing Examiner ("Report") was mailed to the Defendant.

(2) Defendant, through counsel, requested and was granted an extension to file comments to the Hearing Examiner's report on September 26, 2001.

(3) Defendant, through counsel, filed comments to the Hearing Examiner's Report on October 9, 2001.

(4) Defendant violated § 13.1-504 A of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia by offering and selling securities without registration under the Act.

(5) Defendant violated § 13.1-507 of the Act in the form of promissory notes and investment contracts.

(6) Defendant violated § 13.1-502 (2) of the Act providing prospective purchasers with little or no disclosure materials and obtained money by means of untrue statements of material fact and omissions to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

Accordingly, IT IS ADJUDGED AND ORDERED THAT:

(1) Defendant is penalized, pursuant to § 13.1-521 of the Act, the sum of $1,000.00 for one violation of § 13.1-504 A of the Act.

(2) Defendant is penalized, pursuant to § 13.1-521 of the Act, the sum of $9,000.00 for 18 violations of § 13.1-507 of the Act.

(3) Defendant is penalized, pursuant to § 13.1-521 of the Act, the sum of $1,000.00 for one violation of § 13.1-502 (2) of the Act.

(4) Defendant is permanently enjoined, pursuant to § 13.1-519 of the Act, from transacting the business of a securities agent in the Commonwealth of Virginia.

(5) In lieu of paying these penalties to the Commonwealth, Defendant has sixty (60) days in which to present a plan to the Commission, of which, Defendant will pay a proportion of the Commission-imposed penalty to each Virginia investor to whom the Defendant sold securities. Each Virginia investor will be paid in proportion to the total amount invested through Defendant. The Division will assist the Defendant in preparing the proposal for the Commission, including providing the total dollar invested, the amount invested by each Virginia investor, and the most recent address of the Virginia investor. The plan may include a payment plan, but such plan must be concluded within one year of entry of this order. In the event that the Defendant does not submit a plan for repayment of the investors, which is in compliance with the requirements set forth above, or fails to comply with a plan once submitted, the Defendant shall be subject to the payment of the penalty ordered above. The Commission retains jurisdiction for the express and limited purpose of monitoring the Defendant's compliance with this provision and entering disposition as a consequence thereof. For all other purposes, including Defendant's right of appeal, this order is the final disposition of this case.

(6) This case is dismissed from the docket, and the papers herein shall be placed among the ended causes.

CASE NOS. SEC010024 and SEC010025
FEBRUARY 16, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
KASTLE GREENS GOLF CLUB CORPORATION,
GARY A. CORDOVA,
Defendants

SETTLEMENT ORDER

The Commission's Division of Securities and Retail Franchising has instituted an investigation of the Defendants, Kastle Greens Golf Club Corporation ("KGGC"), and, Gary A. Cordova ("Cordova") 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) Cordova transacted business in this Commonwealth as an unregistered agent of the KGGC in violation of §13.1-504A of the Act, (ii) KGGC employed an unregistered agent, Cordova, in violation of §13.1-504B of the Act, and (iii) KGGC and Cordova 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 KGGC will make, or cause to be made, a written offer of rescission to each 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 KGGC written notification of their decision to accept or reject the offer, and 3) an offer to pay each investor within thirty (30) days of 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;

(B) Evidence of compliance with the provisions of paragraph (A), above, will be filed with the Division by the KGGC 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 KGGC containing the following information: (1) a statement affirming that a copy of this order and an offer of rescission was provided to all investors, (2) a copy of the rescission letter

sent to each investor, (3) a copy of each investors' acceptance/rejection letter received by the KGGC, (4) a listing of each investor who failed to provide a response to KGGC's rescission offer, and (4) proof of repayment to each investor accepting the rescission offer.

(C) Pursuant to § 13.1-519 of the Act, the Defendants will be permanently enjoined from future violations of the Act.

(D) 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 § 13.1-519 of the Act, Defendants are hereby permanently enjoined from violating the Act.

(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, if the Defendants fail to comply with the terms and undertakings of the settlement.

CASE NO. SEC010026
FEBRUARY 13, 2001

APPLICATION OF
CHRISTIAN INVESTORS FOUNDATION
901 East 78th Street
Minneapolis, Minnesota 55420

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 January 24, 2001, with exhibits attached thereto, of Christian Investors Foundation ("CIF") 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 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: CIF is a nonprofit Minnesota Corporation operating exclusively for religious, educational, benevolent, and charitable purposes; CIF intends to offer and sell Investment Certificates in an approximate aggregate amount of $15,000,000 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 employees of CIF who will not be compensated for their sales efforts.

THE COMMISSION, based on the facts asserted by CIF 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 CIF's employees be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC010033
MAY 25, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In Re Amendments to Securities Act Rules

ORDER ADOPTING AMENDED RULES

On April 20, 2001, the Division of Securities and Retail Franchising ("Division") mailed notice of proposed amendments to the Commission's Securities Act Rules ("Rules") and forms to all issuer agents, broker-dealers, and investment advisors pending registration or registered under the Virginia Securities Act, § 13.1-501 et seq. of the Code of Virginia, and to other interested parties. Notice of the proposed amendments was also published in several newspapers in general circulation throughout Virginia and in the "Virginia Register of Regulations" on April 23, 2001. The notices describe the proposed amendments and afford interested parties an opportunity to file written comments or requests for hearing.

Written comments were filed by The Financial Planning Association of Central Virginia. After considering the comments received, comments were addressed informally and no substantive changes were necessary. In addition, the Division addressed some minor inconsistencies.

The Commission, upon consideration of the proposed amendments as modified, the written comment filed, the recommendation of the Division and the record in this case, finds that the proposed modified amendments should be adopted. Accordingly,

IT IS ORDERED THAT:

(1) The evidences of mailing and publication of notice of the proposed Rules and forms amendments shall be filed in and made part of the record in this case.

(2) The proposed Rules and forms amendments are adopted effective July 1, 2001. A copy of the modified Rules and forms amendments is attached to and made part of this order.

(3) This matter is dismissed from the Commission's docket, and the papers herein shall be placed in the file for ended causes.

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

CASE NO. SEC010034
APRIL 9, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
WHALE SECURITIES COMPANY, LP
Defendant

SETTLEMENT ORDER

The Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of Whale Securities Company, LP, Defendant, 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 (i) violated §13.1-504 A of the Act by transacting business in Virginia as an unregistered broker-dealer and (ii) violated §13.1-504 B of the Act by employing an unregistered agent. 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 agrees to comply with the following terms and undertakings.

A. Within sixty (60) days of the date of this Order, the Defendant will reimburse to the estate of its former client, May Speed Sexton, ten thousand dollars ($10,000) representing a portion of the commissions it charged her during the period she was a resident of Virginia and the Defendant was unregistered.

B. The Defendant agrees not to violate §§13.1-504 A and 504 B of the Act in the future.

C. 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 Defendants 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.

THEREFORE, 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) This case is dismissed and the papers herein shall be placed in the file for ended causes.

CASE NO. SEC010035
MARCH 12, 2001

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 for consideration upon written application dated February 26, 2001, with exhibits attached thereto, of National Covenant Properties ("NCP"), 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 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 $22,000,000 in aggregate principal amount of 5-Year Fixed Rate Renewable Certificates (Series A), Variable Rate Certificates (Series G), and Individual Retirement Certificates (together, the "Certificates") on terms and conditions as more fully described in the Offering Circular filed as a part of the application; the Certificates will be offered and sold by the 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 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. SEC010038
APRIL 12, 2001

APPLICATION OF
EAST COAST BAPTIST CHURCH
5149 Indian River Road
Virginia Beach, Virginia 23464

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 January 31, 2001, with exhibits attached thereto, as subsequently amended, of East Coast Baptist Church ("ECBC") 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 ECBC 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: ECBC is an unincorporated Virginia organization operating not for private profit but exclusively for religious purposes; ECBC intends to offer and sell First Deed of Trust Bonds in an approximate aggregate amount of $650,000 (consisting of $385,750 of Simple Interest Bonds and $264,250 of Compound Interest Bonds) 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 bonds sales committee composed of members of ECBC 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 ECBC 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 the members of the bond sales committee be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC010039
APRIL 11, 2001

APPLICATION OF
COLUMBIA UNION REVOLVING FUND
5427 Twin Knolls Road
Suite 103
Columbia, Maryland 21045

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 29, 2001, with exhibits attached thereto, of Columbia Union Revolving Fund ("Columbia") 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: Columbia is a Delaware nonprofit corporation operating exclusively for religious, charitable, scientific, literary, and educational purposes; Columbia intends to offer and sell 90-day demand promissory notes in an approximate aggregate amount of $15,000,000 on terms and conditions as more fully described in the Offering Memorandum filed as part of the application; said securities are to be offered and sold by registered agents of Columbia; 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 Columbia 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 NOS. SEC010041, SEC010042, and SEC010043
OCTOBER 1, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
THE CEP GROUP,
JLR DEVELOPMENT, LTD.,
JOSEPH L. POTEAT
Defendants

ORDER

The Commission issued a Rule to Show Cause Ordering the Defendants Joseph L. Poteat, ("Poteat") The CEP Group, ("CEP") and JLR Development ("JLR") to appear before the Commission to show why they should not be held in contempt for their failure to produce certain documents requested in a subpoena. Pursuant to a previous order of this Commission a Hearing was held before a Hearing Examiner on June 11, 2001, and she subsequently filed her report on June 25, 2001.

The Hearing Examiner reported the following findings and recommendations:

1. That the service of process was sufficient to allow the Commission to exercise personal jurisdiction over the parties;

2. That the Defendant, Joseph L. Poteat is in possession of more documents than he produced and he made no showing of legal justification or excuse for his failure to provide the requested documents;

3. That the Defendants, CEP and JLR have produced no documents and have made no showing of legal justification or excuse for their failure to provide the documents requested;

4. That each Defendant should be fined the sum of $5,000.00 for their failure to obey the Commission's Subpoena to Produce Documents; and

5. That all three Defendants should be ordered to produce the documents requested in the Subpoena and be further penalized the sum of $1,000.00 per day for each additional day the Defendants fail to produce the documents, commencing one day after entry of the judgement order.

Upon consideration of the filings contained in the record, the transcript, as well as the Hearing Examiner's Report, and for the reasons set forth below, the Commission declines to adopt the Hearing Examiner's Report.

An examination of the file shows that proofs of service of process as to CEP and JLR were returned marked "not found" and Mr. Poteat's copy was posted at his usual place of abode. While we agree with the Hearing Examiner that Mr. Poteat's notice was sufficient, as evidenced by his appearance, we cannot agree that the service on Mr. Poteat was sufficient to invoke jurisdiction under Virginia's "Long Arm" statutes (§§ 8.01-328 through 8.01-329). In order to obtain *in personam* jurisdiction in this manner the requirements of § 8.01-329 B must be met, which is not the case in this proceeding. No attempt to comply with these procedural requirements of the statute was made. Therefore, the Defendants, CEP and JLR are not before the Commission and we can exercise no jurisdiction over those Defendants.

Although, Poteat is before the Commission and subject to our jurisdiction, we cannot find him in contempt on the evidence presented. Throughout the Staff's investigation this Defendant has maintained that he has no other documents, aside from the ones presented to the investigator. He so testified at the June 21st Hearing. Although Poteat's testimony is somewhat evasive there is nothing in the record which contradicts the statement that he has no other documents. Although it may be true, as the Hearing Examiner found, that "[T]he evidence is clear that Defendants have not cooperated with the investigation...", lack of cooperation is insufficient to supply evidence that the Defendant possessed more documents which were requested in the Subpoena. There is no basis for finding Poteat in Contempt of the Commission.

Accordingly, it is **ORDERED** that:

1. The Rules to Show Cause heretofore issued against the Defendants be, and the same are hereby, **Dismissed** for the reasons stated above.

CASE NO. SEC010044
MAY 24, 2001

APPLICATION OF
MILLENNIUM ADVISORY SERVICES, 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 Millennium Advisory Services, Inc. ("Applicant") dated March 2, 2001, 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 and a Virginia corporation incorporated on February 1, 2001, provides advice on equity securities, debt securities, government securities, certificates of deposit, investment company securities, options and warrants, among others, and investment supervisory and financial planning services and charges for its advisory services based on either a percentage of assets under management, hourly rates, or fixed fees, in Virginia. Applicant plans to enter into a written referral-fee arrangement with Bullock, Wiggins & DeWitt, P.C. ("CPA Firm") under which the accounting clients of CPA Firm may be referred to Applicant for investment advisory services.

The CPA Firm will refer customers to Applicant, and in return Applicant will compensate the CPA Firm by paying to the CPA Firm a portion of the investment management services fees collected from referred clients for providing these referral services.

The Applicant represented that the CPA Firm would refer only those clients who expressed an interest in investment advisory services and would not actively solicit their clients. Those clients who expressed an interest would be provided Applicant's name and such other information sufficient to enable the client to contact Applicant. CPA Firm also would assist such clients in setting up initial meetings with Applicant personnel or by making such introductions of the parties as would be helpful, without participating in, or being present at, any meetings except initial meetings to facilitate introductions. Further, CPA Firm would not hold itself out as providing investment advisory services or advise clients on investments or securities. CPA Firm would provide brochures and information summarizing Applicant's services and provide clerical and ministerial services as necessary. CPA Firm would also forward financial or other information of the client to Applicant in the normal course of business.

Further, the Applicant would pay a portion of any advisory fees collected from referred clients to CPA Firm for providing these referral services, such fees would be paid to a third entity, one-half owned by CPA Firm and one-half owned by certain principals of the Applicant an others not related to either.

Applicant argues that CPA Firm and its accountants should not be required to register under the Act as an investment advisor or as investment advisor representatives as participation in Applicant's referral program is solely incidental to CPA Firm's practice of accountancy. Further, Applicant argues that the definition of investment advisor pursuant to § 13.1-501 A of the Act does not intend the definition of investment advisor or investment advisor representative to include CPA Firm and its accountants because participation in the referral program is restricted to clerical and ministerial duties.

Based upon the representations made by the Applicant, the Commission will not require CPA Firm and its accountants to maintain registration as an investment advisor and investment advisor representatives if CPA Firm meets the following requirements:

1. CPA Firm will have a written agreement between itself and Applicant. The agreement will describe the referral activities to be engaged in by CPA Firm on behalf of the Applicant and the compensation to be received. The agreement shall contain an undertaking by CPA Firm to perform the duties under the agreement in a manner consistent with the instructions of the Applicant and provisions of the Act.

2. CPA Firm will provide clients with a current copy of the Applicant's investment advisor's written disclosure statement required by the Act and the rules promulgated thereunder.

3. CPA Firm will provide clients with a separate written statement describing the financial arrangement between it and Applicant.

4. CPA Firm will have referred clients sign and date an acknowledgement of receipt of the investment advisor's and CPA Firm's written statements, such acknowledgements shall be maintain by Applicant for inspection by the Division no more than annually and retained for a period not to exceed three years.

THE COMMISSION, upon consideration of and in reliance upon the information supplied by Applicant, is of the opinion and finds that the foregoing proposed activities and services, whose activities are performed as described above and subject to the limitations listed above, are not within the intent of the Act's definition of investment advisor and investment advisor representative as defined by § 13.1-501 of the Act. The Commission's opinion is based solely upon the information provided by Applicant and any deviation therefrom will be subject to further Commission determination. It is, therefore,

ORDERED that the CPA Firm and CPA Firm's accountants, whose activities are performed as described above, and subject to the limitations listed above, are not required to register as an investment advisor and investment advisor representatives pursuant to § 13.1-504 A(ii) of the Act.

CASE NO. SEC010045
MAY 10, 2001

APPLICATION OF
THE FREE METHODIST FOUNDATION
8050 Spring Arbor Road
P. O. Box 580
Spring Arbor, Michigan 49283

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated April 9, 2001, with exhibits attached thereto, as subsequently amended, of The Free Methodist Foundation ("TFMF") requesting that certain Investment Certificates 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 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: TFMF is a not for profit Oklahoma Corporation organized exclusively for charitable, religious, and educational purposes; TFMF intends to offer and sell up to $15,000,000 in aggregate principal amount of Flexible Investment Demand Certificates and Term Fixed Rate Certificates (together, the "Certificates") on terms and conditions as more fully described in the Offering Circular filed as a part of the application; the Certificates will be offered and sold by officers and employees of TFMF who will not be compensated for their sales efforts.

THE COMMISSION, based on the facts asserted by TFMF in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Code §13.1-514.1 B of the Act, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Act and the officers and members of TFMF who offer and sell the Certificates be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC010046
JUNE 6, 2001

APPLICATION OF
U.S. CHARITABLE GIFT TRUST - 2020 HIGH YIELD CHARITABLE DEFERRED RETIREMENT FUND
255 State Street
Boston, Massachusetts 02109

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 2, 2001, with exhibits attached thereto, of U.S. Charitable Gift Trust - 2020 High Yield Charitable Deferred Retirement Fund ("HYCDRF"), requesting that interests in HYCDRF 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: HYCDRF was established by U.S. Charitable Gift Trust, a Delaware nonprofit public charity; HYCDRF is a pooled income fund within the meaning of Section 642(c)(5) of the Internal Revenue Code of 1986; and gifts to HYCDRF will be solicited by broker-dealers registered under the Act.

THE COMMISSION, based on the facts asserted by HYCDRF in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Virginia Code § 13.1-514.1 B of the Act, the securities described above be, and they hereby are, exempted from the securities registration requirements of said Act.

CASE NO. SEC010047
JUNE 6, 2001

APPLICATION OF
U.S. CHARITABLE GIFT TRUST - 2010 INVESTMENT GRADE CHARITABLE DEFERRED RETIREMENT FUND
255 State Street
Boston, Massachusetts 02109

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 2, 2001, with exhibits attached thereto, of U.S. Charitable Gift Trust - 2010 Investment Grade Charitable Deferred Retirement Fund ("IGCDRF"), requesting that interests in IGCDRF 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: IGCDRF was established by U.S. Charitable Gift Trust, a Delaware nonprofit public charity; IGCDRF is a pooled income fund within the meaning of Section 642(c)(5) of the Internal Revenue Code of 1986; and gifts to IGCDRF will be solicited by broker-dealers registered under the Act.

THE COMMISSION, based on the facts asserted by IGCDRF in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Virginia Code § 13.1-514.1 B of the Act, the securities described above be, and they hereby are, exempted from the securities registration requirements of said Act.

CASE NO. SEC010048
JUNE 6, 2001

APPLICATION OF
U.S. CHARITABLE GIFT TRUST - 2010 HIGH YIELD CHARITABLE DEFERRED RETIREMENT FUND
255 State Street
Boston, Massachusetts 02109

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 2, 2001, with exhibits attached thereto, of U.S. Charitable Gift Trust - 2010 High Yield Charitable Deferred Retirement Fund ("HYCDRF"), requesting that interests in HYCDRF 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: HYCDRF was established by U.S. Charitable Gift Trust, a Delaware nonprofit public charity; HYCDRF is a pooled income fund within the meaning of Section 642(c)(5) of the Internal Revenue Code of 1986; and gifts to HYCDRF will be solicited by broker-dealers registered under the Act.

THE COMMISSION, based on the facts asserted by HYCDRF in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Virginia Code § 13.1-514.1 B of the Act, the securities described above be, and they hereby are, exempted from the securities registration requirements of said Act.

CASE NO. SEC010049
JUNE 6, 2001

APPLICATION OF
U.S. CHARITABLE GIFT TRUST - 2020 INVESTMENT GRADE CHARITABLE DEFERRED RETIREMENT FUND
255 State Street
Boston, Massachusetts 02109

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 2, 2001, with exhibits attached thereto, of U.S. Charitable Gift Trust - 2020 Investment Grade Charitable Deferred Retirement Fund ("IGCDRF"), requesting that interests in IGCDRF 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: IGCDRF was established by U.S. Charitable Gift Trust, a Delaware nonprofit public charity; IGCDRF is a pooled income fund within the meaning of Section 642(c)(5) of the Internal Revenue Code of 1986; and gifts to IGCDRF will be solicited by broker-dealers registered under the Act.

THE COMMISSION, based on the facts asserted by IGCDRF in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Virginia Code § 13.1-514.1 B of the Act, the securities described above be, and they hereby are, exempted from the securities registration requirements of said Act.

CASE NO. SEC010053
JUNE 12, 2001

APPLICATION OF
MISSION INVESTMENT FUND OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
8765 West Higgins 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 April 5, 2001, with exhibits attached thereto, as subsequently amended, of Mission Investment Fund of the Evangelical Lutheran Church in America ("Mission"), 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 officers of Mission 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: Mission is a not for profit Minnesota corporation organized exclusively for religious purposes; Mission intends to offer and sell up to $140,000,000 in an aggregate principal amount of Mission Term-Adjustable Rate Investments, Mission Term-Fixed Rate Investments, Mission Future Investments, Mission Plus Investments 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 Mission's officers 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 Mission in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Virginia Code § 13.1-514.1 B of the Act, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Act and the officers of Mission be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC010054
JULY 5, 2001

APPLICATION OF
RAYMOND JAMES CHARITABLE ENDOWMENT POOLED INCOME FUND 2
710 Carillon Parkway
St. Petersburg, Florida 33716

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 January 29,2001, with exhibits attached thereto, of Raymond James Charitable Endowment Pooled Income Fund 2 ("PIF2"), requesting that interests in PIF2 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: PIF2 was established by Raymond James Trust Company, a Florida Trust formed not for private profit but exclusively for charitable purposes; PIF2 is a pooled income fund within the meaning of Section 642 (c)(5) of the Internal Revenue Code of 1986; and gifts to PIF2 will be solicited by registered broker-dealers.

THE COMMISSION, based on the facts asserted by PIF2 in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Virginia Code §13.1-514.1 B, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Act.

CASE NO. SEC010055
JULY 5, 2001

APPLICATION OF
RAYMOND JAMES CHARITABLE ENDOWMENT POOLED INCOME FUND 1
710 Carillon Parkway
St. Petersburg, Florida 33716

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 January 29, 2001, with exhibits attached thereto, of Raymond James Charitable Endowment Pooled Income Fund 1 ("PIF1"), requesting that interests in PIF1 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: PIF1 was established by Raymond James Trust Company, a Florida Trust formed not for private profit but exclusively for charitable purposes; PIF1 is a pooled income fund within the meaning of Section 642 (c)(5) of the Internal Revenue Code of 1986; and gifts to PIF1 will be solicited by registered broker-dealers.

THE COMMISSION, based on the facts asserted by PIF1 in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of Virginia Code §13.1-514.1 B, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Act.

CASE NO. SEC010056
AUGUST 27, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
WACHOVIA SECURITIES, INC.,
Defendant

SETTLEMENT ORDER

The Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of Defendant, Wachovia Securities, Inc. ("Wachovia Securities"), pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia.

In April of 1999, Interstate Johnson Lane Incorporated merged with Wachovia Corporation. Its subsidiary, Interstate Johnson Lane Corporation changed its name to Wachovia Securities, Inc. IJL/Wachovia is a Division of Wachovia Securities.

As a result of its investigation, the Division alleges that:

(1) Brian Dean Gray ("Gray") was employed as an agent (2/10/97 - 1/28/00) and an investment advisor representative (6/25/97 - 1/28/00) of Wachovia Securities.

(2) During Gray's employment, Gray effected securities transactions not authorized by or recorded on the regular books or records of Wachovia Securities in violation of 21 VAC 5-20-280 B 2.

(3) Gray misappropriated customer funds by obtaining money through the request and receipt of funds (given directly to him) upon misrepresenting proposed investments in a fictitious company he called The Dominion Group, Inc. ("Dominion Group") in violation of § 13.1-502(2) of the Act.

(4) Gray misrepresented Dominion Group products as approved by Wachovia Securities when, in fact sales were not approved and were not recorded on the books and records of the Defendant in violation of 21 VAC 5-20-280 B 2.

(5) Gray established and maintained fictitious accounts and prepared bogus account statements and documents, misrepresented positions in investor accounts, and forged letters of authorization ("LOA's") in violation of 21 VAC 5-20-280 B 3.

(6) Gray forged check requests, made at his direction, to effect deposits to and disbursements from Wachovia Securities customer accounts, made payable directly to customers and/or sub-bank accounts, all of which Gray obtained by endorsing "for deposit only" and depositing said funds into bank accounts he controlled outside of Wachovia Securities for his own personal benefit in violation of § 13.1-502(3) of the Act.

(7) Gray, in violation of 21 VAC 5-20-280 B 6, as specified in subsection 21 VAC 5-20-280 A 4, effected unauthorized withdrawals described in paragraph 6 above by being allowed to pick up and hand-deliver checks to customers, and/or to deposit customer checks to specified bank accounts without prior authorization. This was done without complying with the necessary approval and follow-up as required in accordance with Wachovia Securities' established written procedures pertaining to the general supervision and security over the safeguard of cash and securities including, but not limited to, Wachovia's internal procedures pertaining to the "Deposit and Disbursement Procedures of Customer Funds."

(8) As a result of Gray's activities during his employment with Wachovia Securities, Gray misappropriated funds totaling $567,143.19 from eleven (11) individuals.

(9) Of the $567,143.19 Gray misappropriated, a total of $476,643.19 resulted from six (6) investors who maintained investment-related accounts directly through Wachovia Securities serviced by him. Gray misappropriated a total of $60,500.00 from four (4) Wachovia Securities customer accounts through deceptive practices conducted on the premises of Wachovia Securities. Gray obtained $30,000.00 from one (1) investor who was not affiliated with Wachovia Securities. In light of such, Gray violated the provisions specified in § 13.1-502(1), (2) and (3) of the Act.

(10) Defendant, in violation of 21 VAC 5-20-260 B, failed to exercise diligent supervision over the activities of its agent, Gray.

(11) Defendant, in violation of 21 VAC 5-20-260 D, failed to enforce written procedures adopted by the broker-dealer and written procedures to comply with specified duties imposed by Section 21 VAC 5-20-260.

(12) Defendant, in violation of 21 VAC 5-20-260 D, failed to establish, maintain and/or to enforce its written supervisory procedures pertaining to the general supervision and security over the safeguard of cash and securities including, but not limited to, the Deposit and Disbursement Procedures of Customer Funds as referenced in paragraph 7 above.

(13) Defendant, in violation of 21 VAC 5-20-260 D 3, failed to enforce its written procedures pertaining to the prompt review and written approval by a designated supervisor of all securities transactions by agent and correspondence pertaining to the solicitation or execution of all securities transactions by its agents.

(14) Defendant and its designated supervisors are responsible for the acts, practices and conduct of Gray pursuant to the common law principles of agency and 21 VAC 5-20-260 A of the Act.

Defendant neither admits nor denies the Division's allegations, but as an offer to compromise and settle all matters arising from the allegations made against it, Wachovia Securities represents and undertakes that:

(1) Defendant has made restitution in the amount of $648,633,32 to the customers and non-customers of Defendant who suffered losses by reason of the fraudulent activities conducted by Gray.

(2) Defendant, within sixty (60) days of the date of this Order, will review and evaluate its current written supervisory policies, procedures and international controls with respect to the safeguarding of cash and securities and customer deposits and disbursements, and will revise as necessary.

(3) Defendant, within ninety (90) days from the date of this Order, will file with the Division a report (i) setting forth the methods and results of its review and evaluation referred to in paragraph 4 above, and (ii) describing any revised procedures referred to in paragraph 4 above, and (iii) setting forth any additional changes and enhancements in the procedures covered in the report.

(4) Defendant, pursuant to § 13.1-521 of the Act, will pay a penalty to the Commonwealth in the amount of ten thousand dollars ($10,000.00) for its alleged violations of the Act.

(5) Defendant, pursuant to § 13.1-518 of the Act, will pay to the Commission the sum of two thousand five hundred dollars ($2,500.00) as reimbursement for the costs of the Division's investigation.

(6) 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 statues based upon such failure to comply on the allegations contained therein 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 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) Defendant fully complies with the aforesaid terms and undertakings of the settlement.

(3) Pursuant to § 13.1-521 of the Act, Defendant shall pay a penalty to the Commonwealth in the amount of ten thousand dollars ($10,000.00) and the Commonwealth recover of and from Defendant said amount.

(4) Pursuant to § 13.1-518 of the Act, Defendant shall pay to the Commission the sum of two thousand five hundred dollars ($2,500.00) as reimbursement for the costs of the investigation.

(5) The total sum of twelve thousand five hundred dollars ($12,500.00) tendered by Defendant contemporaneously with the entry of this Order is accepted.

(6) All reports and other filings made pursuant to this Order shall be deemed to be subject to § 13.1-518 of the Act.

(7) This matter is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. SEC010057
OCTOBER 16, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
A. G. EDWARDS & SONS, INC.
Defendant

SETTLEMENT ORDER

The Commission's Division of Securities and Retail Franchising ("Division") has conducted an investigation of Defendant, A. G. Edwards & Sons, 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 § 13.1-502 (2) of the Act, through two (2) of its agents, Patricia A. Harbin and Kelly Morris Downer, failed to adequately disclose the fact to both Katherine L. Kirtley and Marry Ann Harper they were investing in long-term Certificates of Deposit.

(B) In violation of Securities Rule 21 VAC 5-20-260 C, failed to exercise diligent supervision over the securities activities of two (2) of its agents, Patricia A. Harbin and Kelly Morris Downer, by allowing the offer and sale of unsuitable long-term Certificates of Deposit to two Virginia residents, Katherine L. Kirtley and Mary Ann Harper.

(C) In violation of Securities Rule 21 VAC 5-20-280 A 3, through two of its agents, Patricia A. Harbin and Kelly Morris Downer, recommended the purchase, sale, or exchange of long-term Certificates of Deposit for the accounts of Katherine L. Kirtley and Mary Ann Harper without reasonable grounds to believe that the recommendations were suitable for the customers.

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) 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 Katherine L. Kirtley and Mary Ann Harper, to include (i) an offer to repay the principal invested by Katherine L. Kirtley and Mary Ann Harper in all long-term Certificates of Deposit purchased on behalf of their respective accounts without consideration of an interest payment already paid to either party; (ii) an explanation of the reason for the rescission offer; (iii) provisions that Katherine L. Kirtley and Mary Ann Harper will have thirty (30) days from the date of the receipt of the offer to provide Defendant with written notification of the decision to accept or reject the offer; (iv) that Defendant, if its offer is accepted, will make restitution within thirty (30) days from the date it receives acceptance of the offer; and within fifteen (15) days of the receipt of Katherine L. Kirtley's and Mary Ann Harper's decision to accept or reject the firm's offer, provide written notice to the Commission's Division of Securities and Retail Franchising of their decision.

(3) Provided Patricia A. Harbin and Kelly Morris Downer are actively employed by Defendant, Defendant will require Patricia A. Harbin and Kelly Morris Downer to complete formal training in the area of suitability and product knowledge pertaining to long-term Certificates of Deposit within thirty (30) days from the date of this Order or otherwise within thirty (30) days from the date of their return to active employment. Defendant will also provide the Division of Securities and Retail Franchising copies of the class agenda and evidence that Patricia A. Harbin and Kelly Morris Downer successfully completed the training.

(4) Defendant, pursuant to § 13.1-521 of the Act, will pay a penalty in the amount of five thousand dollars ($5,000) to the Commonwealth's Literary Fund as required by law.

(5) Defendant, pursuant to § 13.1-518 of the Act, will pay to the Commission the sum of four thousand four hundred sixteen dollars ($4,416.00) as reimbursement for the costs of the Commission's investigation.

(6) It is recognized and understood that if Defendant fails to comply with any of the foregoing terms and undertakings, then the Commission reserves the right to take whatever action it deems appropriate including, but not limited to, instituting a show cause proceeding under the Act or other applicable statute based on such failure to comply, on the allegations contained herein and/or on such other allegations as are warranted, and Defendant will not contest the exercise of the right reserved.

The Division has recommended that Defendant's offer of settlement be accepted pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia.

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) Defendant fully comply with the aforesaid terms and undertakings of the settlement;

(3) Pursuant to § 13.1-521 of the Act, Defendant will pay a penalty in the amount of five thousand dollars ($5,000) to the Commonwealth's Literary Fund as required by law and the Commonwealth recover of and from Defendant said amount;

(4) Pursuant to § 13.1-518 of the Act, Defendant pay to the Commission the amount of four thousand four hundred sixteen dollars ($4,416.00) for the cost of the Commission's investigation;

(5) The sum of nine thousand four hundred sixteen dollars ($9,416.00) tendered by Defendant is accepted; and

(6) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding as described above, or taking such other action it deems appropriate, on account of Defendant's failure to comply with the terms and undertakings of the settlement.

CASE NO. SEC010060
JULY 20, 2001

APPLICATION OF
ANTHEM INSURANCE COMPANIES, INC.

For an official interpretation Pursuant to § 13.1-525 of the Code of Virginia

OFFICIAL INTERPRETATION

THIS MATTER came on for consideration by the Commission upon the letter-application of Anthem Insurance Companies, Inc. ("Applicant") dated June 6, 2001, filed under § 13.1-525 of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia by its counsel and upon payment of requisite fee. Applicant has requested a determination that the proposed securities transactions described below be exempted from the securities registration requirements of the Act pursuant to § 13.1-514 B 15 of the Act. The pertinent information contained in the application is summarized as follows:

Applicant is a mutual insurance company organized under the laws of the state of Indiana. Pursuant to the Indiana Demutualization Law, the Applicant intends to convert from a mutual into a stock insurance company. All of the outstanding capital stock of the converted company will be owned by Anthem, Inc., an Indiana corporation that will be formed prior to the demutualization as a wholly owned subsidiary of Applicant. Anthem, Inc. will distribute the cash or common stock as a result of the demutualization. The demutualization plan is conditioned upon the occurrence of certain events, including: (1) the adoption by the Applicant's Board of Directors, (2) the approval of he Indiana Insurance Commission, and approval of the plan by at least two-thirds of the members of the Applicant.

Section 13.1-514 B 15 of the Act provides an exemption from the securities, broker-dealer and agent registration requirements of the Act for "[a]ny transaction incident to a right of conversion or statutory or judicially approved reclassification, recapitalization, reorganization, quasi-reorganization...merger ... or exchange of securities[.]" This exemption recognizes that the benefits of registration under the Act are unnecessary in connection with a transaction that is controlled by a statute or judicial proceeding, which affords adequate investor protection.

THE COMMISSION, upon consideration of this matter and in reliance upon the facts and representations contained in the application, is of the opinion and finds that the securities transactions contained in the proposed reorganization and conversion are within the purview of § 13.1-514 B 15; it is therefore,

ORDERED that the proposed transactions described above are, and they hereby are, exempted from the securities, broker-dealer and agent registration requirements of the Act pursuant to § 13.1-514 B 15 of the Act.

CASE NOS. SEC010061 and SEC010067
DECEMBER 14, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
HARRY P. WEBSTER,
Defendant

ORDER ACCEPTING OFFER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of Defendant 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:

1. Defendant was President and acted as an agent of HPW Enterprises, Inc. ("HPW").

2. Defendant was an incorporator, director, and agent of Millennium Financial Group ("Millennium").

3. Defendant was a licensed insurance agent with the Commission's Bureau of Insurance.

4. Defendant, through HPW, offered and sold Joint Venture Agreements and Client/Trustee Agreements for Capital Plus Worldwide Financial Services, Inc., to Virginia residents and to others from Virginia in violation of § 13.1-507 of the Act.

5. Defendant offered and sold Joint Venture Agreements for Millennium to Virginia residents and to others outside of Virginia in violation of § 13.1-507 of the Act.

6. The agreements as described above are investment contracts, therefore, securities as defined in § 13.1-501 of the Act.

7. Defendant acted as an unregistered agent when he offered and sold said securities in violation of § 13.1-504 A of the Act.

8. Defendant failed to provide adequate disclosure in the offer and sale of said securities in violation of § 13.1-502(2) of the Act.

Defendant neither admits nor denies the allegations, but admits to the Commission's jurisdiction and authority to enter this order.

As a proposal to settle all matters arising from the allegations made against him as described in this order and in the Rule to Show Cause issued against the Defendant, the Defendant has offered and agrees to comply with the following terms and undertakings:

1. Defendant agrees to be permanently enjoined pursuant to § 13.1-519 of the Act from violating the Act and will refrain from any further conduct that constitutes a violation of the Act and the Commission's Rules promulgated thereunder.

2. Defendant agrees to pay a total of ten thousand dollars ($10,000), of which one thousand dollars ($1,000) is to be paid contemporaneously with the entry of this Order and pay a minimum of one hundred dollars ($100) per month. The entire ten thousand dollars ($10,000) must be paid within 24 months of entry of this Order.

3. It is recognized and understood that if the Defendant fails to comply with any of the foregoing terms and undertakings, then the Commission reserves the right to take whatever action it deems appropriate, including but not limited to instituting a show cause proceeding under the Act or other applicable statute based on such failure to comply, on the allegations contained herein and/or such other allegations as are warranted, and the 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) Defendant is permanently enjoined pursuant to § 13.1-519 of the Act from violating the Act and will refrain from any conduct that constitutes a violation of the Act and the Commission's Rules promulgated thereunder.

(3) Defendant pay a total of ten thousand dollars ($10,000), of which one thousand dollars ($1,000) is to be paid contemporaneously with the entry of this Order and pay a minimum of one hundred dollars ($100) per month. The entire ten thousand dollars ($10,000) must be paid within twenty four (24) months of entry of this Order.

CASE NOS. SEC010062 and SEC010068
DECEMBER 14, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ANTHONY C. EPPS,
Defendants

ORDER ACCEPTING OFFER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of Defendant 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:

1. Defendant was President and acted as an agent of APEX Financial Group of VA, Inc. ("APEX").

2. Defendant was an incorporator, director, and agent of Millennium Financial Group ("Millennium").

3. Defendant was a licensed insurance agent with the Commission's Bureau of Insurance.

4. Defendant, through APEX, offered and sold Joint Venture Agreements and Client/Trustee Agreements for Capital Plus Worldwide Financial Services, Inc., to Virginia residents and to others from Virginia in violation of § 13.1-507 of the Act.

5. Defendant offered and sold Joint Venture Agreements for Millennium to Virginia residents and to others outside of Virginia in violation of § 13.1-507 of the Act.

6. The agreements as described above are investment contracts, therefore, securities as defined in § 13.1-501 of the Act.

7. Defendant acted as an unregistered agent when he offered and sold said securities in violation of § 13.1-504 A of the Act.

8. Defendant failed to provide adequate disclosure in the offer and sale of said securities in violation of § 13.1-502(2) of the Act.

Defendant neither admits nor denies the allegations, but admits to the Commission's jurisdiction and authority to enter this order.

As a proposal to settle all matters arising from the allegations made against him as described in this order and in the Rule to Show Cause issued against the Defendant, the Defendant has offered and agrees to comply with the following terms and undertakings:

1. Defendant agrees to be permanently enjoined pursuant to § 13.1-519 of the Act from violating the Act and will refrain from any further conduct that constitutes a violation of the Act and the Commission's Rules promulgated thereunder.

2. Defendant agrees to pay a total of ten thousand dollars ($10,000), of which two thousand dollars ($2,000) is to be paid contemporaneously with the entry of this Order and the remaining balance paid in monthly installments must be completed no less than 24 months from the date of entry of this Order.

3. Defendant agrees, if it becomes necessary to proceed to formal hearing, to act as a witness for the Division at the hearing.

4. It is recognized and understood that if the Defendant fails to comply with any of the foregoing terms and undertakings, then the Commission reserves the right to take whatever action it deems appropriate, including but not limited to instituting a show cause proceeding under the Act or other applicable statute based on such failure to comply, on the allegations contained herein and/or such other allegations as are warranted, and the 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) Defendant is permanently enjoined pursuant to § 13.1-519 of the Act from violating the Act and will refrain from any conduct that constitutes a violation of the Act and the Commission's Rules promulgated thereunder.

(3) Defendant pay a total of ten thousand dollars ($10,000), of which two thousand dollars ($2,000) is to be paid contemporaneously with the entry of this Order and the remaining balance paid in monthly installments must be completed no less than 24 months from the date of entry of this Order.

CASE NO. SEC010074
JULY 20, 2001

APPLICATION OF
THE UNITED METHODIST DEVELOPMENT FUND
475 Riverside Drive
Suite 1519
New York, New York 10115

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 July 6, 2001, with exhibits attached thereto of The United Methodist Development Fund ("TUMDF") requesting that certain unsecured Notes 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 officials of TUMDF 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: TUMDF is a not for profit Pennsylvania Corporation organized exclusively for charitable and religious purposes; TUMDF intends to offer and sell up to $50,000,000 in aggregate principal amount of unsecured Flexible Investment Notes, One-Year Term Notes, Four-Year Term Notes, and IRA Notes 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 the Executive Secretary and the Administrator of Investment Services of TUMDF who will not be compensated for their sales efforts.

THE COMMISSION, based on the facts asserted by TUMDF 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 and the TUMDF officials identified above be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC010093
JULY 26, 2001

APPLICATION OF
CENTREVILLE BAPTIST CHURCH
15100 Lee Highway
Centreville, Virginia 20120

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 28, 2001, with exhibits attached thereto, as subsequently amended, of Centreville Baptist Church ("CBC") requesting that certain Bonds 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: CBC is an unincorporated Virginia organization operating not for private profit but exclusively for religious, educational and benevolent purposes; CBC intends to offer and sell First Mortgage Bonds, 2001 Series in an approximate aggregate amount of $5,245,000 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 Act.

THE COMMISSION, based on the facts asserted by CBC 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. SEC010105
SEPTEMBER 4, 2001

APPLICATION OF
VIRGINIA TECH FOUNDATION, INC.
111 Pack Building
Blacksburg, Virginia 24061

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 23, 2001, with exhibits attached thereto, of Virginia Tech Foundation, Inc. ("VTF") requesting that a Master Note and certain short term unsecured taxable loans, that operate as a revolving credit facility under the 1989 Loan Program, 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: VTF is a non-profit corporation organized under the laws of the Commonwealth of Virginia to foster and promote the growth, progress and general welfare of the Virginia Polytechnic Institute; VTF intends to issue a $35,000,000 Variable Rate Taxable Promissory Note ("Master Note") registered in the name of Banc of America Securities, a broker-dealer so registered under the Act; Banc of America Securities, acting as Placement Agent, will in-turn, offer and sell Short term Unsecured Taxable Loans in a maximum aggregate amount of $35,000,000, at any time and from time to time, to a limited group of qualified investors on terms and conditions as more fully described in the Preliminary Confidential Offering Memorandum and the Offering Supplement filed as a part of the application.

THE COMMISSION, based on the facts asserted by VTF 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 and shall be sold only by broker-dealers which are so registered under the Act.

CASE NO. SEC 010106
OCTOBER 16, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BRYAN M. RICH
Defendant

SETTLEMENT ORDER

The Commission's Division of Securities and Retail Franchising ("Division") has conducted an investigation of Bryan M. Rich ("Defendant") 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) Defendant violated § 13.1-507 of the Act by offering and selling unregistered, non-exempt securities, known as investment contracts which take the form of viatical settlements; and,

(B) Defendant violated § 13.1-504 A of the Act by offering and selling securities in Virginia without registration as an agent.

Defendant neither admits nor denies the allegations made against him, but admits 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 him, the Defendant has offered and agreed to comply with the following terms and undertakings:

(1) Defendant will refrain from any conduct which constitutes a violation of the Act or the Rules promulgated thereunder;

(2) Defendant agrees to testify on behalf of the Division if a hearing is held regarding the offer and sale of the security noted in the above allegations;

(3) Pursuant to § 13.1-521 of the Act, the Defendant agrees to pay a penalty of four thousand dollars ($4,000);

(4) Pursuant to § 12.1-521 of the Act, the Defendant agrees to pay one thousand dollars ($1,000) as reimbursement for the cost of this investigation.

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 fully complies with the aforesaid terms and undertakings of the settlement.

(3) Pursuant to § 13.1-519 of the Act, the Defendant is hereby permanently enjoined from violating the Act.

(4) Pursuant to § 13.1-521 of the Act the Defendant pay to the Commission the sum of four thousand dollars ($4,000) as a penalty and, pursuant to § 13.1-518 of the Act, pay to the Commission the sum of one thousand dollars ($1,000) for the costs of investigation, and that the Commission recover from the Defendant said amounts.

(5) The sum of five thousand dollars ($5,000) tendered by the Defendant contemporaneously with the entry of this order is accepted.

(6) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. SEC010121
OCTOBER 23, 2001

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
DAVID C. LIVELY,
Defendant

SETTLEMENT ORDER

The Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of Defendant, David C. Lively, 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, (i) transacted business in this Commonwealth as an unregistered agent in violation of § 13.1-504A of the Act and (ii) offered and sold an unregistered security in violation of § 13.1-507 of the Act.

Defendant neither admits nor denies these allegations, but admits to the Commission's jurisdiction and authority to enter this Settlement Order.

As a proposal to settle all matters arising from these allegations, Defendant has offered, and agreed to comply with, the following terms and undertakings:

(A) Defendant agrees to be permanently enjoined from violating the provisions of the Act in the future.

(B) Defendant made an offer of rescission to the one known Virginia investor by letter, dated August 24, 2001. The investor declined the offer.

The Division has recommended that Defendant's offer of settlement be accepted pursuant to authority granted to the Commission in § 12.1-15 of the Code of Virginia.

THEREFORE, IT IS ORDERED THAT:

(1) Pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia, the Defendant's offer of settlement is accepted.

(2) Pursuant to § 13.1-519 of the Act, Defendant is hereby permanently enjoined from violating the Act.

(3) This matter is dismissed and the papers herein be placed in the file for ended causes.

TABLES

CLERK'S OFFICE

Summary of the changes in the number of Virginia corporations, foreign corporations, and limited partnerships licensed to do business in Virginia, and of amendments to Virginia, foreign, and limited partnership charters during 2000 and 2001.

VIRGINIA CORPORATIONS

	2000	2001
Certificates of Incorporation issued	18,704	18,342
Corporations voluntarily terminated	4,495	2,560
Corporations involuntarily terminated	205	111
Corporations automatically terminated	13,760	14,881
Reinstatements of terminated corporations	3,851	4,501
Charters amended	2,958	2,625
Active Stock Corporations	138,998	139,977
Active Non-Stock Corporations	27,012	27,943
Total Active Virginia Corporations	166,010	167,920

FOREIGN CORPORATIONS

Certificates of Authority to do business in Virginia issued	5,333	4,075
Voluntary withdrawals from Virginia	1,218	1,256
Certificates of Authority automatically revoked	2,364	2,676
Certificates of Authority involuntarily revoked	33	24
Reentry of corporations with surrendered or revoked certificates	693	874
Charters amended	534	1,184
Active Stock Corporations	31,664	31,874
Active Non-Stock Corporations	1,854	1,891
Total Active Foreign Corporations	33,518	33,765
Total Active (Domestic and Foreign) Corporations	199,528	201,685

LIMITED PARTNERSHIPS

Limited Partnership Certificates filed	2,432	2,023
Limited Partnership Certificates amended	232	188
Limited Partnership Certificates voluntarily canceled	239	184
Limited Partnership Certificates involuntarily canceled	676	585
Total Active (Domestic and Foreign) Limited Partnerships	8,475	8,487

LIMITED LIABILITY COMPANIES

Articles of organization filed	13,909	15,369
Articles of organization amended	922	889
Articles of organization voluntarily canceled	857	825
Articles of organization involuntarily canceled	4,103	5,372
Total Active (Domestic and Foreign) Limited Liability Companies	44,927	54,621

LIMITED LIABILITY PARTNERSHIPS

Statements of registration as a Registered Limited Liability Partnership	45	53
Renewals of registration as a Registered Limited Liability Partnership	704	804
Total Active (Domestic and Foreign) Registered Limited Liability Partnerships	852	860

GENERAL PARTNERSHIPS

Total active General Partnerships filed	203	156
Total active General Partnerships on record	716	864

COMPARISON OF REVENUES DEPOSITED BY THE CLERK'S OFFICE FOR THE FISCAL YEARS ENDING JUNE 30, 2000, AND JUNE 30, 2001

General Fund	**2000**	**2001**	**Difference**
Securities Application Fees-Utilities	$8,800.00	$15,275.00	$6,475.00
Charter Fees	1,933,767.00	1,793,642.00	-140,125.00
Entrance Fees	2,434,075.00	2,447,995.00	13,920.00
Filing Fees	866,758.50	839,455.00	-27,303.50
Registered Name	1,920.00	2,610.00	690.00
Registered Office and Agent	0.00	0.00	0.00
Service of Process	23,260.00	27,960.00	4,700.00
Copy and Recording Fees	457,563.06	481,561.90	23,998.84
SCC Annual Report Sales	7,335.50	4,766.00	-2,569.50
Uniform Commercial Code Revenues	810,320.00	819,270.00	8,950.00
Excess Fees Paid into State Treasury	136,704.47	157,615.14	20,910.67
Miscellaneous Sales	0.00	0.00	0.00
TOTAL	$6,680,503.53	$6,590,150.04	($90,353.49)
Special Fund			
Domestic-Foreign Corp. Registration Fee	$15,184,043.69	$15,572,287.03	$388,243.34
Limited Partnership Registration Fee	396,970.00	399,453.49	2,483.49
Reserved Name - Limited Partnership	13,470.00	14,080.00	610.00
Certificate Limited Partnership	74,500.00	64,500.00	-10,000.00
Application Reg. Foreign LP	21,900.00	23,600.00	1,700.00
Reinstatement LP	14,950.00	14,650.00	-300.00
Registration Fee LLC	1,230,300.00	1,625,865.00	395,565.00
Application For. Reg. LLC	141,300.00	160,635.00	19,335.00
Art of Org. Dom. LLC	1,206,681.00	1,321,375.00	114,694.00
AMEND, CANC, CORR. RAC, Etc. LLC	53,305.00	65,545.00	12,240.00
SCC Bad Check Fee	2,717.50	3,615.00	897.50
Interest on Del. Tax	25.00	12.62	-12.38
Penalty on Non-Pay Fees by Due Date	543,453.24	612,666.67	69,213.43
Miscellaneous Revenue	0.00	0.00	0.00
Statement of Reg. As Domestic LLP	3,600.00	2,600.00	-1,000.00
LLP Annual Continuation	38,275.00	32,200.00	-6,075.00
Statement of Partnership Authority GP Domestic	5,550.00	4,325.00	-1,225.00
Statement of Partnership Authority GP Foreign	0.00	100.00	100.00
Statement of Amendments - GP	660.00	395.00	-265.00
Statement of Reg. As Foreign LLP	13,900.00	6,900.00	-7,000.00
Statement of Amendment LLP	1,250.00	1,050.00	-200.00
Reinstatement/Reentry LLC	46,300.00	55,500.00	9,200.00
Tape Sales, Misc Fees	46,000.00	66,000.00	20,000.00
Copies, Recording Fees	0.00	0.00	0.00
Recovery of Prior Yr Expenses	0.00	0.00	0.00
LLP Reinstatement	400.00	0.00	-400.00
TOTAL	$19,039,550.43	$20,047,354.81	$1,007,804.38
Valuation Fund			
Corp Operations Rec Of Copy and Cert Fees	$15,560.00	$16,928.37	$1,368.37
Dual Party Relay Assessments	0.00	0.00	.00
Recovery of Prior Yr Expenses	1,144.00	999.50	-144.50
TOTAL	$16,704.00	$17,927.87	$1,223.87
Trust & Agency Fund			
Fines Imposed and Collected by SCC	$135,243.00	$420.00	($134,823.00)
Debt Set Off Collection	350.00	262.00	(88.00)
TOTAL	$135,593.00	$682.00	($134,911.00)
GRAND TOTAL	$25,872,350.96	$26,656,114.72	$783,763.76

COMPARISON OF FEES COLLECTED BY THE BUREAU OF FINANCIAL INSTITUTIONS FOR FISCAL YEARS ENDING JUNE 30, 2000, AND JUNE 30, 2001

	1999/200	2000/2001
Banks	$7,320,401	$5,881,390
Savings Institutions and Savings Banks	46,499	41,548
Consumer Finance Licensees	846,924	873,425
Credit Unions	651,978	693,408
Trust subsidiaries and Trust Companies	67,774	89,337
Industrial Loan Associations	21,134	15,371
Money Order Sellers and Transmitters	13,900	33,500
Debt Counseling Agency Licensees	9,350	10,350
Mortgage Lenders and Mortgage Brokers	1,499,097	1,567,519
Miscellaneous Collections	3,678	25,514
TOTAL	$10,480,735	$9,231,362

COMPARISON OF FEES AND TAXES COLLECTED BY THE BUREAU OF INSURANCE FOR THE FISCAL YEARS ENDING JUNE 30, 2000, AND JUNE 30, 2001

Kind General Fund	2000	2001	Increase or (Decrease)
Gross Premium Taxes of Insurance Companies	$251,074,071.73	$268,060,165.30	$16,986,093.57
Fraternal Benefit Societies Licenses	500.00	2,480.00	1,980.00
Viatical Settlement Provider License Fees	500.00	3,000.00	2,500.00
Viatical Settlement Broker License Fees	3,700.00	2,650.00	(1,050.00)
Hospital, Medical, and Surgical Plans and Salesmen's Licenses	0.00	0.00	0.00
Interest on Delinquent Taxes	315,948.76	227,710.51	(88,238.25)
Penalty on non-payment of taxes by due date	123,060.44	92,139.21	(30,921.23)
Special Fund			
Company License Application Fee	22,500.00	23,500.00	1,000.00
Health Maintenance Organization License Fee	0.00	0.00	0.00
Automobile Club/Agent Licenses	8,000.00	6,600.00	(1,400.00)
Insurance Premium Finance Companies Licenses	11,700.00	9,100.00	(2,600.00)
Agents Appointment Fees	8,987,295.00	11,464,391.44	2,477,096.44
Surplus Lines Broker Licenses	17,675.00	20,100.00	2,425.00
Producer License Application Fees	458,598.00	556,455.00	97,857.00
Recording, Copying, and Certifying Public Records Fee	53,100.00	51,819.00	(1,281.00)
Assessments To Insurance Companies for Maintenance of the Bureau of Insurance	7,640,707.73	10,447,308.42	2,806,600.69
Miscellaneous Revenue	0.00	0.00	0.00
Recovery of Prior Year Expenses	77,221.71	217,211.82	139,990.11
Fire Programs Fund	13,678,226.41	15,018,461.73	1,340,235.32
P&C Consultant License Fees	54,650.00	41,650.00	(13,000.00)
SCC Bad Check Fee	275.00	475.00	200.00
Managed Care Health Ins. Plan Appeals Fee	0.00	2,300.00	2,300.00
Administrative Penalty Payment	12,000.00	0.00	(12,000.00)
Fines Imposed by State Corporation Commission	1,174,296.79	1,810,675.00	636,378.21
Private Review Agents	0.00	0.00	0.00
Flood Assessment Fund	91,945.75	124,368.67	32,422.92
Heat Assessment Fund	1,058,127.20	1,186,742.20	128,615.00
Fraud Assessment Fund	3,090,785.58	3,225,018.94	134,233.36
Reinsurance Intermediary Broker Fees	1,500.00	1,000.00	(500.00)
Reinsurance Intermediary Managers Fee	0.00	500.00	500.00
Managing General Agent Fees	9,500.00	8,500.00	(1,000.00)
MCHIP Assessment	732,261.12	18,824.19	(713,436.93)
State Publication Sales	360.00	0.00	(360.00)
Debt Set Off Collections	0.00	0.00	0.00
Fire Programs Fund Interest	0.00	81,916.32	81,916.32
Fraud Assessment Interest	10,853.42	20,430.84	9,577.42
TOTAL	$288,709,359.64	$312,725,493.59	$24,016,133.95

COMPARISON OF ASSESSMENT OF PUBLIC SERVICE COMPANIES FOR THE YEARS 2000 AND 2001

Class of Company	Value of all Taxable Property Including Rolling Stock 2000	2001	Increase or (Decrease)
Electric Light & Power Corporations	$14,945,146,114.00	$14,970,455,622.00	$25,309,508.00
Gas Corporations	1,325,043,992.00	1,348,023,224.00	22,979,232.00
Motor Vehicle Carriers (Rolling Stock only)	45,514,683.56	53,463,087.85	7,948,404.29
Telecommunications Companies	8,611,287,931.00	9,385,660,341.00	774,372,410.00
Water Corporations	103,621,341.00	98,454,011.00	(5,167,330.00)
TOTAL	$25,030,614,061.56	$25,856,056,285.85	$825,442,224.29

COMPARISON OF ASSESSMENT OF STATE TAXES OF PUBLIC SERVICE COMPANIES FOR THE YEARS 2000 AND 2001

Class of Company	The Yearly License Tax 2000	2001	Increase or (Decrease)
Electric Light & Power Corporations	$84,912,437.88	$88,820,486.57	$3,908,048.69
Gas Corporations	15,475,736.89	20,798,529.87	5,322,792.98
Water Corporations	854,599.12	885,874.66	31,275.54
TOTAL	$101,242,773.89	$110,504,891.10	$9,262,117.21

COMPARISON OF ASSESSMENT OF ADDITIONAL ANNUAL STATE TAX FOR VALUATION AND RATE MAKING OF CERTAIN CLASSES OF UTILITY COMPANIES FOR THE YEARS 2000 AND 2001

Class of Company	2000	2001	Increase or (Decrease)
Electric Light & Power Corporations	$9,987,989.12	$11,937,640.76	$1,949,651.64
Gas Corporations	1,404,770.48	2,079,852.98	675,082.50
Motor Vehicle Carriers	52,580.92	61,594.58	9,013.66
Railroad Companies	750,519.57	861,711.60	111,192.
Telecommunications Companies	7,331,166.62	9,269,180.06	1,938,013.44
Virginia Pilots Association	23,704.80	28,637.22	4,932.42
Water Corporations	76,913.91	88,587.50	11,673.59
TOTAL	$19,627,645.42	$24,327,204.70	$4,699,559.28

Railroad Companies assessed at one-tenth of one percent and all other companies at two-tenths of one percent.

COMPARATIVE STATEMENT OF ASSESSED VALUES OF PROPERTIES OF PUBLIC SERVICE CORPORATIONS AS ASSESSED BY THE STATE CORPORATION COMMISSION

Cities	2000	2001	Increase or (Decrease)
Alexandria	$545,232,607	$326,986,929	$(218,245,678)
Bedford	9,579,108	9,427,045	(152,063)
Bristol	9,071,441	13,129,446	4,058,005
Buena Vista	9,708,944	9,209,906	(499,038)
Charlottesville	135,927,665	127,235,475	(8,692,190)
Chesapeake	676,566,964	686,194,755	9,627,791
Clifton Forge	8,253,686	8,701,756	448,070
Colonial Heights	30,349,229	31,055,780	706,551

Covington	19,633,131	19,157,872	(475,259)
Danville	45,795,024	45,266,406	(528,618)
Emporia	17,273,677	17,826,766	553,089
Fairfax	99,288,051	106,124,270	6,836,219
Falls Church	88,072,915	29,234,426	(58,838,489)
Franklin	9,218,958	10,029,172	810,214
Fredericksburg	75,555,030	78,034,100	2,479,070
Galax	13,368,254	13,459,559	91,305
Hampton	247,893,293	255,172,024	7,278,731
Harrisonburg	48,479,018	50,686,314	2,207,296
Hopewell	66,410,151	72,308,403	5,898,252
Lexington	14,639,453	13,991,845	(647,608)
Lynchburg	167,777,571	184,289,367	16,511,796
Manassas	54,862,905	61,607,081	6,744,176
Manassas Park	16,369,863	16,642,984	273,121
Martinsville	25,919,737	26,467,396	547,659
Newport News	338,582,185	354,361,671	15,779,486
Norfolk	583,954,324	620,696,593	36,742,269
Norton	25,252,118	27,701,845	2,449,727
Petersburg	85,514,895	85,818,739	303,844
Poquoson	14,790,101	15,932,426	1,142,325
Portsmouth	207,537,171	214,616,864	7,079,693
Radford	16,668,837	15,534,531	(1,134,306)
Richmond	639,689,653	710,397,030	70,707,377
Roanoke	242,756,227	246,609,420	3,853,193
Salem	26,991,707	28,663,659	1,671,952
Staunton	55,956,142	62,737,105	6,780,963
Suffolk	146,726,750	153,099,267	6,372,517
Virginia Beach	700,199,750	726,278,431	26,078,681
Waynesboro	68,650,609	84,879,439	16,228,830
Williamsburg	44,415,237	48,000,682	3,585,445
Winchester	53,189,397	51,884,098	(1,305,299)
Total Cities	$5,686,121,778	$5,659,450,877	$(26,670,901)

COMPARATIVE STATEMENT OF ASSESSED VALUES OF PROPERTIES OF PUBLIC SERVICE CORPORATIONS AS ASSESSED BY THE STATE CORPORATION COMMISSION

Counties	2000	2001	Increase or (Decrease)
Accomack	$74,883,378	$73,226,732	$(1,656,646)
Albemarle	213,674,876	221,410,779	7,735,903
Alleghany	40,624,578	51,302,418	10,677,840
Amelia	24,785,726	25,703,726	918,000
Amherst	61,709,931	60,182,490	(1,527,441)
Appomattox	29,118,079	30,508,988	1,390,909
Arlington	835,152,181	807,729,222	(27,422,959)
Augusta	154,223,449	178,586,288	24,362,839
Bath	1,595,433,643	1,537,182,444	(58,251,199)
Bedford	178,972,648	170,322,977	(8,649,671)
Bland	12,124,168	11,558,507	(565,661)
Botetourt	112,759,963	114,116,995	1,357,032
Brunswick	41,320,942	47,423,998	6,103,056
Buchanan	55,773,289	61,178,599	5,405,310
Buckingham	44,292,606	44,214,562	(78,044)
Campbell	129,595,693	132,172,693	2,577,000
Caroline	89,970,878	95,012,479	5,041,601
Carroll	63,203,670	56,523,194	(6,680,476)
Charles City	26,710,297	31,750,718	5,040,421
Charlotte	30,423,956	29,030,402	(1,393,554)
Chesterfield	1,179,086,688	1,213,217,277	34,130,589
Clarke	35,306,758	32,633,861	(2,672,897)
Craig	13,883,135	11,869,694	(2,013,441)
Culpeper	94,661,009	96,008,570	1,347,561
Cumberland	26,998,369	25,120,979	(1,877,390)
Dickenson	39,043,573	37,902,581	(1,140,992)
Dinwiddie	76,049,469	94,479,518	18,430,049

Essex	30,209,068	32,013,487	1,804,419
Fairfax	2,776,801,891	2,976,414,882	199,612,991
Fauquier	196,725,035	314,858,822	118,133,787
Floyd	29,424,457	39,183,104	9,758,647
Fluvanna	129,300,922	122,400,515	(6,900,407)
Franklin	111,290,173	112,954,163	1,663,990
Frederick	199,565,744	200,743,806	1,178,062
Giles	128,939,893	119,642,434	(9,297,459)
Glouchester	73,873,527	72,898,261	(975,266)
Goochland	59,623,705	76,972,032	17,348,327
Grayson	33,522,180	29,965,625	(3,556,555)
Greene	22,936,317	27,605,663	4,669,346
Greensville	21,249,508	23,511,172	2,261,664
Halifax	970,719,177	925,469,177	(45,250,000)
Hanover	263,776,380	277,794,073	14,017,693
Henrico	753,503,328	815,672,236	62,168,908
Henry	102,954,124	117,750,480	14,796,356
Highland	19,151,149	16,892,746	(2,258,403)
Isle of Wight	84,816,497	84,751,151	(65,346)
James City	139,688,968	151,377,949	11,688,981
King George	41,626,899	18,064,670	(23,562,229)
King and Queen	18,093,969	44,002,210	25,908,241
King William	30,820,633	34,115,253	3,294,620
Lancaster	36,558,998	36,644,273	85,275
Lee	44,136,820	47,464,333	3,327,513
Loudoun	447,495,674	633,349,289	185,853,615
Louisa	1,856,936,554	1,929,258,671	72,322,117
Lunenburg	29,610,774	26,524,145	(3,086,629)
Madison	28,450,104	32,330,167	3,880,063
Mathews	20,478,319	19,856,314	(622,005)
Mecklenburg	90,747,825	92,094,481	1,346,656
Middlesex	36,151,296	33,959,464	(2,191,832)
Montgomery	120,469,199	119,641,226	(827,973)
Nelson	54,545,366	56,683,044	2,137,678
New Kent	60,659,709	55,534,844	(5,124,865)
Northampton	33,602,082	34,058,628	456,546
Northumberland	34,271,251	34,634,980	363,729
Nottoway	39,738,016	37,952,466	(1,785,550)
Orange	67,575,414	68,687,050	1,111,636
Page	47,569,209	45,812,323	(1,756,886)
Patrick	38,065,584	37,055,605	(1,009,979)
Pittsylvania	142,948,417	148,494,585	5,546,168
Powhatan	52,272,098	53,230,943	958,845
Prince Edward	34,180,519	33,623,798	(556,721)
Prince George	52,136,842	54,216,669	2,079,827
Prince William	832,370,185	841,436,761	9,066,576
Pulaski	78,226,390	71,331,231	(6,895,159)
Rappahannock	22,861,719	20,121,030	(2,740,689)
Richmond	42,734,322	41,039,183	(1,695,139)
Roanoke	183,139,479	180,997,971	(2,141,508)
Rockbridge	72,742,218	93,631,198	20,888,980
Rockingham	134,054,231	138,944,494	4,890,263
Russell	179,384,736	210,374,005	30,989,269
Scott	47,346,310	44,296,266	(3,050,044)
Shenandoah	108,957,340	107,561,172	(1,396,168)
Smyth	79,646,706	78,748,159	(898,547)
Southampton	42,739,727	43,438,963	699,236
Spotsylvania	207,115,987	206,303,300	(812,687)
Stafford	173,251,150	172,005,617	(1,245,533)
Surry	1,348,177,972	1,473,070,087	124,892,115
Sussex	40,218,318	42,008,338	1,790,020
Tazewell	76,813,637	76,261,634	(552,003)
Warren	45,466,772	44,566,743	(900,029)
Washington	84,902,878	107,979,557	23,076,679
Westmoreland	39,633,720	45,279,446	5,645,726
Wise	63,940,407	62,067,613	(1,872,794)
Wythe	68,347,042	71,627,869	3,280,827
York	439,909,788	413,519,784	(26,390,004)
Total Counties	$19,298,977,600	$20,143,142,321	$844,164,721
Total Cities & Counties	$24,985,099,378	$25,802,593,198	$817,493,820

COMPARISON OF FEES COLLECTED BY THE DIVISION OF SECURITIES AND RETAIL FRANCHISING FOR THE YEARS ENDING DECEMBER 31, 2000 AND DECEMBER 31, 2001

Kind	2000	2001	Increase or (Decrease)
Securities Act	$8,833,236	$7,659,768	($1,173,468)
Retail Franchising Act	322,875	305,700	(17,175)
Trademarks-Service Marks	18,420	15,065	(3,355)
Fines	94,365	38,860	(55,505)
TOTAL	$9,268,896	$8,019,393	($1,249,503)

PROCEEDINGS BY DIVISIONS DURING THE YEAR 2001

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, Fuel Factor Cases, Compliance Audits, Depreciation Studies, and Special Studies made by the Division of Public Utility Accounting during the year 2001.

General Rate Cases	
Electric Companies	0
Electric Cooperatives	4
Gas Companies	1
Water and Sewer Companies	6
Total General Rate Cases	11
General Rate/Functional Separation Plans	
Electric Cooperatives	1
Functional Separation Plans	
Electric Companies	5
Electric Cooperatives	11
Total Functional Separation Plans	16
Competitive Service Provider License Cases	
To Provide Electric/Gas Service	24
Certificate Cases	
Water and Sewer Companies	1
Chapter 4 or Chapter 5/Certificate Cases	
Electric Companies	1
Water and Sewer Companies	9
Receivership/Certificate Cases	
Water and Sewer Companies	1
Total Certificate Cases	12
Annual Informational Filings/Earnings Tests	
Electric Companies (Investor Owned)	6
Gas Companies	12
Telephone Companies	0
Water and Sewer Companies	4
Total Annual Informational Filings	22
Fuel Factor Cases - Electric Companies	1
Compliance Audits	0
Depreciation Studies	3
Special Studies	
Regional Transmission Entities-Electric Companies	4
Other Special Studies	21
Total Special Studies	25

During the year 2001 Division of Public Utility Accounting received applications filed under the Public Utilities Affiliates Law and the Utility Transfers Act pertaining to public utilities for processing, analysis, and study. The number and type of written reports submitted to the Commission recommending action and orders drawn are as follows:

Number of Utility Transfer Act Cases	
Transfer of Assets	14
Transfer of Securities or Control	21½*
Number of Affiliates Act Cases	
Service Agreements	13
Lease Agreements	1
Transfer of Securities or Control	1½*
Power Sales	2½*

Purchase order assignment	1½*
Exemption from filing requirements	1
Annual Report filing extensions	1
Total Number of Cases	57

* Represents cases containing more than one category.

The Commission's Division of Public Utility Accounting consisted of the following personnel on December 31, 2001:

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
3		Senior Public Utility Accountant
2	1	Public Utility Accountant
20	1	Total Authorized 21

DIVISION OF COMMUNICATIONS

The Division of Communications assists the Commission in carrying out its duties as prescribed by the Code of Virginia. It oversees the continued implementation of competition in telecommunications markets with the goal of achieving an effective regulatory environment that balances the advancement of competitive markets with the protection of consumers. The Division assists the Commission in developing, implementing, and enforcing alternatives to traditional forms of regulation as competitive markets evolve. It monitors, enforces and makes interpretations 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 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 2001, there were under the supervision of the Division:

14 Incumbent Investor-owned Local Exchange Telephone Companies
181 Competitive Local Exchange Telephone Companies
131 Long Distance Telephone Companies
495 Private Pay Telephone Providers

SUMMARY OF 2001 ACTIVITIES

Consumer complaints and protests investigated	6,621
Telephone inquiries received	11,904
Tariff revisions received:	
Incumbent Local Exchange Companies	146
Competitive Local Exchange Companies	201
Interexchange Companies	104
Tariff sheets filed:	
Incumbent Local Exchange Companies	3,315
Competitive Local Exchange Companies	5,344
Interexchange Companies	1,382
Promotional Filings	
Incumbent Local Exchange Companies	23
Competitive Local Exchange Companies	122
Interexchange Companies	82
Cases in which staff members prepared testimony or reports	63
Certificates of Convenience and Necessity granted or amended:	
Competitive Local Exchange Companies	57
Interexchange Companies	49
Interconnection Agreements/Amendments Approved	128
FCC comments filed	1
Extended Area Service studies completed or underway	17
Service Surveillance and Results Analysis Provided Monthly on:	
Access Lines	5,200,926
Switching Offices	464
Business Offices	30
Repair Centers	20

Pay Telephone Registration and Rules Enforcement provided on:	
Private pay telephone providers	495
Private pay telephones	14,823
Local Exchange Company pay telephones	33,440
Pay telephone audits (2 Auditors)	416
Complaints Investigated	20
Visits to:	
Customer premises to resolve customer complaints	6
Company premises to resolve customer complaints	5
Company premises to review service performance	2
Company premises to inspect network reliability	28
Company premises to investigate collocation exemption requests	10
Construction Program reviews	2

OTHER:

Continued the Collaborative Committee on local competition market-opening measures:
- Facilitated developing Carrier-to-Carrier Performance Standards for Verizon Virginia.
- Assisted in promulgating Alternative Dispute Resolution Rules.

Assisted the Project Manager in Verizon Virginia's Operations Support System Testing proceeding.

Assisted the Commission in the continued implementation and operation of the Telecommunications Act of 1996.

Drafted proposed rules for companies desiring to discontinue competitive local exchange services.

Assisted Commission counsel with respect to formal rate, service, or generic matters.

Assisted in updating and recodifying communications regulations appearing in the Virginia Administrative Code.

Participated in matters affecting communications policy with federal agencies.

Pursued various activities related to the Commission's alternative plans for regulating telephone companies, including the following:
- 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

Implemented legislation to eliminate the requirement for telephone cooperatives to file tariffs, effectively ending regulatory supervision over cooperatives.

Assisted with reports to the legislature and with developing telecommunications legislation.

Continued outreach activities by making presentations to trade and citizens groups, associations, telephone companies, and a legislative committee.

Participated in matters affecting emergency 911 communications procedures with local government agencies and the Virginia Telecommunications Industry Association.

Made 3 presentations to Virginia's 911 organization.

Developed and implemented new Payphone Rules.

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.

Implemented a new Complaint Tracking System.

Responded to questionnaires from the National Association of Regulatory Utility Commissioners ("NARUC") and others with respect to telecommunications matters.

Reviewed construction budgets of Verizon and Sprint.

Met with local governing bodies and citizens groups regarding local calling areas and service problems.

Selected Telcordia as the thousands-block number pooling/administrator.

Assisted in implementing thousands-block number pooling in three area codes.

Assisted in implementing new area codes in 804 (434) and 540 (276).

Worked with the Virginia Department for the Deaf and Hard of Hearing on monitoring the Telecommunications Relay Service in Virginia.

Staff member serves on the NARUC Staff Subcommittee on Communications.

Staff member serves on the NARUC Staff Subcommittee on Depreciation.

Staff member serves on the NARUC Staff Subcommittee on Service Quality.

Staff member serves on the Advisory Council for the Virginia Department for the Deaf and Hard of Hearing.

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;
- 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;
- analyzing financial fitness of applicants seeking status as competitive local exchange and interexchange 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 statewide and nationally;
- monitoring evolving competitive energy markets, including market power issues;
- analyzing applications for licenses to become a competitive service provider or aggregator;
- analyzing customer demand-response programs and associated trends; and
- analyzing financial fitness of non-regulated firms seeking approval to build generating facilities or gas pipelines.

SUMMARY OF MAJOR ACTIVITIES DURING 2001

- 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 two utility merger cases.
- Completed 12 Annual Informational Filing reports for electric, gas, telephone and water utilities.
- Analyzed and processed 29 applications of utilities seeking authority to issue securities.
- Prepared reports regarding the financial condition of 35 competitive local exchange carriers applying for certification.
- Prepared reports on applications for certificates to construct nine electric generating facilities.
- Presented testimony on the appropriate level of interest expense in three electric cooperative rate cases.
- Prepared reports regarding the financial condition of 24 companies seeking licensure as competitive service providers or aggregators.
- Presented testimony regarding the financing plans of a company seeking a certificate to construct a natural gas pipeline.
- Prepared reports concerning the natural gas hedging programs of two natural gas distribution companies.
- Prepared testimony in the functional separation cases of five investor-owned electric utilities and 12 electric cooperatives.
- Coordinated the revision of the filing requirements for the siting of electric generation facilities in Virginia.
- Coordinated the development of rules governing electric and natural gas programs to offer customer retail access in Virginia.
- Monitored existing natural gas pilot programs and transition to open access.
- Monitored electric retail pilot program activities and helped shape the transition to open access.
- Facilitated the establishment of Electronic Data Interchange (EDI) guidelines for electronic communication among utilities and competitive service providers in Virginia and surrounding region.
- Represented the Commission at regional and national meetings to establish Uniform Business Practices (UBP) among states offering competitive retail access.
- Represented the Commission at regional and national meetings to establish the North American Energy Standards Board (NAESB) encompassing wholesale and retail electricity and natural gas sectors.
- Prepared and presented testimony in one electric fuel factor proceeding.
- Developed the Status report to the Legislative Transition Task Force and Governor of Virginia regarding the Development of a Competitive Retail Market for Electric Generation within the Commonwealth of Virginia.
- Supported working group activities regarding supplier consolidated billing.

- Supported working group activities regarding competitive metering and corresponding Staff reports.
- Maintained and revised the Virginia Electric Data Transfer (VAEDT) website.
- Began design of a comprehensive competitive service provider database.
- Assisted in drafting revision rules governing the certification and regulation of competitive local exchange carriers.
- Participated in the Collaborative Committee to Establish Carrier Performance Standards and Performance Assurance Plan.
- Prepared a report regarding the proposed refinancing of the Dulles Greenway, a private toll road.
- Developed a forecast of the Virginia electric utility consumption tax collections.
- 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 2001

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 of 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/inquiries received regarding regulated utilities and licensed electricity and natural gas suppliers 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 industry restructuring and mergers and acquisitions of natural gas and electric utilities.

SUMMARY OF 2001 ACTIVITIES

Consumer Complaints, Letters of Protest, and Inquiries Received	7,126
Tariff Filings Received	319
Natural Gas Safety Inspections	521
Hazardous Liquid Safety Inspections	173
Testimony and Reports Filed by Staff	74
Certificates of Convenience and Necessity Granted, Transferred, or Revised	19
Special Reports	25
Gas Accident Investigations and Incident Reports	0
Electric On-Site Construction Inspections	0
Underground Utility Damage Reports Investigated	2,915

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 1,393 applications for various certificates authority as shown below:

APPLICATIONS RECEIVED AND/OR ACTED UPON
BY THE BUREAU OF FINANCIAL INSTITUTIONS IN 2001

New Banks	2
Bank Branches	71
Bank Branch Office Relocations	13
Relocate Bank Main Office	2
Bank EFT Facilities	1
Bank Mergers	18
Acquisitions Pursuant to Chapter 13 of Title 6.1	5
Acquisitions Pursuant to Chapter 15 of Title 6.1	9
Acquisitions Pursuant to The Savings Institutions Act	1
New Savings Institution Conversion From Bank	1

Savings Institutions Holding Co. For Acquisition	2
Savings and Loan Merger	1
Establish an Independent Trust Branch	1
Out of State Credit Union	2
Credit Union Mergers	2
Credit Union Service Facilities	4
Move a Credit Union Office	1
New Consumer Finance	2
Consumer Finance Offices	3
Consumer Finance Other Business	19
Consumer Finance Office Relocations	19
New Mortgage Brokers	204
New Mortgage Lenders	35
New Mortgage Lenders and Brokers	56
Mortgage Lender Broker Additional Authority	12
Exclusive Agent Qualifications	11
Acquisitions Pursuant to § 6.1-416.1 of the Virginia Code	19
Mortgage Branches	547
Mortgage Office Relocations	284
New Money Order Sellers	16
Acquire Money Order Seller/Transmitter	5
New Non-Profit Debt Counseling Agencies	7
Non-Profit Debt Counseling Agency Additional Offices	9
New Check Cashers	9

At the end of 2001, there were under the supervision of the Bureau 102 banks with 1,051 branches, 60 Virginia bank holding companies, 14 non-Virginia bank holding companies with banking offices in Virginia, 2 independent trust companies, 3 savings institutions with 4 offices, 75 credit unions, 7 industrial loan associations, 28 consumer finance companies with 258 Virginia offices, 41 money order sellers and money transmitters, 20 non-profit debt counseling agencies, 44 check cashers, 106 mortgage lenders with 449 offices, 610 mortgage brokers with 1,184 offices, and 208 mortgage lender/brokers with 826 offices.

DIVISION OF INSURANCE REGULATION
ACTIVITIES FOR THE FISCAL YEAR ENDING JUNE 30, 2001

The regulation of insurance was transferred to the State Corporation Commission from the Auditor of Public Accounts in 1906. The Bureau of Insurance (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 the Commonwealth of Virginia the functions of the Bureau have increased with the complexity and importance of insurance in our daily lives.

The Bureau of Insurance is divided into the following four divisions: The Financial Regulation Division which licenses, analyzes, and examines insurance companies and, if necessary, takes steps to resolve financial problems before a company becomes unable to meet its obligations; the Life and Health Market Regulation Division regulates the activities of life, and accident and sickness insurers, health maintenance organizations, and agents; the Property and Casualty Market Regulation Division regulates the activities of property and casualty insurers (auto, homeowner's liability and property); and the Administrative Services Division collects various special taxes and assessments on insurance companies as well as, working as an auxiliary role to support the Bureau's other divisions.

The regulatory functions of the Bureau of Insurance include: (1) Agents Investigation - monitoring the activities of insurance agents and agencies to ensure their actions comply with state law, (2) Consumer Services - answer questions and assists consumers with problems concerning insurance companies or agents by investigating consumer complaints, (3) Market Conduct - conduct on-site field examinations of Virginia insurance company practices to ensure that they comply with state law by verifying whether a company pays claims in a timely manner, ensure that underwriting decisions are not unfairly discriminatory, and evaluate marketing materials to ensure that they are not misleading; (4) Office of the Managed Care Ombudsman promotes and protects the interests of covered persons under Managed Care Health Insurance Plans (MCHIP), and assist consumers in understanding and exercising their rights of appeal of adverse decisions made by MCHIPs; and (5) Policy Forms and Rates - evaluates insurance policies and rates to ensure that they comply with state law, are understandable, are of high quality, and that the premiums charged are reasonable and fair.

SUMMARY OF 2001 ACTIVITIES

New insurance companies licensed to do business in Virginia	34
Insurance company financial statements analyzed	5,086
Financial examinations of insurance companies conducted	31
Property and Casualty insurance rules, rates and form submissions	7,147
Life and Health insurance policy forms and rates submissions	7,789
Property and Casualty insurance complaints received	3,994
Life and Health insurance complaints received	3,719
Market conduct examinations completed by the Life and Health Division	17
Market conduct examinations completed by the Property and Casualty Division	7
Insurance agents and agencies licensed	107,785
Tax and assessment audits	6,672

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 early part of 2004 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 200, Building C, 7501 North Capital of Texas Highway, Austin, Texas 78731.

3. **CHA Group Insurance Trust in Receivership (CHA).** Date of receivership: March 17, 1989. The affairs of the receivership were wound up in 2001 and a Final Order discharging the receiver was issued on May 18, 2001. The Trust will not conduct any further business.

4. **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.

5. **Union of America Mutual Insurance Company (Union).** Date of receivership: August 9, 2000. All policies of the company were cancelled effective July 21, 2000. A Final Order Terminating Receivership and Discharging the Deputy Receiver and the Special Deputy Receiver was issued on December 5, 2001.

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 §§ 13.1-501 through 13.1-527.3.
Virginia Trademark and Service Mark Act, Virginia Code §§ 59.1-92.1 through 59.1-92.21.
Virginia Retail Franchising Act, Virginia Code §§ 13.1-557 through 13.1-574.

UNDER THE VIRGINIA SECURITIES ACT:

10	qualification applications received
1,206	coordination applications received
1	notification applications received
1,402	filings for exemption from registration (Reg. D)
2,500	broker-dealer registrations renewed and granted
281	broker-dealer registrations denied, withdrawn, and terminated
160,883	agent registrations renewed and granted
48,869	agent registrations denied, withdrawn, and terminated
1,743	investment advisor registrations renewed and granted
44	investment advisor registrations denied, withdrawn, and terminated
942	investment advisor representative registrations denied, withdrawn and terminated
0	orders filing and/or canceling surety bonds
21	orders granting exemptions and/or official interpretations
23	orders for subpoena of records by banks, corporations, and individuals
45	orders of show cause
33	judgments of compromise and settlement
16	final order and/or judgment
12	temporary Injunction

UNDER THE VIRGINIA TRADEMARK AND SERVICE MARK ACT:

429	applications for trademarks and/or service marks approved, renewed, or assigned
450	applications for trademarks and/or service marks denied, abandoned, expired, or withdrawn

UNDER THE VIRGINIA RETAIL FRANCHISING ACT:

1,170	franchise registration, renewal, or post-effective amendment applications received
260	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

	2000	2001
Financing/Subsequent Statements Filed	80,776	77,122
Federal Tax Liens/Subsequent Liens Filed	1,645	2,144
Reels of Microfilmed documents sold	535	559

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LIST OF CASES ESTABLISHED IN 2001

BAN/BFI: BUREAU OF FINANCIAL INSTITUTIONS

BAN20010001 NEXSTAR FINANCIAL CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 3001 TECHNOLOGY DRIVE, EDMOND, OK

BAN20010002 FAIRFAX MORTGAGE, INC. D/B/A MORTGAGE DESIGN
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 360 S. WASHINGTON STREET, SUITE 200A, FALLS CHURCH, VA TO 14233 CAROLINE STREET, WOODBRIDGE, VA

BAN20010003 BAYVIEW MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1808 DREW LANE, RICHARDSON, TX

BAN20010004 MERCURY FINANCE COMPANY OF VIRGINIA
TO RELOCATE CONSUMER FINANCE OFFICE FROM 9321 MIDLOTHIAN TURNPIKE, SUITE J, CHESTERFIELD COUNTY, VA TO 621 MOOREFIELD PARK DRIVE, SUITE F, CHESTERFIELD COUNTY, VA

BAN20010005 OCEAN PACIFIC CAPITAL CORP (USED IN VA BY: OCEAN PACIFIC CAPTIAL)
FOR A MORTGAGE BROKER'S LICENSE

BAN20010006 PLATINUM MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 9020 STONY POINT PARKWAY, SUITE 150, RICHMOND, VA TO 4222 COX ROAD, SUITE 100, GLEN ALLEN, VA

BAN20010007 BANK OF FINCASTLE, THE
TO RELOCATE OFFICE FROM 509 ROANOKE ROAD, DALEVILLE, VA TO S.W. CORNER OF U.S. ROUTE 220 AND STATE ROUTE 674, DALEVILLE, VA

BAN20010008 MORTGAGE CAPITAL ASSOCIATES, INC. D/B/A MORTGAGE CAPITAL ACCEPTANCE CORPORATION
FOR A MORTGAGE LENDER'S LICENSE

BAN20010009 TRANSAMERICA MORTGAGE COMPANY
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 2501 OAKLAWN AVENUE, 7TH FLOOR, DALLAS, TX TO 1150 SOUTH OLIVE STREET, SUITE 2800, LOS ANGELES, CA

BAN20010010 FAIRFAX MORTGAGE INVESTMENTS INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4616 PRINCESS ANNE ROAD, VIRGINIA BEACH, VA

BAN20010011 CTX MORTGAGE COMPANY
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 14121 PARKE LONG COURT, SUITE 201, CHANTILLY, VA TO 14140 PARKE LONG COURT, SUITE F, CHANTILLY, VA

BAN20010012 JAMES RIVER BANK
TO RELOCATE OFFICE FROM 200 N. MAIN STREET, FRANKLIN, VA TO 343 NORTH COLLEGE DRIVE, FRANKLIN, VA

BAN20010013 JEFFERSON FINANCE COMPANY
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE BROKERING WILL ALSO BE CONDUCTED

BAN20010014 MORTGAGE EDGE CORPORATION D/B/A MEC ONLINE (LAKE RIDGE OFFICE ONLY)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 12801 DARBY BROOKE COURT, SUITE 101, WOODBRIDGE, VA

BAN20010015 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO OPEN A BRANCH AT 2230 GALLOWS ROAD, DUNN LORING, VA

BAN20010016 XXI HOLDING CO., INC.
TO ACQUIRE 25 PERCENT OR MORE OF 21ST CENTURY MORTGAGE CORPORATION

BAN20010017 21ST CENTURY MORTGAGE CORPORATION
FOR ADDITIONAL MORTGAGE AUTHORITY

BAN20010018 FIRST GUARANTY MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4201 NORTHVIEW DRIVE, SUITE 103, BOWIE, MD

BAN20010019 INDEPENDENT REALTY CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 119 E. ALTON, SUITE D, SANTA ANA, CA

BAN20010020 PRINCIPAL RESIDENTIAL MORTGAGE, INC.
TO RELOCATE MORTGAGE LENDER'S OFFICE

BAN20010021 D AND D HOME LOANS INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1072 LASKIN ROAD, SUITE 204 D, VIRGINIA BEACH, VA

BAN20010022 VALLEY BANK
TO OPEN A BRANCH AT 1518 HERSHBERGER ROAD, N.W., ROANOKE, VA

BAN20010023 HOMESTEAD MORTGAGE COMPANY, THE D/B/A HOMESTEAD USA, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 8001 FRANKLIN FARMS DRIVE, SUITE 116, RICHMOND, VA

BAN20010024 DIVERSIFIED MORTGAGE SOLUTIONS, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN20010025 HOMEFIRST DIRECT, INC. (USED IN VA BY: HOMEFIRST MORTGAGE, INC.)
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2431 WEST COAST HIGHWAY, SUITE 205, NEWPORT BEACH, CA

BAN20010026 IVANHOE FINANCIAL, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 13873 PARK CENTER ROAD, SUITE 304, HERNDON, VA

BAN20010027 U.S.A. FINANCIAL SERVICES, INC.
FOR ADDITIONAL MORTGAGE AUTHORITY

BAN20010028 TRAVELEX HOLDINGS LTD.
TO ACQUIRE THOMAS COOK, INC.

BAN20010029 TRAVELEX HOLDINGS, LTD.
TO ACQUIRE THOMAS COOK TRAVELLERS CHEQUES LIMITED

BAN20010030 TRAVELEX HOLDINGS, LTD.
TO ACQUIRE THOMAS COOK CURRENCY SERVICES, INC.
BAN20010031 TRAVELEX HOLDINGS, LTD.
TO ACQUIRE INTERPAYMENT SERVICES LIMITED
BAN20010032 TM MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 6605A BACKLICK ROAD, SUITE 212, SPRINGFIELD, VA TO 6417 LOISDALE ROAD, SUITE 307, SPRINGFIELD, VA
BAN20010033 SOUTHWESTERN MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20010034 FIRST FINANCIAL MORTGAGE CORP.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010035 AMERICAN GENERAL FINANCE OF AMERICA, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 573 COLLEGE PLAZA SHOPPING CENTER, FARMVILLE, VA TO 1506 SOUTH MAIN STREET, SUITE 24, FARMVILLE, VA
BAN20010036 AMERICAN GENERAL FINANCE, INC.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM COLLEGE PLAZA SHOPPING CENTER, FARMVILLE, VA TO 1506 S. MAIN STREET, SUITE 24, FARMVILLE, VA
BAN20010037 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 5345 KINDLEWOOD DRIVE, VIRGINIA BEACH, VA
BAN20010038 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3348 GARRISON CIRCLE, ABINGDON, MD
BAN20010039 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 10548 CORAL BERRY DRIVE, MANASSAS, VA
BAN20010040 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 300 CHARLES STREET, FREDERICKSBURG, VA
BAN20010041 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 206 SCHEMBRI DRIVE, YORKTOWN, VA
BAN20010042 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 5185 HOLLY FARMS DRIVE, VIRGINIA BEACH, VA
BAN20010043 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 78 MAIN STREET, STANARDSVILLE, VA
BAN20010044 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 40 HIDEWAY ROAD, LINDEN, VA
BAN20010045 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 20378 RUPERT ISLAND PLACE, POTOMAC FALLS, VA
BAN20010046 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1701 GRAVENHURST DRIVE, VIRGINIA BEACH, VA TO 325 LAUREL STREET, CULPEPER, VA
BAN20010047 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 9116 CENTER STREET, SUITE 201, MANASSAS, VA TO 111 HIGH STREET, MT. HOLLY, NJ
BAN20010048 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 129 E. DAVIS STREET, SUITE 120, CULPEPER, VA TO 122B E. DAVIS STREET, CULPEPER, VA
BAN20010049 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 12507 COLBY DRIVE, LAKE RIDGE, VA TO 634 EVENING STAR PLACE, MITCHELLVILLE, MD
BAN20010050 ACCENT MORTGAGE SERVICES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3700 SHORE DRIVE, VIRGINIA BEACH, VA
BAN20010051 TIDEWATER MORTGAGE SERVICES, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1206 LASKIN ROAD, VIRGINIA BEACH, VA TO 400 S. WITCHDUCK ROAD, SUITE 102, VIRGINIA BEACH, VA
BAN20010052 HOMESTEAD MORTGAGE, L.C.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 554 SOUTH AVENUE, MEDIA, PA
BAN20010053 AEGIS MORTGAGE CORPORATION D/B/A UC LENDING
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 3131 TURTLE CREEK BOULEVARD, DALLAS, TX TO 3131 TURTLE CREEK BOULEVARD, STE. 700, DALLAS, TX
BAN20010054 ATLANTIC BAY MORTGAGE GROUP, L.L.C.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 12350 JEFFERSON AVENUE, SUITE 250, NEWPORT NEWS, VA
BAN20010055 FRANKLIN AMERICAN MORTGAGE COMPANY
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 110 FORD AVENUE, KINGSPORT, TN TO 161 WENDOVER, KINGSPORT, TN
BAN20010056 ARTISAN MORTGAGE GROUP, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010057 FIRST BANK AND TRUST COMPANY, THE
TO OPEN A BRANCH AT 1185 NORTH STATE OF FRANKLIN ROAD, JOHNSON CITY, TN
BAN20010058 RESIDENTIAL HOME FUNDING CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20010059 ATLANTIC BAY MORTGAGE GROUP, L.L.C.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 415 PINEY FOREST ROAD, DANVILLE, VA

BAN20010060 1ST SECURITY MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 8150 LEESBURG PIKE, SUITE 1107, VIENNA, VA TO 6901 ROCKLEDGE DRIVE, SUITE 120, BETHESDA, MD

BAN20010061 CAPITAL ONE BANK
TO RELOCATE OFFICE FROM 2 FIRST CANADIAN PLACE, TORONTO, ONTARIO, CANADA, NA TO NORTH AMERICAN CENTRE, 5650/5700 YONGE STREET, NORTH YORK, ONTARIO, CANADA, NA

BAN20010062 AMERIDEBT, INC.
TO OPEN A DEBT COUNSELING OFFICE

BAN20010063 FREEDOM BANK OF VIRGINIA, THE
TO OPEN A BANK AT 502 MAPLE AVENUE WEST, VIENNA, VA

BAN20010064 MERITAGE MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT PERIMETER CENTER, 8031 PHILIPS HIGHWAY, SUITE 6, JACKSONVILLE, FL

BAN20010065 SUNSHINE MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM ONE COLUMBUS CENTER, SUITE 665, VIRGINIA BEACH, VA TO 575 LYNNHAVEN PARKWAY, SUITE 102 MARSH LANDING, VIRGINIA BEACH, VA

BAN20010066 CITISTREET MORTGAGE SERVICES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1500 FOREST AVENUE, SUITE 118, RICHMOND, VA TO 8815 CENTRE PARK DRIVE, SUITE 300, COLUMBIA, MD

BAN20010067 PILOT MORTGAGE, LLC
TO OPEN A MORTGAGE BROKER'S OFFICE AT ONE MORTON DRIVE, SUITE 411, CHARLOTTESVILLE, VA

BAN20010068 CAPITAL FINANCIAL ASSOCIATES, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN20010069 YATES MOBILE SERVICES CORP. D/B/A YATES HOME SALES
FOR A MORTGAGE BROKER'S LICENSE

BAN20010070 BENEFICIAL VIRGINIA INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 303 CHATHAM SQUARE SHOPPING CENTER, FREDERICKSBURG, VA TO 2035 PLANK ROAD, SUITE 5, WESTWOOD SHOPPING CENTER, FREDERICKSBURG, VA

BAN20010071 BENEFICIAL MORTGAGE CO. OF VIRGINIA
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 303 CHATHAM SQUARE SHOPPING CENTER, FREDERICKSBURG, VA TO 2035 PLANK ROAD, SUITE 5, WESTWOOD SHOPPING CENTER, FREDERICKSBURG, VA

BAN20010072 BENEFICIAL DISCOUNT CO. OF VIRGINIA
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 303 CHATHAM SQUARE SHOPPING CENTER, FREDERICKSBURG, VA TO 2035 PLANK ROAD, SUITE 5, WESTWOOD SHOPPING CENTER, FREDERICKSBURG, VA

BAN20010073 SIGNATURE MORTGAGE SERVICES, INC.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 1320 OLD CHAIN BRIDGE ROAD, MCLEAN, VA TO 1320 OLD CHAIN BRIDGE ROAD, MCLEAN, VA

BAN20010074 CLOWSER, KEVIN WAYNE T/A LINCOLN MORTGAGE
TO OPEN A MORTGAGE BROKER'S OFFICE AT 128 N. ROYAL AVENUE, FRONT ROYAL, VA

BAN20010075 AMERICAN PAYMENT SYSTEMS, INC.
FOR A MONEY ORDER LICENSE

BAN20010076 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 11130 MAIN STREET, SUITE 206, FAIRFAX, VA TO 8700 CENTREVILLE ROAD, SUITE 8696, MANASSAS, VA

BAN20010077 FINANCIAL FREEDOM SENIOR FUNDING CORPORATION
FOR A MORTGAGE LENDER'S LICENSE

BAN20010078 MCLEAN FINANCIAL MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 6830 ELM STREET, SUITE 101, MCLEAN, VA

BAN20010079 F&M MORTGAGE GROUP, L.L.C.
FOR A MORTGAGE BROKER'S LICENSE

BAN20010080 LAGUNA CAPITAL MORTGAGE CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE

BAN20010081 INTEGRITY HOME MORTGAGE LLC
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2611 WEST MAIN STREET, SUITE 2-D, WAYNESBORO, VA

BAN20010082 WASHINGTON HOME MORTGAGE, LLC
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7272 WISCONSIN AVENUE, SUITE 300, BETHESDA, MD TO 7850 WISCONSIN AVENUE, BETHESDA, MD

BAN20010083 INDEPENDENT REALTY CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1431 WARNER, SUITE C, TUSTIN, CA

BAN20010084 WASHINGTON CAPITOL FINANCIAL CORP.
FOR A MORTGAGE BROKER'S LICENSE

BAN20010085 COLLATERAL ONE MORTGAGE CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE

BAN20010086 JOHN LAING MORTGAGE, LP
FOR A MORTGAGE LENDER'S LICENSE

BAN20010087 SHAMROCK MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN20010088 FIELDSTONE MORTGAGE COMPANY D/B/A BROAD STREET MORTGAGE CO.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 7900 SUDLEY ROAD, SUITE 614, MANASSAS, VA

BAN20010089 FIELDSTONE MORTGAGE COMPANY D/B/A BROAD STREET MORTGAGE CO.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 10230 NEW HAMPSHIRE AVENUESUITE 350, SILVER SPRING, MD

BAN20010090 FIELDSTONE MORTGAGE COMPANY D/B/A BROAD STREET MORTGAGE CO.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 9450 PENNSYLVANIA AVENUE UNITS 19 AND 20, UPPER MARLBORO, MD
BAN20010091 FIELDSTONE MORTGAGE COMPANY D/B/A BROAD STREET MORTGAGE CO.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 16071 COMPRINT CIRCLE, GAITHERSBURG, MD
BAN20010092 VALLEY BROKER SERVICES, INC. D/B/A VBS MORTGAGE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2950 S. MAIN STREET, HARRISONBURG, VA TO 2323 GRACE CHAPEL ROAD, HARRISONBURG, VA
BAN20010093 HAMILTON FUNDING CORP.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1610 LEEDS CASTLE DRIVE, VIENNA, VA TO 1355 BEVERLY ROAD, MCLEAN, VA
BAN20010094 GREENWAY LENDING GROUP, LLC
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20010095 POSITIVE MORTGAGE, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 140 SYLVAN AVENUE, SUITE 10, ENGLEWOOD CLIFFS, NJ TO 551 FIFTH AVENUE, SUITE 514, NEW YORK, NY
BAN20010096 NOVASTAR HOME MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 11911 NE 1ST STREET, SUITE B306, BELLEVUE, WA TO 12453 BEL RED ROAD, SUITE 250, BELLEVUE, WA
BAN20010097 SABLE ENTERPRISES, CORP. D/B/A CITY FINANCE CORP.COM
TO OPEN A MORTGAGE BROKER'S OFFICE AT 4300 EVERGREEN LANE, SUITE 305, ANNANDALE, VA
BAN20010098 CENTURA BANK
TO OPEN A BRANCH AT 2040 COLISEUM DRIVE, UNIT 17, HAMPTON, VA
BAN20010099 FRANKLIN MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 5511 WEST MARSHALL STREET, RICHMOND, VA
BAN20010100 INDEPENDENT REALTY CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 6767 W. TROPICANA AVENUE, SUITE 221, LAS VEGAS, NV
BAN20010101 DAJ & ASSOCIATES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010102 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 500 ORCHARD AVENUE, KENNETT SQUARE, PA
BAN20010103 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1220 PROSPECT AVENUE, SUITE 200, MELBOURNE, FL
BAN20010104 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1700 E. GARRY AVENUE, SUITE 230, SANTA ANA, CA
BAN20010105 FIRST COMMUNITY FINANCE, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 9903 HULL STREET ROAD, CHESTERFIELD COUNTY, VA TO 9939 HULL STREET ROAD, CHESTERFIELD COUNTY, VA
BAN20010106 CONSUMER FUNDING, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 4085 CHAINBRIDGE ROAD, SUITE G1, FAIRFAX, VA
BAN20010107 CONSUMER FUNDING, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1226 NEW RODGERS ROAD, SUITE 849, BRISTOL, PA TO 338 S. 15TH STREET, FIRST FLOOR, PHILADELPHIA, PA
BAN20010108 SOUTHLAND LOG HOMES MORTGAGE COMPANY, LLC
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1465 CARL D. SILVER PARKWAY, FREDERICKSBURG, VA
BAN20010109 NOVASTAR HOME MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 3344 E. CAMELBACK ROAD, SUITE 105, PHOENIX, AZ TO 5090 N. 40TH STREET, SUITE 180, PHOENIX, AZ
BAN20010110 HOWARD, FRANK M. D/B/A MORTGAGE SOLUTIONS
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1704 GREENBRIAR CIRCLE, RESTON, VA TO 10288 SOUTH GRANT AVENUE, MANASSAS, VA
BAN20010111 VIRGINIA REAL ESTATE MORTGAGE SERVICES (VREMS)
FOR A MORTGAGE BROKER'S LICENSE
BAN20010112 PROSPERITY MORTGAGE COMPANY
FOR A MORTGAGE LENDER'S LICENSE
BAN20010113 BB&T CORPORATION
TO ACQUIRE CENTURY SOUTH BANKS, INC.
BAN20010114 INTERBAY FUNDING, LLC
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 200 FOXBOROUGH BOULEVARD, FOXBOROUGH, MA TO 5740 HOLLYWOOD BOULEVARD, SUITE 600, HOLLYWOOD, FL
BAN20010115 PROVIDENCE ONE, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 317 OFFICE SQUARE LANE, SUITE 201B, VIRGINIA BEACH, VA TO 816 NORVIEW AVENUE, NORFOLK, VA
BAN20010116 AMERICARE MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2710 DIXIE HIGHWAY, SUITE B, WATERFORD, MI TO 24681 NORTHWESTERN HIGHWAY, SUITE 301, SOUTHFIELD, MI
BAN20010117 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 424 N. FREDERICK AVENUE, SUITE 4A, GAITHERSBURG, MD
BAN20010118 SOUTHERN FINANCIAL BANK
TO RELOCATE OFFICE FROM 6551 LOISDALE COURT, SUITE 150, SPRINGFIELD, VA TO 6354 WALKER LANE, SPRINGFIELD, VA

BAN20010119 KLEIN GROUP OF VIRGINIA, LLC, THE (USED IN VA BY: THE KLEIN GROUP, LLC)
FOR A MORTGAGE LENDER'S LICENSE
BAN20010120 UAM TRUST COMPANY
TO OPEN A NEW INDEPENDENT TRUST COMPANY BRANCH AT 5000 MONUMENT AVENUE, RICHMOND, VA
BAN20010121 DIGGINS, BARRY CHARLES
TO ACQUIRE 25 PERCENT OR MORE OF RESIDENTIAL MORTGAGE SOLUTIONS, INC.
BAN20010122 CHALLENGE FINANCIAL INVESTORS CORP.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010123 AMERICAS FIRST HOME MORTGAGE COMPANY
FOR A MORTGAGE BROKER'S LICENSE
BAN20010124 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 212 SOUTH BEND STREET, SUITE 200, BEL AIR, MD TO 725 NORTH HICKORY AVENUE, SUITE 200, BEL AIR, MD
BAN20010125 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 289 ROOSEVELT STREET, CRAB ORCHARD, WV
BAN20010126 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1604 TYGART STREET, PARKERSBURG, WV
BAN20010127 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 271 CIRCLEVIEW DRIVE, BECKLEY, WV
BAN20010128 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 874 MAIN STREET, CONTOOCOOK, NH
BAN20010129 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 6120 MANCHESTER PARK CIRCLE, ALEXANDRIA, VA
BAN20010130 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 26 PASHO STREET, ANDOVER, MA
BAN20010131 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT ROUTE 1, BOX 1784-A, WAYNE, WV
BAN20010132 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1562 FOURTH STREET, MONONGAHELA, PA
BAN20010133 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1005 CORLEY STREET, LEXINGTON, SC
BAN20010134 CARTERET MORTGAGE CORPORATION
O OPEN A MORTGAGE BROKER'S OFFICE AT 6842 ELM STREET, SUITE 105, MCLEAN, VA
BAN20010135 TIDEH2O RESIDENTIAL FUNDING, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010136 H. D. VEST MORTGAGE SERVICES, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20010137 GENERAL MORTGAGE SERVICES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010138 HOMEGOLD, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 857 W. ELLIOTT ROAD, TEMPE, AZ
BAN20010139 HOMEGOLD, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 5 LAKEPOINT PLAZA, 2709 WATER RIDGE PARKWAY, SUITE 480, CHARLOTTE, NC
BAN20010140 HOMEGOLD, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 10012 NORTH DALE MABRY, SUITE 107, TAMPA, FL
BAN20010141 SOUTHERN TRUST MORTGAGE, LLC
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT TOWN POINT CENTER, 150 BOUSH STREET, SUITE 604A, NORFOLK, VA
BAN20010142 SOUTHERN TRUST MORTGAGE, LLC
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 5544 GREENWICH ROAD, SUITE 101, VIRGINIA BEACH, VA TO TOWN POINT CENTER, 150 BOUSH STREET, SUITE 400, NORFOLK, VA
BAN20010143 CH MORTGAGE COMPANY I, LTD., L.P. (USED IN VA BY: CH MORTGAGE COMPANY I, LTD.)
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 416 W. MAPLE AVENUE, SUITE 200, VIENNA, VA TO 11350 RANDOM HILLS ROAD, SUITE 650, FAIRFAX, VA
BAN20010144 RESIDENTIAL MORTGAGE FUNDING CORPORATION (USED IN VA BY: RESIDENTIAL MORTGAGE CORPORATION)
TO OPEN A MORTGAGE BROKER'S OFFICE AT 70 WEST MERCURY BOULEVARD, SUITE 201, HAMPTON, VA
BAN20010145 WALLACE, WILLIAM E.
TO BE AN EXCLUSIVE AGENT FOR PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
BAN20010146 HARRIS, MILDRED E.
TO BE AN EXCLUSIVE AGENT FOR PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
BAN20010147 CAMM, STEVIE J.
TO BE AN EXCLUSIVE AGENT FOR PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
BAN20010148 MICHALOWSKI, HARRY
TO BE AN EXCLUSIVE AGENT FOR PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
BAN20010149 BESSO, ANITA F.
TO BE AN EXCLUSIVE AGENT FOR PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
BAN20010150 EASLEY, MERINDA H.
TO BE AN EXCLUSIVE AGENT FOR PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
BAN20010151 FIDELITY FIRST MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN20010152 CAPITOL FUNDING, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20010153 ARISENMORTGAGE.COM CORPORATION
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN20010154 COMEAU, JOSEPH A.
TO ACQUIRE 25 PERCENT OR MORE OF CHOICE FINANCE CORPORATION
BAN20010155 TECHNICAL OLYMPIC USA
TO ACQUIRE 25 PERCENT OR MORE OF PREFERRED HOME MORTGAGE COMPANY
BAN20010156 FIRST GREENSBORO HOME EQUITY, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2847 PENN FOREST BOULEVARD SW, SUITE 203, ROANOKE, VA
BAN20010157 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 6 CENTURY HILL DRIVE, LATHAM, NY
BAN20010158 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 528 W. SENECA STREET, ITHACA, NY
BAN20010159 MID-STATES FINANCIAL GROUP, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1436 EDWIN MILLER BOULEVARD, MARTINSBURG, WV TO 1446-22 EDWIN MILLER BOULEVARD, MARTINSBURG, WV
BAN20010160 SUPERIOR HOME MORTGAGE CORPORATION (USED IN VA BY: SUPERIOR MORTGAGE CORPORATION)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 929 WEST STREET, SUITE 306, ANNAPOLIS, MD
BAN20010161 AMERICORP MORTGAGE SERVICES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010162 HARRIS TEETER, INC.
TO OPEN A CHECK CASHER AT 12404 WARWICK BOULEVARD, NEWPORT NEWS, VA
BAN20010163 BANK OF MARION, THE
TO OPEN A BRANCH AT 3124 LEE HIGHWAY, SUITE 1, BRISTOL, VA
BAN20010164 AMERICAN MORTGAGE SECURITIES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010165 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2048 JEFFERSON DAVIS HIGHWAY, SUITE C, STAFFORD, VA TO 10711 SPOTSYLVANIA AVEUNE, 2ND FLOOR, FREDERICKSBURG, VA
BAN20010166 D & M FINANCIAL, CORP.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1410 VIRGINIA AVENUE, BLUEFIELD, VA
BAN20010167 HERITAGE MORTGAGE BROKERS, L.L.C.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 732 LYONS AVENUE, CHARLOTTESVILLE, VA
BAN20010168 HERITAGE MORTGAGE BROKERS, L.L.C.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 56 WHITE CHURCH COURT, GERMANTOWN, MD
BAN20010169 HERITAGE MORTGAGE BROKERS, L.L.C.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 726 W. 14TH STREET, FRONT ROYAL, VA
BAN20010170 FITZSIMMONS, LEWIS & WADE MORTGAGE SERVICES INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 684 TODD TRAIL, NEWPORT NEWS, VA TO 12653 DAYBREAK CIRCLE, NEWPORT NEWS, VA
BAN20010171 AFFINITY MORTGAGE LLC
FOR A MORTGAGE LENDER'S LICENSE
BAN20010172 HOMECOMINGS FINANCIAL NETWORK, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 12600 WHITEWATER DRIVE, MINNETONKA, MN TO ONE MERIDIAN CROSSINGS, SUITE 100, MINNEAPOLIS, MN
BAN20010173 AMERICAN MORTGAGE BANKERS, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4915 ST. ELMO AVENUE, SUITE 106, BETHESDA, MD TO 534 WINDING ROSE DRIVE, ROCKVILLE, MD
BAN20010174 SISMANOGLOU, VIRGINIA A.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010175 LOAN PLANET, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20010176 RALES, NORMAN R.
TO ACQUIRE 25 PERCENT OR MORE OF KENWOOD ASSOCIATES, INC.
BAN20010177 NOVASTAR HOME MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 17802 IRVINE BOULEVARD, SUITE 219, TUSTIN, CA TO 535 W. IRON AVENUE, SUITE 106, MESA, AZ
BAN20010178 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1819 S. DOBSON, SUITE 203, MESA, AZ
BAN20010179 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 6825 W. CALAHAN AVENUE, LAKEWOOD, CO
BAN20010180 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 218 ROUTE 17 NORTH, SUITE 303, ROCHELLE PARK, NJ
BAN20010181 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 802 W. POPLAR ROAD, STERLING, VA
BAN20010182 PHOENIX FINANCIAL CORPORATION D/B/A ABACUS MORTGAGE
TO OPEN A MORTGAGE BROKER'S OFFICE AT 14 FAIRFAX STREET, LEESBURG, VA
BAN20010183 CONSUMER CREDIT COUNSELING SERVICE OF VIRGINIA, INC. D/B/A CREDIT COUNSELORS OF VIRGINIA
TO OPEN AN ADDITIONAL DEBT COUNSELING OFFICE AT 4660 SOUTH LABURNUM AVENUE, RICHMOND, VA

BAN20010184 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 7105 CORPORATE DRIVE, PLANO, TX
BAN20010185 NEW PEOPLES BANK, INC.
TO OPEN A BRANCH AT U.S. ROUTES 19 AND 460, POUNDING MILL, VA
BAN20010186 AAMES FUNDING CORPORATION D/B/A AAMES HOME LOAN
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 350 S. GRAND AVENUE, 52ND. FLOOR, LOS ANGELES, CA TO 350 S. GRAND AVENUE, 47TH FLOOR, LOS ANGELES, CA
BAN20010187 FIRST COAST CAPITAL MORTGAGE, INC. D/B/A FIRST CAPITAL MORTGAGE
FOR A MORTGAGE BROKER'S LICENSE
BAN20010188 THORNBURG MORTGAGE HOME LOANS, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN20010189 GRP MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20010190 FAMILY FINANCE CORP. D/B/A COLONIAL LOANS (FREDERICKSBURG ONLY)
TO OPEN A CONSUMER FINANCE OFFICE
BAN20010191 GREATER POTOMAC MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER'S OFFICE AT 838D OLD GEORGE WASHINGTON HIGHWAY, CHESAPEAKE, VA
BAN20010192 GREATER POTOMAC MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER'S OFFICE AT 7152 SOFT WIND LANE, MECHANICSVILLE, VA
BAN20010193 REMESAS QUISQUEYANA, INC.
FOR A MONEY ORDER LICENSE
BAN20010194 MORTGAGE FIRST, INC. D/B/A MORTGAGE FIRST
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 419 SOUTH LYNNHAVEN ROAD, SUITE 101, VIRGINIA BEACH, VA TO JACK RABBIT SELF STORAGE, 4664 N WITCHDUCK ROAD, #F085, VIRGINIA BEACH, VA
BAN20010195 SOUTHSIDE MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 208 SOUTH HILL AVENUE, SOUTH HILL, VA TO 508 E. ATLANTIC STREET, SOUTH HILL, VA
BAN20010196 DANIEL, KENNETH L. D/B/A AMERICAN MORTGAGE CENTER
FOR A MORTGAGE BROKER'S LICENSE
BAN20010197 DIAMOND MORTGAGE EXCHANGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 6408-A SEVEN CORNERS PLACE, FALLS CHURCH, VA
BAN20010198 BB&T CORPORATION
TO ACQUIRE VIRGINIA CAPITAL BANCSHARES, INC. FREDERICKSBURG, VA
BAN20010199 CENTURY FINANCE FUNDING, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010200 EAST WEST MORTGAGE COMPANY, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 5894 CLARENDON SPRINGS PLACE, CENTREVILLE, VA
BAN20010201 NORTHEAST MORTGAGE GROUP, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010202 EQUITY VISION MORTGAGE CORP.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010203 FAITHLOAN, INC. D/B/A MIDAS MORTGAGE
FOR A MORTGAGE BROKER'S LICENSE
BAN20010204 SUNSET MORTGAGE COMPANY L.P.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 18221 D. FLOWERHILL WAY, GAITHERSBURG, MD
BAN20010205 MORTGAGE PORTFOLIO SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 232 MAIN STREET, GAITHERSBURG, MD
BAN20010206 MORTGAGE PORTFOLIO SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4820 DODSON DRIVE, ANNANDALE, VA
BAN20010207 CHEQUE CASHING, INC. D/B/A ACE CASH EXPRESS, INC.
TO OPEN A CHECK CASHER AT CENTER PLAZA, 4337 DALE BOULEVARD, WOODBRIDGE, VA
BAN20010208 BRINER INCORPORATED
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 11250 WAPLES MILL ROAD, SUITE 300, FAIRFAX, VA TO 3959 PENDER DRIVE, FAIRFAX, VA
BAN20010209 BRINER INCORPORATED
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1103 PRINCESS ANNE STREET, FREDERICKSBURG, VA TO WESTWOOD OFFICE PARK, SUITE 503, FREDERICKSBURG, VA
BAN20010210 WASHINGTON NATIONWIDE MORTGAGES CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1300 MERCANTILE LANE, SUITE 100F3, LARGO, MD TO 1300 MERCANTILE LANE, SUITE 100F-N, LARGO, MD
BAN20010211 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 207 SOUTH MAIN STREET, FRANKLIN, VA
BAN20010212 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 13592 MINNIEVILLE ROAD, WOODBRIDGE, VA
BAN20010213 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 101 E. HOLLY AVENUE, SUITE 18, STERLING, VA
BAN20010214 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 18 WALNUT STREET, SUITE C, MARTINSVILLE, VA
BAN20010215 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 301 SOUTHLAKE BOULEVARD, SUITE 201, RICHMOND, VA
BAN20010216 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 6022 JEFFERSON AVENUE, SUITE 205, 2ND FLOOR, NEWPORT NEWS, VA

BAN20010217 AFFINITY MORTGAGE COMPANY, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010218 FOUNDATION FUNDING GROUP, INC. D/B/A GREATSTONE MORTGAGE
TO OPEN A MORTGAGE LENDER'S OFFICE AT 355 W. RIO ROAD, SUITE 206B, CHARLOTTESVILLE, VA
BAN20010219 AEGIS MORTGAGE CORPORATION D/B/A UC LENDING
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 8549 UNITED PLAZA BOULEVARD, BATON ROUGE, LA TO 10049 NORTH REIGER ROAD, BATON ROUGE, LA
BAN20010220 COMMUNITY MORTGAGE CENTERS, LLC D/B/A THE MORTGAGE STORE U.S.A. (RICHMOND ONLY)
TO OPEN A MORTGAGE BROKER'S OFFICE AT 318 N. ARCH ROAD, SUITE 100, RICHMOND, VA
BAN20010221 FAMILY FINANCE CORP. D/B/A COLONIAL LOANS (FREDERICKSBURG ONLY)
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE LENDING WILL ALSO BE CONDUCTED
BAN20010222 SOUTHERN FINANCIAL BANK
TO OPEN A BRANCH AT 6354 WALKER LANE, SPRINGFIELD, VA
BAN20010223 ADVANCE MORTGAGE
FOR A MORTGAGE LENDER'S LICENSE
BAN20010224 REGAL MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20010225 SUNTRUST BANK, ATLANTA
TO OPEN A BRANCH AT 12200 W. OX ROAD, FAIRFAX COUNTY, VA
BAN20010226 APPROVED MORTGAGE CAPITAL, L.L.C.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 6862 ELM STREET, SUITE 820, MCLEAN, VA TO 603 CHURCHMANS ROAD, SUITE 108, NEWARK, DE
BAN20010227 DYNEX FINANCIAL, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 2763 MEADOW CHURCH ROAD, SUITE 200, DULUTH, GA
BAN20010228 NORTHSTAR MORTGAGE CORP. D/B/A AAXA DISCOUNT MORTGAGE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 5872-200 FARINGDON PLACE, RALEIGH, NC TO 2530 MERIDIAN PARKWAY, 3RD FLOOR, DURHAM, NC
BAN20010229 NORTHSTAR MORTGAGE CORP. D/B/A AAXA DISCOUNT MORTGAGE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 3806 PARK AVENUE, WILMINGTON, NC TO 4411 PEACHTREE AVENUE, WILMINGTON, NC
BAN20010230 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 107 SOUTH MAIN STREET, GALAX, VA TO 141 MOORE AVENUE, MT. AIRY, NC
BAN20010231 MILLENNIUM FINANCING, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2713 COPPER CREEK ROAD, OAK HILL, VA
BAN20010232 CAPON VALLEY BANK
TO OPEN A BRANCH AT 6701 NORTHWESTERN PIKE, GORE, VA
BAN20010233 SOUTHERN TRUST MORTGAGE, LLC
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM GATEWAY CENTER BUILDING, SUITE 200W, WARRENTON, VA TO 301 BROADVIEW AVENUE, WARRENTON, VA
BAN20010234 ERIE FINANCIAL GROUP, LTD.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010235 ATLANTIC CAPITAL FUNDING CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20010236 1ST METROPOLITAN MORTGAGE CO.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20010237 BNB & ASSOCIATES, L.L.C.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010238 CHRISTOPHER E. HOBSON INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN20010239 SUNTRUST BANK, ATLANTA
TO OPEN A BRANCH AT 20942 DANIEL STEWART SQUARE, WOODBRIDGE, VA
BAN20010240 SOUTHERN FINANCIAL BANK
TO OPEN A BRANCH AT 1055 THOMAS JEFFERSON STREET, N.W., WASHINGTON, DC
BAN20010241 CTX MORTGAGE COMPANY
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1001 BOULDERS PARKWAY, SUITE 110, RICHMOND, VA TO 3951 WESTERRE PARKWAY, SUITE 160, RICHMOND, VA
BAN20010242 CARDINAL ENTERPRISES INC. OF RICHMOND D/B/A PRESTIGE MORTGAGE CO.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 3131 NEWINGTON COURT, RICHMOND, VA TO 301 PLAZAVIEW ROAD, RICHMOND, VA
BAN20010243 SUNSET MORTGAGE COMPANY L.P.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 117 W. MAIN STREET, FLOYD, VA TO 115 WEST MAIN STREET, FLOYD, VA
BAN20010244 AEGIS MORTGAGE CORPORATION D/B/A UC LENDING
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1974 HENDERSONVILLE ROAD, SUITE B, ASHEVILLE, NC
BAN20010245 AEGIS MORTGAGE CORPORATION D/B/A UC LENDING
TO OPEN A MORTGAGE LENDER'S OFFICE AT 2545 RAVEN HILL ROAD, SUITE 106, FAYETTEVILLE, NC
BAN20010246 AEGIS MORTGAGE CORPORATION D/B/A UC LENDING
TO OPEN A MORTGAGE LENDER'S OFFICE AT 10115 KINCEY AVENUE, SUITE 120, HUNTERSVILLE, NC
BAN20010247 AEGIS MORTGAGE CORPORATION D/B/A UC LENDING
TO OPEN A MORTGAGE LENDER'S OFFICE AT 200 FIRST AVENUE NW, SUITE 630, HICKORY, NC

BAN20010248 MIDAS MORTGAGE, LLC
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 400 C SOUTHLAKE BOULEVARD, RICHMOND, VA TO 9323 MIDLOTHIAN TURNPIKE, SUITE P, RICHMOND, VA
BAN20010249 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 951 E. BEACON HILL DRIVE, HIGHLANDS RANCH, CO
BAN20010250 D. L. KING, LLC
TO OPEN A CHECK CASHER AT 3130 HALIFAX ROAD, SUITE F, SOUTH BOSTON, VA
BAN20010251 SUPERIOR HOME MORTGAGE CORPORATION (USED IN VA BY: SUPERIOR MORTGAGE CORPORATION)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 716 D THIMBLE SHOALS BOULEVARD, NEWPORT NEWS, VA
BAN20010252 SUNSHINE MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1120 C BENFIELD BOULEVARD, SUITE 116, MILLERSVILLE, MD TO 572-F RITCHIE HIGHWAY, SEVERNA PARK, MD
BAN20010253 VIRGINIA CREDIT UNION, INC.
TO OPEN A CREDIT UNION SERVICE OFFICE AT 900 EAST MAIN STREET, POCAHONTAS BUILDING, RICHMOND, VA
BAN20010254 MARKET STREET MORTGAGE CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20010255 BUCKINGHAM MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 15245 SHADY GROVE ROAD, SUITE 390, ROCKVILLE, MD TO 15245 SHADY GROVE ROAD, SUITE 430, ROCKVILLE, MD
BAN20010256 BLUE LAKE MORTGAGE CO.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010257 SOUTHSIDE BANK
TO OPEN A BRANCH AT U.S. ROUTE 17 AND STATE ROUTE 1205, GLOUCESTER COUNTY, VA
BAN20010258 PROVIDENT BANK OF MARYLAND
TO OPEN A BRANCH AT 7012 COLUMBIA PIKE, ANNANDALE, VA
BAN20010259 EXPRESS MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 100 TRISTEN DRIVE, YORKTOWN, VA
BAN20010260 COMMUNITY MORTGAGE SERVICES CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20010261 SOUTHWEST MORTGAGE COMPANY, L.L.C.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010262 1ST HOME EQUITY CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20010263 D & M FINANCIAL, CORP.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 7525 TIDEWATER DRIVE, SUITE 223, NORFOLK, VA
BAN20010264 MORTGAGE TECHNOLOGY, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010265 GREENTREE MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 66 PAINTERS MILL ROAD, SUITE 110, OWINGS MILLS, MD TO 66 PAINTERS MILL ROAD, SUITE 202, OWINGS MILLS, MD
BAN20010266 MERCANTILE MORTGAGE COMPANY OF VIRGINIA (USED IN VA BY: MERCANTILE MORTGAGE COMPANY)
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 8101 N. HIGH STREET, SUITE 380, COLUMBUS, OH TO 470 OLDE WORTHINGTON ROAD, SUITE 300, WESTERVILLE, OH
BAN20010267 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4510 DALY DRIVE, SUITE 300, CHANTILLY, VA TO 22636 GLENN DRIVE, SUITE 205, STERLING, VA
BAN20010268 UNIVERSAL AMERICAN MORTGAGE COMPANY
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20010269 FIRST-CITIZENS BANK & TRUST COMPANY
TO OPEN A BRANCH AT BOULDERS EXECUTIVE SUITES II, SUITE 300, 7400 BEAUFONT SPRINGS DRIVE, CHESTERFIELD COUNTY, VA
BAN20010270 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 13058 AUTUMN WOODS WAY, SUITE 101, FAIRFAX, VA TO 11577 LAUREL LAKE SQUARE, FAIRFAX, VA
BAN20010271 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2725 HUNGARY SPRINGS ROAD, RICHMOND, VA TO 4013 BOLLING ROAD, RICHMOND, VA
BAN20010272 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 901 LEISURE SQUARE, SUITE 200, VIRGINIA BEACH, VA TO 3804 RICA DRIVE, VIRGINIA BEACH, VA
BAN20010273 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 288 EXECTOR DRIVE, NEWPORT NEWS, VA TO 1808 ARTIC AVENUE, VIRGINIA BEACH, VA
BAN20010274 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1203 LORRAIN AVENUE, WILMINGTON, DE TO 220 EAST JUSTIS STREET, NEWPORT, DE
BAN20010275 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 177 GREENCREST DRIVE, PONTE VERDA BEACH, FL
BAN20010276 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 4321 SOUTH BRACKEN COURT, WINTER PARK, FL
BAN20010277 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1210 ASQUITH PINES PLACE, ARNOLD, MD

BAN20010278 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 6212 WAGNER LANE, BETHESDA, MD
BAN20010279 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 16 BALLY HEAN COURT, TIMONIUM, MD
BAN20010280 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1423 HEINS ROAD, BLYTHEWOOD, SC
BAN20010281 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 100 HARMON STREET, SUITE 5, LEXINGTON, SC
BAN20010282 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2760 BLOCKER PLACE, FALLS CHURCH, VA
BAN20010283 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1112 LAKE SHORE DRIVE, FOREST, VA
BAN20010284 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 22 BETHEL PLACE, WASHINGTON, WV
BAN20010285 RELIABLE FINANCIAL GROUP, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20010286 BNC HOLDINGS, INC.
TO ACQUIRE 25 PERCENT OR MORE OF BNC MORTGAGE, INC.
BAN20010287 CITIZENS AND FARMERS BANK
TO OPEN A BRANCH AT 100 EAST WILLIAMSBURG ROAD, SANDSTON, VA
BAN20010288 CITIZENS AND FARMERS BANK
TO OPEN A BRANCH AT 1400 ALVERSER PLAZA, MIDLOTHIAN, VA
BAN20010289 COLUMBIA NATIONAL, INCORPORATED
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2110 IVY ROAD, CHARLOTTESVILLE, VA
BAN20010290 AADVANTAGE PLUS FINANCIAL, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2400 RESEARCH BOULEVARD, SUITE 150, ROCKVILLE, MD TO 1901 RESEARCH BOULEVARD, SUITE 320, ROCKVILLE, MD
BAN20010291 ALTA FINANCIAL CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20010292 DOMINION FIRST, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 10190 MILSTEAD ROAD, GREAT FALLS, VA TO 774 C WALKER ROAD, GREAT FALLS, VA
BAN20010293 EMPIRE ACCEPTANCE COMPANY, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20010294 TRIMARK FUNDING INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010295 GETSMART.COM, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010296 AGGRESSIVE MORTGAGE CORP.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7110 FOREST AVENUE, SUITE 103, RICHMOND, VA TO 6802 PARAGON PLACE, SUITE 103, RICHMOND, VA
BAN20010297 PRINCIPAL RESIDENTIAL MORTGAGE, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 9887 FOURTH STREET NORTH, SUITE 215, ST. PETERSBURG, FL TO 2605 ENTERPRISE ROAD, SUITE 290, CLEARWATER, FL
BAN20010298 ROBERSON, KIMBERLY J. T/A MIDDLE AMERICA MORTGAGE
TO OPEN A MORTGAGE BROKER'S OFFICE AT 16464 COUNTRY CREEK LANE, AMISSVILLE, VA
BAN20010299 MORTGAGE LENDERS NETWORK USA, INC.D/B/A FAMILYCREDIT CONNECTION
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 400 NORTH PARK TOWN CTR., SUITE 825, ATLANTA, GA TO 3600 MANSELL ROAD, SUITE 220, ALPHARETTA, GA
BAN20010300 RICHARDSON, DONNELL
TO BE AN EXCLUSIVE AGENT FOR PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
BAN20010301 HEARTSIDE MORTGAGE COMPANY, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010302 UVEST FINANCIAL SERVICES GROUP, INC. D/B/A UVEST MORTGAGE SERVICES
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20010303 CAPITAL ACCESS, LTD.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 7310-B MAPLE PLACE, 2ND FLOOR, ANNANDALE, VA
BAN20010304 HOMEPRIDE FINANCE CORP.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20010305 PHH MORTGAGE SERVICES CORPORATION D/B/A INSTAMORTGAGE.COM
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20010306 RAMSAY, III, ALEXANDER S. D/B/A RAMSCOURT MORTGAGE
TO OPEN A MORTGAGE BROKER'S OFFICE AT 4028 PLANK ROAD, SUITE A-1, SALEM PROFESSIONAL CENTER, FREDERICKSBURG, VA
BAN20010307 WINDSOR CAPITAL MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1988-B, SUITE 2, OPITZ BOULEVARD, WOODBRIDGE, VA TO 308 WESTWOOD OFFICE PARK, FREDERICKSBURG, VA
BAN20010308 WINDSOR CAPITAL MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2536 YOUNGS DRIVE, HAYMARKET, VA TO 150 TACKETTS MILL ROAD, STAFFORD, VA
BAN20010309 TRANSLAND FINANCIAL SERVICES, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 13255 SW 137 AVENUE, SUITE 109, MIAMI, FL

BAN20010310 FINANCIAL DYNAMICS CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20010311 6:10 SERVICES D/B/A DEBT-FREE AMERICA
TO OPEN A DEBT COUNSELING OFFICE
BAN20010312 MIRACLE MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010313 VIRGINIA COMMERCE BANK
TO OPEN A BRANCH AT THE SPECTRUM AT RESTON TOWN CTR., INTERSECTION OF BARON CAMERON AVE. AND FOUNTAIN DR., RESTON, VA
BAN20010314 MORTGAGE EDGE CORPORATION D/B/A MEC ONLINE (LAKE RIDGE OFFICE ONLY)
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1355 BEVERLY ROAD, SUITE 330, MCLEAN, VA TO 45195 BUSINESS COURT, SUITE 100, DULLES, VA
BAN20010315 MORTGAGE EDGE CORPORATION D/B/A MEC ONLINE (LAKE RIDGE OFFICE ONLY)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1355 BEVERLY ROAD, SUITE 250, MCLEAN, VA
BAN20010316 123 MORTGAGE SERVICES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010317 TIDEH2O RESIDENTIAL FUNDING, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 3500 VIRGINIA BEACH BOULEVARD, VIRGINIA BEACH, VA TO 4190 S. PLAZA TRAIL, SUITE 135, VIRGINIA BEACH, VA
BAN20010318 ROOKS, W. HOWARD
TO ACQUIRE 25 PERCENT OR MORE OF HOME SECURITY MORTGAGE CORP.
BAN20010319 COASTAL COMMUNITY MORTGAGE, L.L.C.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010320 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 701 ELM AVENUE, SUITE A, GROTTOES, VA
BAN20010321 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3102 GOLANSKY BOULEVARD, SUITE 202, WOODBRIDGE, VA
BAN20010322 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 5900 E. VIRGINIA BEACH BOULEVARD, SUITE 208, NORFOLK, VA
BAN20010323 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1314 PETERS CREEK ROAD, NW, SUITE 241B, ROANOKE, VA
BAN20010324 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 8804 WOODYARD ROAD, CLINTON, MD
BAN20010325 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2622 W MAIN STREET, DANVILLE, VA
BAN20010326 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 4326 DALE BOULEVARD, SUITE 9, WOODBRIDGE, VA
BAN20010327 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 218 N. SYCAMORE STREET, PETERSBURG, VA
BAN20010328 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 718 J. CLYDE MORRIS BLVD., SUITE D, NEWPORT NEWS, VA
BAN20010329 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 7406 ALBAN STATION COURT, SUITE A-100, SPRINGFIELD, VA
BAN20010330 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 4508 S. LABURNUM AVENUE, SUITE 200, RICHMOND, VA
BAN20010331 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 4425 PORTSMOUTH BLVD., SUITE 110, CHESAPEAKE, VA
BAN20010332 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 512 S INDEPENDENCE BLVD., SUITE 100, VIRGINIA BEACH, VA
BAN20010333 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT HIGHWAY 19 S, RR 3, BOX 1645, CEDAR BLUFF, VA
BAN20010334 HOMEONE CREDIT CORP.
FOR A MORTGAGE LENDER'S LICENSE
BAN20010335 ADVANTAGE INVESTORS MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1760 RESTON PARKWAY, RESTON, VA
BAN20010336 AMERIGROUP MORTGAGE CORPORATION (USED IN VA BY: MORTGAGE INVESTORS CORPORATION)
TO OPEN A MORTGAGE LENDER'S OFFICE AT 8401 PATTERSON AVENUE, SUITE 206, RICHMOND, VA
BAN20010337 HOME MORTGAGEE CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20010338 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 8521 FALLBROOK AVENUE, WEST HILLS, CA
BAN20010339 SOUTHEAST FUNDING, INC. D/B/A CHESAPEAKE BAY MORTGAGE FUNDING
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 3700 SHORE DRIVE, SUITE 104, VIRGINIA BEACH, VA TO 3705 SHORE DRIVE, VIRGINIA BEACH, VA
BAN20010340 HEARTLAND HOME FINANCE, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 333 PIERCE ROAD, SUITE 160, ITASCA, IL TO 1401 BRANDING LANE, SUITE 300, DOWNERS GROVE, IL
BAN20010341 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 661 MAIN STREET, SUITE 3, NIAGARA FALLS, NY
BAN20010342 CENTEX CREDIT CORPORATION D/B/A CENTEX HOME EQUITY CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 100 WEST ROAD, TOWSON EXECUTIVE OFFICE, SUITE 300, TOWSON, MD

BAN20010343 WHITE OAK MORTGAGE GROUP, LLC, THE
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 5400 GLENWOOD AVENUE, SUITE 305, RALEIGH, NC TO 7101 CREEDMOOR ROAD, SUITE 101, RALEIGH, NC
BAN20010344 LOYALTY MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7515 ANNAPOLIS ROAD, SUITE 407, NEW CARROLLTON, MD TO 8200 PROFESSIONAL PLACE, SUITE 104B, LANHAM, MD
BAN20010345 GMAC MORTGAGE CORPORATIO D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 207 COBBLE WAY, WALKERSVILLE, MD
BAN20010346 METRO MORTGAGE BROKERS OF AMERICA, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010347 AMERICAN MORTGAGE EXCHANGE, INC. D/B/A AMERICAN MORTGAGE EXCHANGE
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM ONE COLUMBUS CENTER, SUITE 600, VIRGINIA BEACH, VA TO 4036 WETHERBURN WAY, NORCROSS, GA
BAN20010348 ROCUDA MORTGAGE CO.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 5108 KINGS MOUNTAIN ROAD, COLLINSVILLE, VA TO 2879 VIRGINIA AVENUE, COLLINSVILLE, VA
BAN20010349 TAYLOR, BEAN & WHITAKER MORTGAGE CORP.
FOR A MORTGAGE LENDER'S LICENSE
BAN20010350 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3601 W. HUNDRED ROAD, CHESTER, VA
BAN20010351 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 115 JEFFERSON HIGHWAY, LOUISA, VA
BAN20010352 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 7740 SHRADER ROAD, SUITE D, RICHMOND, VA
BAN20010353 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3114 GOLANSKY BOULEVARD, SUITE 201, WOODBRIDGE, VA
BAN20010354 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 7142 DUFFIE DRIVE, WILLIAMSBURG, VA
BAN20010355 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 9 SOUTH COURT STREET, SUITE 201, WINDSOR, VA TO 11339 WINDSOR BOULEVARD, WINDSOR, VA
BAN20010356 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 3941 UNIVERSITY DRIVE, FAIRFAX, VA TO 8303 ARLINGTON BOULEVARD, SUITE 210, FAIRFAX, VA
BAN20010357 SHENANDOAH VALLEY MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20010358 SOUTHERN TRUST MORTGAGE, LLC
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1213 CULBRETH DRIVE, SUITE 207, WILMINGTON, NC
BAN20010359 SOUTHERN TRUST MORTGAGE, LLC
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 40 CALHOUN STREET, SUITE 200, CHARLESTON, SC
BAN20010360 BENEFICIAL MORTGAGE CO. OF VIRGINIA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 734 SOUTH SALISBURY BOULEVARD, SALISBURY, MD
BAN20010361 BENEFICIAL DISCOUNT CO. OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT 734 SOUTH SALISBURY BOULEVARD, SALISBURY, MD
BAN20010362 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 6505 ROCKSIDE ROAD, SUITE 320, INDEPENDENCE, OH
BAN20010363 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 939 GLENNEYRE, SUITE B, LAGUNA BEACH, CA
BAN20010364 CTX MORTGAGE COMPANY
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 6110 EXECUTIVE BOULEVARD, SUITE 1040, ROCKVILLE, MD TO 11900 PARKLAWN DRIVE, SUITE 150, ROCKVILLE, MD
BAN20010365 CRAWFORD, MICHAEL O. D/B/A MICHAEL O. CRAWFORD FINANCIAL RESOURCES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 109 WESTWOOD OFFICE PARK, FREDERICKSBURG, VA
BAN20010366 FIRST CAPITAL MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20010367 HOME LOAN CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1103 EDEN WAY NORTH, CHESAPEAKE, VA
BAN20010368 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 9411 HULL STREET ROAD, ROCKWOOD OFFICE PARK, RICHMOND, VA
BAN20010369 WESTERN HOME MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20010370 MORTGAGE LOAN SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1520 STONEMOSS COURT, SUITE 301-A, VIRGINIA BEACH, VA
BAN20010371 MILLER, MICHAEL C.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010372 WHITE OAK MORTGAGE GROUP, LLC, THE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT ROSLYN III - EXECUTIVE, SUITE 320, CHARLES DIMMOCK PARKWAY, COLONIAL HEIGHTS, VA
BAN20010373 FAUQUIER BANK, THE
TO OPEN A BRANCH AT 9073 CENTER STREET, MANASSAS, VA

BAN20010374 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 105 SOUTH UNION STREET, SUITE 600, DANVILLE, VA
BAN20010375 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 293 INDEPENDENCE BOULEVARD, SUITE 109, VIRGINIA BEACH, VA
BAN20010376 NATIONS FUNDING INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 20311 CEDARHURST WAY, GERMANTOWN, MD TO 12707 RIVER ROAD, POTOMAC, MD
BAN20010377 COLUMBIA NATIONAL, INCORPORATED
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 872 LEE HIGHWAY, ROANOKE, VA
BAN20010378 HAMPTON ROADS MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20010379 U.S. TRUST COMPANY
TO OPEN A BRANCH AT 1600 TYSONS BOULEVARD, MCLEAN, VA
BAN20010380 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
BAN20010381 COUNTRYSIDE MORTGAGE SERVICES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1206 N. NELSON STREET, ARLINGTON, VA TO 2111 WILSON BOULEVARD, SUITE 711, ARLINGTON, VA
BAN20010382 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 13319 WOODBRIDGE STREET, WOODBRIDGE, VA
BAN20010383 COASTAL MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2519 JOHN EPPES ROAD, SUITE 401, HERNDON, VA TO 1111 CHALLEDON ROAD, GREAT FALLS, VA
BAN20010384 CAPITAL FINANCIAL HOME EQUITY, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20010385 VALLEY TEAM MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010386 FIRST VIRGINIA BANKS, INC.
TO ACQUIRE JAMES RIVER BANKSHARES, INC., VA
BAN20010387 HAMPTON ROADS BANKSHARES, INC.
TO ACQUIRE BANK OF HAMPTON ROADS, THE
BAN20010388 VIAMERICAS CORPORATION
FOR A MONEY ORDER LICENSE
BAN20010389 FAMILY FINANCE CORP.D/B/A COLONIAL LOANS (FREDERICKSBURG ONLY)
TO RELOCATE CONSUMER FINANCE OFFICE FROM 3040 SOUTH CRATER ROAD, SUITE B, PETERSBURG, VA TO 3032 SOUTH CRATER ROAD, PETERSBURG, VA
BAN20010390 JELEC FINANCIAL, LLC
TO OPEN A CONSUMER FINANCE OFFICE
BAN20010391 FIRST WASHINGTON MORTGAGE BANKERS, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010392 BB&T CORPORATION
TO ACQUIRE F & M NATIONAL CORPORATION, WINCHESTER, VA
BAN20010393 ACCENT MORTGAGE SERVICES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 11940 ALPHARETTA HIGHWAY, SUITE 110, ALPHARETTA, GA TO 5895 WINDWARD PARKWAY, SUITE 220, ALPHARETTA, GA
BAN20010394 COLUMBIA NATIONAL, INCORPORATED
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 8874 SEMINOLE TRAIL, RUCKERSVILLE, VA
BAN20010395 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
BAN20010396 MORTGAGEIT, INC. D/B/A MIT LENDING (ROCKVILLE, MD. ONLY)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 15200 SHADY GROVE ROAD, ROCKVILLE, MD
BAN20010397 SMITH, COLEEN M.
TO ACQUIRE 25 PERCENT OR MORE OF NORTHSTAR LENDING, INC.
BAN20010398 EASTMAN CREDIT UNION
OUT OF STATE CREDIT UNION TO OPEN AN IN STATE OFFICE
BAN20010399 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 9221 SW BARBUR BOULEVARD, SUITE 101, PORTLAND, OR
BAN20010400 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 845 BELL ROAD, SUITE 216, ANTIOCH, TN
BAN20010401 ADVANTAGE INVESTORS MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 7896 MAYFAIR CIRCLE, ELLICOTT CITY, MD TO 12800 FREDERICK ROAD, SUITE 202B, WEST FRIENDSHIP, MD
BAN20010402 WASHINGTON MUTUAL FINANCE GROUP, LLC
TO RELOCATE CONSUMER FINANCE OFFICE FROM 2225 LAKESIDE DRIVE, UNIT B-3, LYNCHBURG, VA TO 2225 LAKESIDE DRIVE, UNIT C-1, LYNCHBURG, VA
BAN20010403 WASHINGTON MUTUAL FINANCE OF VIRGINIA, LLC
TO RELOCATE A MORTGAGE LENDER'S OFFICE FROM 2225 LAKESIDE DRIVE, UNIT B-3, LYNCHBURG, VA TO 2225 LAKESIDE DRIVE, UNIT C-1, LYNCHBURG, VA
BAN20010404 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 6022 JEFFERSON AVENUE, SUITE 204B, NEWPORT NEWS, VA

BAN20010405 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 13626 BOYDTON PLANK ROAD, DINWIDDIE, VA TO 1210-B BOULEVARD, COLONIAL HEIGHTS, VA
BAN20010406 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1210-B BOULEVARD, COLONIAL HEIGHTS, VA
BAN20010407 NORTHSTAR MORTGAGE CORP. D/B/A AAXA DISCOUNT MORTGAGE
TO OPEN A MORTGAGE BROKER'S OFFICE AT 890 S. KERR AVENUE, WILMINGTON, NC
BAN20010408 PFN MORTGAGE SERVICES, L.L.C.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010409 MARATHON BANK, THE
TO OPEN A BRANCH AT 139 N. CAMERON STREET, WINCHESTER, VA
BAN20010410 CONSUMER DISCLOSURE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010411 PROVIDENT BANK OF MARYLAND
TO OPEN A BRANCH AT 7005 MANCHESTER LAKES, FRANCONIA SHOPPERS, FRANCONIA, VA
BAN20010412 COLUMBIA NATIONAL, INCORPORATED
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 5 OAK BRANCH DRIVE, GREENSBORO, NC TO 5509-B WEST FRIENDLY AVENUE, STE. 205, GREENSBORO, NC
BAN20010413 MULTI-FUND OF COLUMBUS, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010414 ACCREDITED HOME LENDERS, INC.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 6550 ROCK SPRING DRIVE, SUITE 290, BETHESDA, MD TO 4000 BLACKBURN LANE, SUITE 150, BURTONSVILLE, MD
BAN20010415 RYAN, CHARLES C. D/B/A CHARLES RYAN AGENCY
FOR A MORTGAGE BROKER'S LICENSE
BAN20010416 AMTRUST MORTGAGE CORPORATION
FOR A MORTGAGE LENDER'S LICENSE
BAN20010417 AMERICORP CREDIT CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 28765 SINGLE OAK DRIVE, SUITE 250, TEMECULA, CA TO 40925 COUNTY CENTER DRIVE, SUITE 200, TEMECULA, CA
BAN20010418 HANOVER BANK
TO OPEN A BRANCH AT 201 N. WASHINGTON HIGHWAY, ASHLAND, VA
BAN20010419 SOUTHERN TRUST MORTGAGE, LLC
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 10 ST. ALBAN CIRCLE, BRISTOL, TN
BAN20010420 EAST WEST MORTGAGE COMPANY, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 12507 FORTY OAKS COURT, HERNDON, VA
BAN20010421 FIRST BANCORP MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1103 RICHMOND ROAD, WILLIAMSBURG, VA
BAN20010422 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1917 WEST INNES STREET, SUITE 601, SALISBURY, NC
BAN20010423 FARMERS AND MINERS BANK
TO OPEN A BRANCH AT 331 EAST MAIN STREET, WISE, VA
BAN20010424 MORTGAGE VAULT, INC., THE
FOR A MORTGAGE BROKER'S LICENSE
BAN20010425 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2025 E. MAIN STREET, SUITE 118, RICHMOND, VA
BAN20010426 EQUITY ONE CONSUMER LOAN COMPANY, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 10439 MIDLOTHIAN TURNPIKE, CHESTERFIELD COUNTY, VA TO 8906 WEST BROAD STREET, SUITE 1, HENRICO COUNTY, VA
BAN20010427 EQUITY ONE CONSUMER LOAN COMPANY, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 1428 NORTH SEMINOLE TRAIL, CHARLOTTESVILLE, VA TO 570 SHOPPERS WORLD COURT, ALBEMARLE COUNTY, VA
BAN20010428 ALLIED MORTGAGE CAPITAL CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 287 INDEPENDENCE BOULEVARD, SUITE 210, VIRGINIA BEACH, VA TO 293 INDEPENDENCE BOULEVARD, SUITE 109, VIRGINIA BEACH, VA
BAN20010429 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3231 ELECTRIC ROAD, SUITE 2B, ROANOKE, VA
BAN20010430 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3018 W. CLAY STREET, SUITE 219, RICHMOND, VA
BAN20010431 NUMERICA FUNDING, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 415 S. LYNNHAVEN ROAD, SUITE 104, VIRGINIA BEACH, VA TO 4525 E. HONEYGROVE ROAD, SUITE 204, VIRGINIA BEACH, VA
BAN20010432 FIRST VIRGINIA BANK-HAMPTON ROADS
TO OPEN A BRANCH AT THE NORTHEAST CORNER OF COLONIALAVENUE AND 21ST STREET, NORFOLK, VA
BAN20010433 NATIONWIDE FINANCIAL CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20010434 EMPIRE EQUITY GROUP, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1005 FREDERICK ROAD, CATONSVILLE, MD
BAN20010435 CREDITGUARD OF AMERICA, INC.
TO OPEN A DEBT COUNSELING OFFICE
BAN20010436 EDWARD D. JONES & CO., L.P. D/B/A EDWARDJONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1731 LADYSMITH ROAD, RUTHER GLEN, VA

BAN20010437 SOLUTIONS MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7206 HULL STREET ROAD, SUITE 210, RICHMOND, VA TO 7206 HULL STREET ROAD, SUITE 202, RICHMOND, VA

BAN20010438 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 610 TWINBROOK LANE, JOPPA, MD

BAN20010439 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 117 RABBIT CREEK DRIVE, FLORISSANT, CO

BAN20010440 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 103 COLGATE ROAD, OAK RIDGE, TN

BAN20010441 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 223 SOUTH 11TH, MUSKOGEE, OK

BAN20010442 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 609 BIRCHRIDGE COURT, VIRGINIA BEACH, VA

BAN20010443 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 10803 MAIN STREET, FAIRFAX, VA

BAN20010444 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 12284 SHERBORNE STREET, BRISTOW, VA

BAN20010445 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 49 BEAVER DRIVE, HURRICANE, WV

BAN20010446 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 611B WEST MAIN STREET, ELKINS, WV

BAN20010447 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 330 JASPER DRIVE, BECKLEY, WV

BAN20010448 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2760 BLOCKER PLACE, FALLS CHURCH, VA TO 3514 RAWDAN DRIVE, DURHAM, NC

BAN20010449 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 107 LAKE FRONT DRIVE, SUFFOLK, VA TO 681 LAKE MEADE DRIVE, SUFFOLK, VA

BAN20010450 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 6376 LITTLE RIVER TNPK., 1ST FLOOR, ALEXANDRIA, VA TO 484 EAST MORSE ROAD, HAYDEN, ID

BAN20010451 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO MERGE INTO IT FREDERICKSBURG STATE BANK

BAN20010452 AMERIGROUP MORTGAGE CORPORATION (USED IN VA BY: MORTGAGE INVESTORS CORPORATION)
TO OPEN A MORTGAGE LENDER'S OFFICE AT 5982 CENTRAL AVENUE, ST. PETERSBURG, FL

BAN20010453 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 10 NORTH HILL DRIVE, SUITE 1-2B, WARRENTON, VA

BAN20010454 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 320 S. MAIN STREET, FLOOR 2, EMPORIA, VA

BAN20010455 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 300 SUNSET ROAD, SUITE 304, BURLINGTON, NJ

BAN20010456 ALLIED MORTGAGE CAPITAL CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 513 EAST CENTER STREET, KINGSPORT, TN TO 509 EAST CENTER STREET, KINGSPORT, TN

BAN20010457 EXECUTIVE MORTGAGE SERVICES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 8001 FORBES PLACE, SUITE 310, SPRINGFIELD, VA TO 7345 MCWHORTER PLACE, SUITE 110, ANNANDALE, VA

BAN20010458 K. HOVNANIAN MORTGAGE, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 225 HIGHWAY #35, NAVESINK NORTH, RED BANK, NJ TO 1800 S. AUSTRALIAN AVENUE, SUITE 400, W. PALM BEACH, FL

BAN20010459 CENTRAL VIRGINIA BANK
TO OPEN A BRANCH AT 3490 LAUDERDALE DRIVE, HENRICO COUNTY, VA

BAN20010460 DIAMOND LENDING CORPORATION
FOR A MORTGAGE BROKER'S LICENSE

BAN20010461 CLARKSVILLE MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE

BAN20010462 ALLIED MORTGAGE UNLIMITED, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN20010463 XTREME EQUITY
FOR A MORTGAGE BROKER'S LICENSE

BAN20010464 BANK OF BOTETOURT
TO OPEN A BRANCH AT 3130 PETERS CREEK ROAD, NW, ROANOKE COUNTY, VA

BAN20010465 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 11816 ORANGEWOOD DRIVE, DADE CITY, FL

BAN20010466 DISCOUNT FUNDING ASSOCIATES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1392 SIERRA DRIVE, VIRGINIA BEACH, VA

BAN20010467 U.S. MORTGAGE CORPORATION OF VIRGINIA (USED IN VA BY: U.S. MORTGAGE CORPORATION)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 19D CHAPIN ROAD, PINE BROOK, NJ

BAN20010468 BENEFICIAL DISCOUNT CO. OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT 500 FOXCROFT AVENUE, MARTINSBURG, WV

BAN20010469 BENEFICIAL MORTGAGE CO. OF VIRGINIA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 500 FOXCROFT AVENUE, MARTINSBURG, WV
BAN20010470 E-LOAN, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3563-501 PHILIPS HIGHWAY, JACKSONVILLE, FL
BAN20010471 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 8903 REGENTS PARK DRIVE, SUITE 120, TAMPA, FL
BAN20010472 PROVIDENT FUNDING GROUP, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 8002 DISCOVERY DRIVE, SUITE 400, RICHMOND, VA
BAN20010473 NOVASTAR HOME MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 6701 DEMOCRACY PLAZA, SUITE 300, BETHESDA, MD TO 12216 PARKLAWN DRIVE, SUITE 103, ROCKVILLE, MD
BAN20010474 NOVASTAR HOME MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 6825 W. CALAHAN AVENUE, LAKEWOOD, CO TO 6655 WEST JEWELL, SUITE 218, LAKEWOOD, CO
BAN20010475 COLUMBIA NATIONAL, INCORPORATED
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4900 SEMINARY ROAD, SUITE 105, ALEXANDRIA, VA
BAN20010476 OLUMBIA NATIONAL, INCORPORATED
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 120 S. ROYAL STREET, ALEXANDRIA, VA
BAN20010477 COLUMBIA NATIONAL, INCORPORATED
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 6922C LITTLE RIVER TURNPIKE, ANNANDALE, VA
BAN20010478 CROSSTOWNE MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1905 QUEENS CHAPEL ROAD, HYATTSVILLE, MD TO 13321 NEW HAMPSHIRE AVENUE, SILVER SPRING, MD
BAN20010479 LIFETIME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 11629 HULL STREET, MIDLOTHIAN, VA
BAN20010480 BANK OF HAMPTON ROADS, THE
TO OPEN A BRANCH AT PEMBROKE ONE BUILDING, SUITE 100281, INDEPENDENCE BOULEVARD, VIRGINIA BEACH, VA
BAN20010481 CREEKMORE, MAGGIE R. D/B/A MAGGIE MAE MORTGAGE
FOR A MORTGAGE BROKER'S LICENSE
BAN20010482 DOMINION CREDIT UNION
TO OPEN A CREDIT UNION SERVICE OFFICE AT 120 TREDEGAR STREET, RICHMOND, VA
BAN20010483 ALL FUND, INC. D/B/A ALL FUND MORTGAGE
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20010484 PERFORMANCE FUNDING, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20010485 CENTER STREET MORTGAGE, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20010486 AMERICAN DREAM CORPORATION, THE D/B/A PREMIER FUNDING CORP.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010487 FIDELITY & TRUST MORTGAGE, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN20010488 EBANCFUNDING, YOUR MORTGAGE LENDER, LLC
FOR A MORTGAGE LENDER'S LICENSE
BAN20010489 UNITED CAPITAL INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010490 PINETREE MORTGAGE COMPANY, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20010491 RLI MORTGAGE SERVICES, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20010492 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1111 MONDAWMIN CONCOURSE, BALTIMORE, MD
BAN20010493 TRUSTWORTHY MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 5505 HAMLET HILL COURT, FAIRFAX, VA TO 1492 BROADSTONE PLACE, VIENNA, VA
BAN20010494 1ST METROPOLITAN MORTGAGE CO.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 12531 CLIFFORD DRIVE, SUITE 102, WOODBRIDGE, VA
BAN20010495 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM RR #5, BOX 252, STAUNTON, VA TO 1279 NOVA DRIVE, WAYNESBORO, VA
BAN20010496 UNION COMPANIES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010497 WENDOVER FINANCIAL SERVICES CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 190 S. WARNER ROAD, 3RD FLOOR, WAYNE, PA
BAN20010498 EDWARD D. JONES & CO., L.P. D/B/A EDWARDJONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 15 WEST MAIN STREET, BERRYVILLE, VA
BAN20010499 WELLS FARGO FINANCIAL VIRGINIA, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE TERM LIFE INSURANCE BUSINESS WILL ALSO BE CONDUCTED
BAN20010500 COMMUNITY BANK OF NORTHERN VIRGINIA
TO OPEN A BRANCH AT 11901 DEMOCRACY DRIVE, RESTON, VA
BAN20010501 DAVIS, ROBERT E. D/B/A DAVIS FINANCIAL
FOR A MORTGAGE BROKER'S LICENSE

BAN20010502 ARLINGTON CAPITAL MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 2751 CENTERVILLE ROAD, SUITE 250, WILMINGTON, DE TO 2900 F. CONCORD PIKE, WILMINGTON, DE

BAN20010503 CORRIDOR MORTGAGE GROUP, LLC
FOR A MORTGAGE BROKER'S LICENSE

BAN20010504 CLOWSER, KEVIN WAYNE T/A LINCOLN MORTGAGE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 357 TASKER ROAD, STEPHENS CITY, VA TO 296 VICTORY ROAD, WINCHESTER, VA

BAN20010505 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1210-B BOULEVARD, COLONIAL HEIGHTS, VA

BAN20010506 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM HIGHWAY 19 S, RR 3, BOX 1645, CEDAR BLUFF, VA TO 102-B EAST FINCASTLE TURNPIKE, TAZEWELL, VA

BAN20010507 CENTEX HOME EQUITY COMPANY, LLC
FOR A MORTGAGE LENDER AND BROKER LICENSE

BAN20010508 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 579 B SOUTHLAKE BOULEVARD, RICHMOND, VA

BAN20010509 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 46950 COMMUNITY PLAZA, SUITE 212, STERLING, VA

BAN20010510 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 112 S. PROVIDENCE ROAD, SUITE 105, RICHMOND, VA

BAN20010511 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 4223 DALE BOULEVARD, DALE CITY, VA

BAN20010512 SUPERIOR HOME MORTGAGE CORPORATION (USED IN VA BY: SUPERIOR MORTGAGE CORPORATION)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 13164 CENTERPOINTE WAY, SUITE 201, WOODBRIDGE, VA

BAN20010513 NOVAK, FRANK
TO ACQUIRE 25 PERCENT OR MORE OF AMERICAN MORTGAGE AND INVESTMENT CORPORATION

BAN20010514 TRACO FINANCIAL CORPORATION
FOR A MORTGAGE BROKER'S LICENSE

BAN20010515 1ST METROPOLITAN MORTGAGE CO.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 6208 MOCKINGBIRD POND TERRACE, BURKE, VA

BAN20010516 CTX MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1100 W. PATRICK STREET, FREDERICK, MD

BAN20010517 NOVASTAR HOME MORTGAGE, INC.
FOR ADDITIONAL MORTGAGE AUTHORITY

BAN20010518 ACCESS MORTGAGE INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 9318-E. OLD KEENE MILL ROAD, BURKE, VA TO 5039-B BACKLICK ROAD, ANNANDALE, VA

BAN20010519 NOBLE & NOBLE FINANCIAL ASSOCIATES, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN20010520 JUSTICE FINANCIAL CORP.
FOR A MORTGAGE BROKER'S LICENSE

BAN20010521 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 10411 LOVELL CENTER DRIVE, SUITE 104, KNOXVILLE, TN

BAN20010522 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 7650 E. REDFIELD ROAD, #D-7, SCOTTSDALE, AZ

BAN20010523 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 801-2 COMPASS WAY, ANNAPOLIS, MD

BAN20010524 BENEFICIAL MORTGAGE CO. OF VIRGINIA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 6199 OXON HILL ROAD, RIVERTOWNE COMMONS, OXON HILL, MD

BAN20010525 BENEFICIAL DISCOUNT CO. OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT 6199 OXON HILL ROAD, RIVERTOWNE COMMONS, OXON HILL, MD

BAN20010526 SOUTHEAST MORTGAGE BANKING CORP.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 5690 GREENWICH ROAD, VIRGINIA BEACH, VA TO 3237 VIRGINIA BEACH BOULEVARD, VIRGINIA BEACH, VA

BAN20010527 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1450 MERCANTILE LANE, SUITE 245, LARGO, MD

BAN20010528 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 100 BRADFORD AVENUE, SUITE 2, FAYETTEVILLE, NC

BAN20010529 LEE, STEVE SEUNGBAI D/B/A AMERICAN FUNDING CO.
FOR A MORTGAGE BROKER'S LICENSE

BAN20010530 A MONEY MATTER MORTGAGE INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN20010531 SAVINGS MORTGAGE INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN20010532 1ST METROPOLITAN MORTGAGE CO.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 10 MAIN STREET, GLEN WILTON, VA TO 8280 GREENSBORO DRIVE, SUITE 105, MCLEAN, VA

BAN20010533 CREDIT SUISSE FIRST BOSTON FINANCIAL CORPORATION
FOR A MORTGAGE LENDER'S LICENSE

BAN20010534 MADISON FIRST FINANCIAL, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20010535 BENCHMARK COMMUNITY BANK
TO RELOCATE OFFICE FROM 403 EAST VIRGINIA AVENUE, SUITE E, CLARKSVILLE, VA TO 133 COLLEGE STREET, CLARKSVILLE, VA
BAN20010536 HOMEAMERICAN CREDIT, INC. D/B/A UPLAND MORTGAGE
TO OPEN A MORTGAGE LENDER'S OFFICE AT 11785 BELTSVILLE DRIVE, SUITE 820, BELTSVILLE, MD
BAN20010537 HOMEAMERICAN CREDIT, INC. D/B/A UPLAND MORTGAGE
TO OPEN A MORTGAGE LENDER'S OFFICE AT 11205 ALPHARETTA HIGHWAY, SUITE F-5, ROSWELL, GA
BAN20010538 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3831 OLD FOREST ROAD, SUITE 10, LYNCHBURG, VA
BAN20010539 CHOICE ONE MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010540 SAXON CAPITAL ACQUISTION CORP.
TO ACQUIRE 25 PERCENT OR MORE OF SAXON MORTGAGE, INC.
BAN20010541 SAXON CAPITAL ACQUISTION CORP.
TO ACQUIRE 25 PERCENT OR MORE OF AMERICA'S MONEYLINE, INC.
BAN20010542 TICO CREDIT COMPANY, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE AUTO CLUB MEMBERSHIPS WILL ALSO BE SOLD
BAN20010543 CHALLENGE FINANCIAL INVESTORS CORP.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 217-B S. BATTLEFIELD BOULEVARD, CHESAPEAKE, VA
BAN20010544 KING, DONALD O. D/B/A ACCESS MORTGAGE KOD
TO OPEN A MORTGAGE BROKER'S OFFICE AT 813 FORREST DRIVE, SUITE 2, NEWPORT NEWS, VA
BAN20010545 KING, DONALD O. D/B/A ACCESS MORTGAGE KOD
TO OPEN A MORTGAGE BROKER'S OFFICE AT 210 JOHN WITHE PLACE, WILLIAMSBURG, VA
BAN20010546 HOMEBOUND MORTGAGE, INC.
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN20010547 FIRST CITIZENS MORTGAGE CORP.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010548 TOWN AND COUNTRY FINANCIAL SERVICES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1300 MERCANTILE LANE, SUITE 150, LARGO, MD
BAN20010549 BARSONS FINANCIAL SERVICES CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3900 KOGER BOULEVARD, SUITE 130, GREENSBORO, NC
BAN20010550 MAK FINANCIAL GROUP, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 11512 ALLECINGIE PARKWAY, SUITE C, RICHMOND, VA TO 5609 PATTERSON AVENUE, RICHMOND, VA
BAN20010551 A.G. EDWARDS & SONS, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010552 REGAL MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2800 NORTH PARHAM ROAD, RICHMOND, VA
BAN20010553 SECURITY FIRST FUNDING CORPORATION (USED IN VA BY: SECURITY FIRST FUNDING)
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 161A JOHN JEFFERSON ROAD, SUITE 1B, WILLIAMSBURG, VA TO 501 PRINCE GEORGE STREET, SUITE 308, WILLIAMSBURG, VA
BAN20010554 ALLIANCE BANK CORPORATION
TO OPEN A BRANCH AT 9150 MANASSAS DRIVE, MANASSAS PARK, VA
BAN20010555 D & M FINANCIAL, CORP.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 7525 TIDEWATER DRIVE, SUITE 223, NORFOLK, VA TO 1412-B WEST OCEAN VIEW AVENUE, NORFOLK, VA
BAN20010556 FINANCIAL FREEDOM SENIOR FUNDING CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 10713 BIRMINGHAM WAY, WOODSTOCK, MD
BAN20010557 VANTEQ MORTGAGE ADVISORS INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010558 RICHMOND MORTGAGE GROUP LLC, THE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT TOWN POINT CENTER, 150 BOUSH STREET, SUITE 400, NORFOLK, VA
BAN20010559 RICHMOND MORTGAGE GROUP LLC, THE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT TOWN POINT CENTER, 150 BOUSH STREET, SUITE 604A, NORFOLK, VA
BAN20010560 METRO-COUNTY BANK OF VIRGINIA, INC.
TO OPEN A BRANCH AT 300 ENGLAND STREET, ASHLAND, VA
BAN20010561 PRO MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 100 SOUTH ROYAL STREET, ALEXANDRIA, VA
BAN20010562 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3707 VIRGINIA BEACH BOULEVARD, SUITE 214, VIRGINIA BEACH, VA
BAN20010563 FAMILY FINANCIAL EDUCATION FOUNDATION
TO OPEN A DEBT COUNSELING OFFICE
BAN20010564 CTX MORTGAGE COMPANY, LLC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20010565 MILAMAR CORPORATION, THE D/B/A GLOBAL MORTGAGE RESOURCES
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1268 MAGNOLIA LANE, HERNDON, VA TO 21366 FERN BROOK COURT, ASHBURN, VA

BAN20010566 SUPERIOR HOME MORTGAGE CORPORATION (USED IN VA BY: SUPERIOR MORTGAGE CORPORATION)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3720 FARRAGUT AVENUE, SUITE 401, KENSINGTON, MD
BAN20010567 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1506 FRONT STREET, RICHLANDS, VA
BAN20010568 PHOENIX FINANCIAL CORPORATION D/B/A ABACUS MORTGAGE
TO OPEN A MORTGAGE BROKER'S OFFICE AT 5101 CLEVELAND STREET, SUITE 305, VIRGINIA BEACH, VA
BAN20010569 COMMUNITY HOME MORTGAGE, LLC D/B/A COMMUNITY MORTGAGE GROUP, LLC
TO OPEN A MORTGAGE BROKER'S OFFICE AT 406 ROY MARTIN ROAD, SUITE 4, GRAY PLAZA, GRAY, TN
BAN20010570 JANE E. BROWN, INC. D/B/A OPTIMUM FINANCIAL SERVICES
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 333 VALENCIA STREET, SUITE 325, SAN FRANCISCO, CA TO 4873 MISSION STREET, SAN FRANCISCO, CA
BAN20010571 COMMUNITY BANK OF NORTHERN VIRGINIA
TO OPEN A BRANCH AT LOT 1A2, METROTECH DRIVE, CHANTILLY, VA
BAN20010572 COOK, JR., JOHN J.
TO BE AN EXCLUSIVE AGENT FOR PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
BAN20010573 PILLOWTEX EMPLOYEES CREDIT UNION
OUT OF STATE CREDIT UNION TO OPEN AN IN STATE OFFICE
BAN20010574 OLD DOMINION MORTGAGE, L.L.C.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010575 PREMIER MORTGAGE BANKERS, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010576 FIRST MORTGAGE GROUP, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 10807 FIELDWOOD DRIVE, FAIRFAX, VA
BAN20010577 ADVANTAGE INVESTORS MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3824 LARCHWOOD DRIVE, VIRGINIA BEACH, VA
BAN20010578 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 184 THOMAS JOHNSON DRIVE, SUITE 202, FREDERICK, MD
BAN20010579 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2915 HUNGARY ROAD, SUITE C1, RICHMOND, VA
BAN20010580 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 10350 SOUTHERN MARYLAND BOULEVARD, DUNKIRK, MD
BAN20010581 RAMSAY, III, ALEXANDER S. D/B/A RAMSCOURT MORTGAGE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4028 PLANK ROAD, SUITE A-1, FREDERICKSBURG, VA TO 1001 CHARLES STREET, FREDERICKSBURG, VA
BAN20010582 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3205 RANDALL PARKWAY, SUITE 128, WILMINGTON, NC
BAN20010583 COMMERCIAL INVESTORS, INC. D/B/A LOANS, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010584 PROVIDENT BANK OF MARYLAND
TO OPEN A BRANCH AT 231 VAN DORN STREET, ALEXANDRIA, VA
BAN20010585 MORTGAGE LENDING SERVICES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 106 AMBER OAK LANE, ASHLAND, VA
BAN20010586 CITY MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 8418 CAMDEN STREET, ALEXANDRIA, VA TO 6763 ARTHUR HILLS DRIVE, GAINESVILLE, VA
BAN20010587 FINANCIAL FREEDOM SENIOR FUNDING CORPORATION
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 10713 BIRMINGHAM WAY, WOODSTOCK, MD TO 10451 MILL RUN CIRCLE, OWINGS MILLS, MD
BAN20010588 TRANSOUTH FINANCIAL CORPORATION
TO RELOCATE CONSUMER FINANCE OFFICE FROM INDIAN RIVER SHOPPING CENTER, CHESAPEAKE, VA TO 1032 VOLVO PARKWAY, CHESAPEAKE, VA
BAN20010589 FREEDOM MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1288 ROUTE 73 SOUTH, 2ND, 3RD, AND, MT LAUREL, NJ TO 1000 ATRIUM WAY, SUITE 300, MT LAUREL, NJ
BAN20010590 MELANI BROTHERS, INC. D/B/A SUNROOMS OF AMERICA
FOR A MORTGAGE BROKER'S LICENSE
BAN20010591 CENTURY PLUS FINANCIAL GROUP, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010592 SUPERIOR MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 110 NORTH MAIN STREET, FARMVILLE, VA
BAN20010593 BRIDGE CAPITAL CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20010594 MORTGAGE SERVICES U.S.A., INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN20010595 CAPITAL FINANCIAL HOME EQUITY, LLC
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 3516 TUNAS STREET, RALEIGH, NC TO 615 SAN PEDRO DRIVE, CHESAPEAKE, VA
BAN20010596 MORTGAGE SOUTH, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 103 SOUTH PANTOPS DRIVE, SUITE 201, CHARLOTTESVILLE, VA TO 103 SOUTH PANTOPS DRIVE, SUITE 202, CHARLOTTESVILLE, VA

BAN20010597 FIRST FIDELITY MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1400 BATTLEGROUND AVENUE, SUITE 206, GREENSBORO, NC
BAN20010598 FIRST FIDELITY MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 400 OBERLIN ROAD, SUITE 220, RALEIGH, NC
BAN20010599 CONSUMER CREDIT COUNSELING SERVICE OF VIRGINIA AND SOUTHEAST MARYLAND IN D/B/A CREDIT COUNSELORS OF VIRGINIA
TO OPEN AN ADDITIONAL DEBT COUNSELING OFFICE AT 2017 CUNNINGHAM DRIVE, SUITE 107, HAMPTON, VA
BAN20010600 SOUTHTRUST CORPORATION
TO ACQUIRE CENIT BANK
BAN20010601 TRAN, DUNG DINH D/B/A US MORTGAGE & INVESTMENT SERVICES
FOR A MORTGAGE BROKER'S LICENSE
BAN20010602 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1100 QUAIL STREET, SUITE 203, NEWPORT, CA
BAN20010603 EVERYDAY LENDING MORTGAGE CORPORATION, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010604 ALBEMARLE FIRST BANK
TO OPEN A BRANCH AT 100 5TH STREET, SE, CHARLOTTESVILLE, VA
BAN20010605 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 700 SPRING FOREST ROAD, RALEIGH, NC TO ONE SPRINGFIELD CENTER, 6131 FALLS OF THE NEUSE ROAD, RALEIGH, NC
BAN20010606 EDWARD D. JONES & CO., L.P. D/B/A EDWARDJONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 100 S. MAIN STREET, SUITE 1, BRIDGEWATER, VA
BAN20010607 EDWARD D. JONES & CO., L.P. D/B/A EDWARDJONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1455 EAST RIO ROAD, CHARLOTTESVILLE, VA
BAN20010608 ALLFIRST BANK
TO OPEN A BRANCH AT 43911 FARMWELL HUNT PLAZA, ASHBURN, VA
BAN20010609 1ST NATIONS MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 521 HORSESHOE ROAD, STANDARDSVILLE, VA
BAN20010610 1ST NATIONS MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 300 PRESTON AVENUE, SUITE 212, CHARLOTTESVILLE, VA
BAN20010611 1ST NATIONS MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 300 PRESTON AVENUE, SUITE 206, CHARLOTTESVILLE, VA
BAN20010612 OLYMPIC MORTGAGE GROUP, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7927 JONES BRANCH DRIVE, MCLEAN, VA TO 1950 OLD GALLOWS ROAD, SUITE 100, VIENNA, VA
BAN20010613 SUNSET MORTGAGE COMPANY L.P.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 932 ROANOKE AVENUE, ROANOKE RAPIDS, NC
BAN20010614 FITZSIMMONS, LEWIS & WADE MORTGAGE SERVICES INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 6515 GEORGE WASHINGTON MEMORIAL HWY., YORKTOWN, VA
BAN20010615 D & D FINANCIAL GROUP, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010616 ATLAS MORTGAGE & FINANCIAL SERVICES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010617 MOUNTAIN MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20010618 RIVER CITY MORTGAGE, L.L.C.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 311 SOUTH BOULEVARD, RICHMOND, VA TO 403 NORTH ROBINSON, RICHMOND, VA
BAN20010619 RONZETTI MORTGAGE AND INVESTMENT CORP.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 5006 JOHN TICER DRIVE, ALEXANDRIA, VA TO 5620 FLAG RUN DRIVE, SPRINGFIELD, VA
BAN20010620 F. D. B. MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 10944 BEAVER DAM ROAD SUITE A, HUNT VALLEY, MD TO 10612 BEAVER DAM ROAD, SECOND FLOOR, HUNT VALLEY, MD
BAN20010621 EDWARD D. JONES & CO., L.P. D/B/A EDWARDJONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2276 FRANKLIN TURNPIKE, DANVILLE, VA
BAN20010622 EDWARD D. JONES & CO., L.P. D/B/A EDWARDJONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1932 ARLINGTON BOULEVARD, SUITE 1, CHARLOTTESVILLE, VA
BAN20010623 INTEGRITY MORTGAGE FUNDING, L.L.C.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010624 ACCENT MORTGAGE SERVICES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 5895 WINDWARD PARKWAY, SUITE 220, ALPHARETTA, GA TO 2500 NORTHWINDS PARKWAY, SUITE 350, ALPHARETTA, GA
BAN20010625 FAITHLOAN, INC. D/B/A MIDAS MORTGAGE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 400-C SOUTHLAKE BOULEVARD, RICHMOND, VA TO 9323 MIDLOTHIAN TURNPIKE, SUITE P, RICHMOND, VA
BAN20010626 RESOURCE BANK
TO RELOCATE OFFICE FROM 698 ELDEN STREET, HERNDON, VA TO 625 ELDEN STREET, HERNDON, VA
BAN20010627 MORTGAGE AND EQUITY FUNDING CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 107 SOUTH KING STREET, LEESBURG, VA TO 9 LOUDOUN STREET S. E., LEESBURG, VA

BAN20010628 ADVANTAGE INVESTORS MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 926 WILBORN AVENUE, SOUTH BOSTON, VA
BAN20010629 ADVANTAGE INVESTORS MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 105 SOUTH UNION STREET, SUITE 602, DANVILLE, VA
BAN20010630 MARKET MORTGAGE INC. (USED IN VA BY: SUPERIOR MORTGAGE INC.)
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 6154 MANCHESTER PARK CIRCLE, ALEXANDRIA, VA TO 7887 FULLER ROAD, SUITE 100, EDEN PRAIRIE, MN
BAN20010631 SERVICIO UNITELLER, INC.
FOR A MONEY ORDER LICENSE
BAN20010632 INDEPENDENCE MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1432 N. GREAT NECK ROAD, SUITE 203, VIRGINIA BEACH, VA TO 1432 N. GREAT NECK ROAD, SUITE 101, VIRGINIA BEACH, VA
BAN20010633 CAPITAL HOME FUNDING CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7004-A LITTLE RIVER TURNPIKE, ANNANDALE, VA TO 7611 LITTLE RIVER TURNPIKE, SUITE 502 WEST, ANNANDALE, VA
BAN20010634 SUPERIOR HOME MORTGAGE CORPORATION (USED IN VA BY: SUPERIOR MORTGAGE CORPORATION)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 121 BROAD STREET, SUITE A, DUBLIN, VA
BAN20010635 SOUTHERN FINANCIAL BANK
TO RELOCATE OFFICE FROM 35 WEST PICCADILLY STREET, WINCHESTER, VA TO 25 WEST PICCADILLY STREET, WINCHESTER, VA
BAN20010636 TRANSLAND FINANCIAL SERVICES, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 2417 26TH COURT STREET, ARLINGTON, VA
BAN20010637 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2525 RIVA ROAD, SUITE 121, ANNAPOLIS, MD
BAN20010638 TELEGIROS VIRGINIA, INC.
FOR A MONEY ORDER LICENSE
BAN20010639 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1800 WOODDALE DRIVE, SUITE 201, WOODBURY, MN
BAN20010640 EQUITY ONE CONSUMER LOAN COMPANY, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 10334 IRONBRIDGE ROAD, CHESTER, VA TO 456 CHARLES H. DIMMOCK PARKWAY, SUITE 4, COLONIAL HEIGHTS, VA
BAN20010641 MERITAGE MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM PERIMETER CENTER, 8031 PHILIPS, JACKSONVILLE, FL TO 6650 SOUTHPOINT PARKWAY, SUITE 220, JACKSONVILLE, FL
BAN20010642 FIRST VIRGINIA BANK-HAMPTON ROADS
TO OPEN A BRANCH AT 955 HARPERSVILLE ROAD, NEWPORT NEWS, VA
BAN20010643 ELITE MORTGAGE, LLC
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 13403 MARBLE ROCK DRIVE, CHANTILLY, VA TO 21670 CHANNING COURT, ASHBURN, VA
BAN20010644 OAKWOOD ACCEPTANCE, LLC (USED IN VA BY: OAKWOOD ACCEPTANCE CORPORATION, LLC)
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20010645 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 4726 LARKSPUR SQUARE, VIRGINIA BEACH, VA TO 3420 HOLLAND ROAD, VIRGINIA BEACH, VA
BAN20010646 NEW DIRECTIONS MORTGAGE CO. INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2915B HUNGARY ROAD, RICHMOND, VA
BAN20010647 SENIORS FIRST MORTGAGE COMPANY, L.L.C.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1503 SANTA ROSA ROAD, SUITE 244, RICHMOND, VA TO 1500 FORREST AVENUE, RANDOLPH BUILDING, SUITE 207, RICHMOND, VA
BAN20010648 RELIABLE TAX & FINANCIAL SERVICES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1021 VIRGINIA BEACH BOULEVARD, VIRGINIA BEACH, VA TO 4351A E. INDIAN RIVER ROAD, CHESAPEAKE, VA
BAN20010649 VALLEY TEAM MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 16503 BOOKER T. WASHINGTON HIGHWAY, MONETA, VA
BAN20010650 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2081 OLD BRIDGE ROAD, SUITE 4, WOODBRIDGE, VA
BAN20010651 BLS FUNDING CORP.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010652 MIRACLE MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 508 NORTH BIRDNECK ROAD, SUITE G, VIRGINIA BEACH, VA
BAN20010653 EDWARD D. JONES & CO., L.P. D/B/A EDWARDJONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1825 VALLEY AVENUE, WINCHESTER, VA
BAN20010654 EDWARD D. JONES & CO., L.P. D/B/A EDWARDJONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 5501-C BENNETS PASTURE ROAD, SUFFOLK, VA
BAN20010655 EDWARD D. JONES & CO., L.P. D/B/A EDWARDJONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 6845 ELM STREET, SUITE 613, MCLEAN, VA
BAN20010656 H&R BLOCK MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 24300 PASEO DE VALENCIA, LAGUNA HILLS, CA TO 25510 COMMERCENTRE DRIVE, SUITE 100, LAKE FOREST, CA
BAN20010657 PATRIOT NTNL MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE

BAN20010658 BENEFICIAL MORTGAGE CO. OF VIRGINIA
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1580 NORTH FRANKLIN STREET, SUITE 5, CHRISTIANSBURG, VA TO 425 NORTH FRANKLIN STREET, CHRISTIANSBURG, VA

BAN20010659 BENEFICIAL DISCOUNT CO. OF VIRGINIA
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 1580 NORTH FRANKLIN STREET, CHRISTIANSBURG, VA TO 425 NORTH FRANKLIN STREET, CHRISTIANSBURG, VA

BAN20010660 BENEFICIAL VIRGINIA INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM FOOTHILLS PLAZA, CHRISTIANSBURG, VA TO 425 NORTH FRANKLIN STREET, CHRISTIANSBURG, VA

BAN20010661 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 5069 QUEENSWOOD DRIVE, BURKE, VA TO 10047 DRAGOONGUARD COURT, BRISTOW, VA

BAN20010662 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 3824 LARCHWOOD DRIVE, VIRGINIA BEACH, VA TO 3179 WOODLAND LANE, ALEXANDRIA, VA

BAN20010663 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1367 ROCK CHAPEL ROAD, HERNDON, VA TO 3804 LACY BOULEVARD, FALLS CHURCH, VA

BAN20010664 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4094 MAJESTIC LANE, SUITE 111, FAIRFAX, VA TO 1005 MALONE STREET, SUITE 203, FREDERICKSBURG, VA

BAN20010665 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 4860 COX ROAD, SUITE 200, GLEN ALLEN, VA

BAN20010666 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 854 MACALISTER DRIVE, LEESBURG, VA

BAN20010667 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 16077 DEER PARK DRIVE, MONTCLAIR, VA

BAN20010668 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 7569 CLOUD COURT, SPRINGFIELD, VA

BAN20010669 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 17 ASBURY WAY, STERLING, VA

BAN20010670 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 206 SCHEMBRI DRIVE, YORKTOWN, VA

BAN20010671 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2612 ELON DRIVE, VIRGINIA BEACH, VA

BAN20010672 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1804 LAUREL OAK LANE, VIRGINIA BEACH, VA

BAN20010673 AMERICA'S MORTGAGE CENTER, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN20010674 FIRST HERITAGE MORTGAGE COMPANY
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 3727 OLD FOREST ROAD, OFFICE #5, LYNCHBURG, VA TO 3831 OLD FOREST ROAD, SUITE 6, LYNCHBURG, VA

BAN20010675 HARBOUR CREDIT COUNSELING SERVICES, INC. D/B/A HARBOUR CREDIT MANAGEMENT
TO OPEN AN ADDITIONAL DEBT COUNSELING OFFICE AT 149 BUSINESS PARK DRIVE, VIRGINIA BEACH, VA

BAN20010676 COMMUNITY MORTGAGE SERVICES CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3301 JEFFERSON DAVIS HIGHWAY, FREDERICKSBURG, VA

BAN20010677 FIRST MAGNUS FINANCIAL CORPORATION
FOR A MORTGAGE LENDER'S LICENSE

BAN20010678 NOVASTAR HOME MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 11816 ORANGEWOOD DRIVE, DADE CITY, FL TO 13819 U.S. 98 BY PASS, DADE CITY, FL

BAN20010679 INTEGRATED MORTGAGE STRATEGIES LTD
FOR A MORTGAGE BROKER'S LICENSE

BAN20010680 PREFERRED MORTGAGE GROUP, INC. D/B/A PREFERRED SERVICE MORTGAGE
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 7923 JONES BRANCH DRIVE, SUITE 300, MCLEAN, VA TO 8391 OLD COURTHOUSE ROAD, SUITE 205, VIENNA, VA

BAN20010681 MORTGAGE VIRGINIA LLC
TO OPEN A MORTGAGE LENDER'S OFFICE AT 9842 LORI ROAD, CHESTERFIELD, VA

BAN20010682 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 216 CENTURY BOULEVARD, KERNERSVILLE, NC

BAN20010683 FOOD LION, LLC
TO OPEN A CHECK CASHER AT HIGHWAY 220 NORTH, MARTINSVILLE, VA

BAN20010684 FIRST AMERICAN MORTGAGE SERVICES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 13198 CENTERPOINTE WAY, SUITE 202, WOODBRIDGE, VA TO 601 CAROLINE STREET, SUITE 201, FREDERICKSBURG, VA

BAN20010685 FIRST NATIONAL BANK
TO OPEN A BRANCH AT 141-155 N. COURT STREET, COVINGTON, VA

BAN20010686 PREFERRED LEADS, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 8650 COMMERCE PARK PLACE, SUITE N, INDIANAPOLIS, IN TO 5656 W. 74TH STREET, INDIANAPOLIS, IN

BAN20010687 PREFERRED LEADS, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 21A MEADOWS SHOPPING CENTER, TERRE HAUTE, IN TO 37A MEADOWS SHOPPING CENTER, TERRE HAUTE, IN
BAN20010688 NEW PEOPLES BANK, INC.
TO OPEN A BRANCH AT 1221 STAFFORD DRIVE, PRINCETON, WV
BAN20010689 BANAGRICOLA DE EL SALVADOR, INC.
FOR A MONEY ORDER LICENSE
BAN20010690 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 120 WESTLAKE DRIVE, UNIT 1, FAYETTEVILLE, NC
BAN20010691 HOGARTY FUNDING GROUP, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010692 ALAMBRY FUNDING LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20010693 RBMG, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 6000 SW MEADOWS ROAD, SUITE 500, LAKE OSWEGO, OR
BAN20010694 RBMG, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 6650 SOUTHPOINT PARKWAY, SUITE 220, JACKSONVILLE, FL
BAN20010695 RBMG, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 8031 PHILIPS HIGHWAY, SUITE 6, JACKSONVILLE, FL
BAN20010696 MANDARIN MORTGAGE CORP.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 11016 N. DALE MABRY HIGHWAY, TAMPA, FL TO 3910 NORTHDALE BOULEVARD, SUITE 208, TAMPA, FL
BAN20010697 NEWPORT FINANCIAL CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 405 PLEASANT STREET, FALL RIVER, MA TO 275 HIGH STREET, FALL RIVER, MA
BAN20010698 HARBOR BANK
TO OPEN A BRANCH AT 550 SETTLERS LANDING ROAD, HAMPTON, VA
BAN20010699 HOWARD, FRANK M. D/B/A MORTGAGE SOLUTIONS
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 10288 SOUTH GRANT AVENUE, MANASSAS, VA TO 12919 CHAMPLAIN DRIVE, MANASSAS, VA
BAN20010700 MOLTON, ALLEN & WILLIAMS MORTGAGE COMPANY, L.L.C.
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN20010701 FIRST MUTUAL CORP.
FOR A MORTGAGE LENDER'S LICENSE
BAN20010702 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 10024 HOBBYHILL ROAD, RICHMOND, VA
BAN20010703 TRANSLAND FINANCIAL SERVICES, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 4870 HAYGOOD ROAD, SUITE 102, VIRGINIA BEACH, VA
BAN20010704 CHALLENGE FINANCIAL INVESTORS CORP.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1701 GRAVENHURST DRIVE, VIRGINIA BEACH, VA
BAN20010705 ADVANTAGE INVESTORS MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1975 MEADOW GLEN LANE, WINSTON-SALEM, NC
BAN20010706 KING, DONALD O. D/B/A ACCESS MORTGAGE KOD
TO OPEN A MORTGAGE BROKER'S OFFICE AT ATRIUM OFFICE BUILDING, 6477 COLLEGE PARK SQUARE, SUITE 206, VIRGINIA BEACH, VA
BAN20010707 1ST NATIONS MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 20722 TIMBERLAKE ROAD, LYNCHBURG, VA
BAN20010708 MONROE MORTGAGE COMPANY, A VIRGINIA CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 20 SOUTH CAMERON STREET, SUITE 103, WINCHESTER, VA TO 4468 MIDDLE ROAD, WINCHESTER, VA
BAN20010709 BENEFIT FUNDING CORPORATION
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN20010710 JLM DIRECT FUNDING, LTD.
FOR A MORTGAGE LENDER'S LICENSE
BAN20010711 FIRST VIRGINIA BANK
TO MERGE INTO IT STATE BANK
BAN20010712 AMERIX MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20010713 CITIFINANCIAL SERVICES, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE AUTO CLUB MEMBERSHIPS WILL ALSO BE SOLD
BAN20010714 SHAMROCK MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4802 RODNEY ROAD, RICHMOND, VA TO 1536 HONEY GROVE DRIVE, SUITE H, RICHMOND, VA
BAN20010715 CHALLENGE FINANCIAL INVESTORS CORP.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 9300 ANNAPOLIS ROAD, SUITE 201, LANHAM, MD
BAN20010716 DIVERSIFIED FINANCIAL SERVICES, L.C. D/B/A DIVERSIFIED MORTGAGE
FOR A MORTGAGE BROKER'S LICENSE
BAN20010717 BANK OF WILLIAMSBURG, THE
TO RELOCATE MAIN OFFICE FROM 5251 JOHN TYLER HIGHWAY, SUITE 52, JAMES CITY COUNTY, VA TO 5125 JOHN TYLER HIGHWAY, JAMES CITY COUNTY, VA

BAN20010718 AMAXIMIS LENDING, LIMITED PARTNERSHIP
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 6115 CAMP BOWIE BOULEVARD, SUITE 270, FORT WORTH, TX TO 3584 SOUTH HILLS AVENUE, FORT WORTH, TX
BAN20010719 NOVASTAR HOME MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 218 ROUTE 17 NORTH, SUITE 303, ROCHELLE PARK, NJ TO 151 WEST PASSAIC STREET, ROCHELLE PARK, NJ
BAN20010720 CHALLENGE FINANCIAL INVESTORS CORP.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 5616 HOWELL DRIVE, DUBLIN, VA
BAN20010721 BEAZER MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 7900 MIAMI LAKES DRIVE WEST, SUITE 203, MIAMI LAKES, FL
BAN20010722 MORTGAGE VAULT, INC., THE
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN20010723 FIRST FIDELITY MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3959 ELECTRIC ROAD, SUITE 100, ROANOKE, VA
BAN20010724 NUMAX MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 20010 CENTURY BOULEVARD, 4TH FLOOR, GERMANTOWN, MD TO 320 MAIN STREET, GAITHERSBURG, MD
BAN20010725 LOANCITY.COM, INC. (USED IN VA BY: LOANCITY.COM)
TO OPEN A MORTGAGE LENDER'S OFFICE AT 600 N. WESTSHORE BOULEVARD, SUITE 204, TAMPA, FL
BAN20010726 VIRGINIA CREDIT UNION, INC.
TO OPEN A CREDIT UNION SERVICE OFFICE AT 1200 KOGER CENTER BOULEVARD, RICHMOND, VA
BAN20010727 UNIVERSAL TRUST MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 800 SEAHAWK CIRCLE, SUITE 121, VIRGINIA BEACH, VA
BAN20010728 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 7825 MIDLOTHIAN TURNPIKE, SUITE 215, RICHMOND, VA
BAN20010729 AFFINITY MORTGAGE COMPANY, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 355 COMMERCIAL DRIVE, SUITE C, SAVANNAH, GA TO 224 STEPHENSON AVENUE, SUITE C, SAVANNAH, GA
BAN20010730 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2554 LEWISVILLE CLEMMONS ROAD, CLEMMONS, NC
BAN20010731 WOODBURY MORTGAGE COMPANY, L.L.C.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 6096B FRANCONIA ROAD, ALEXANDRIA, VA
BAN20010732 WOODBURY MORTGAGE COMPANY, L.L.C.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 10482 ARMSTRONG STREET, FAIRFAX, VA
BAN20010733 WOODBURY MORTGAGE COMPANY, L.L.C.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 13194 CENTERPOINTE WAY, WOODBRIDGE, VA
BAN20010734 MORTGAGE CENTER INC., THE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 116 SUGAR CREEK ROAD, LEXINGTON, VA TO 111 HENRY STREET, LEXINGTON, VA
BAN20010735 SOUTHERN TRUST MORTGAGE, LLC
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 40 CALHOUN STREET, SUITE 200, CHARLESTON, SC TO 1156 BOWMAN ROAD, SUITE 103, MT. PLEASANT, SC
BAN20010736 HORIZON FINANCIAL, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 3420 CLEMSON BOULEVARD, ANDERSON, SC TO 2508 N. MAIN STREET, SUITE E, ANDERSON, SC
BAN20010737 CAPITAL ACCESS, LTD.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1 NEWBURY DRIVE, STAFFORD, VA
BAN20010738 CTX MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 125 MEADOR DRIVE, MONETA, VA
BAN20010739 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1342 ROANOKE ROAD, DALEVILLE, VA
BAN20010740 CAPITAL FINANCIAL GROUP, L.L.C. OF ILLINOIS
FOR A MORTGAGE BROKER'S LICENSE
BAN20010741 BENEFICIAL VIRGINIA INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM OFFICES AT THE CENTER, 100 ARBOR OAK, ASHLAND, VA TO NORTH WASHINGTON HIGHWAY, SUITE 245 A, ASHLAND, VA
BAN20010742 BENEFICIAL DISCOUNT CO. OF VIRGINIA
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM OFFICES AT THE CENTER, 100 ARBOR OAK, ASHLAND, VA TO NORTH WASHINGTON HIGHWAY, SUITE 245A, ASHLAND, VA
BAN20010743 CAPITAL ONE BANK
TO CONVERT FROM A STATE BANK TO A STATE SAVINGS BANK
BAN20010744 CAPITAL ONE FINANCIAL CORPORATION
SAVINGS INST.HOLDING CO. FOR AQUISITION
BAN20010745 CAPITAL ONE BANK
TO MERGE INTO IT CAPITAL ONE, FSB
BAN20010746 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 777 OLDFIELD ROAD, MONETA, VA
BAN20010747 GENERAL MORTGAGE SERVICES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 120 PUTTERS TRAIL, LEXINGTON, SC TO 101 SUMMER DUCK TRAIL, SUITE C, LEXINGTON, SC

BAN20010748 SIMPLE MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20010749 CIS FINANCIAL SERVICES, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20010750 CHALLENGE FINANCIAL INVESTORS CORP.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1392 SIERRA DRIVE, VIRGINIA BEACH, VA
BAN20010751 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3131 TURTLE CREEK BLVD., SUITE 222, DALLAS, TX
BAN20010752 SHAW, RICHARD GARDINER
TO BE AN EXCLUSIVE AGENT FOR PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
BAN20010753 CMG MORTGAGE, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20010754 OXFORD CAPITAL, LLC
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 13900 CONLAN CIRCLE, SUITE 250, CHARLOTTE, NC TO 665 MARIETTA STREET, ATLANTA, GA
BAN20010755 CHALLENGE FINANCIAL INVESTORS CORP.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3705 SHORE DRIVE, VIRGINIA BEACH, VA
BAN20010756 H&R BLOCK MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 324 GROVE STREET, WORCESTER, MA
BAN20010757 MORTGAGE SOLUTIONS CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 5340 HOLMES RUN PARKWAY, SUITE 603, ALEXANDRIA, VA TO 24 CANTERBURY SQUARE, SUITE 302, ALEXANDRIA, VA
BAN20010758 BENEFICIAL MORTGAGE CO. OF VIRGINIA
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM OFFICES AT THE CENTER, 100 ARBOR OAK, ASHLAND, VA TO NORTH WASHINGTON HIGHWAY, SUITE 245A, ASHLAND, VA
BAN20010759 CHALLENGE FINANCIAL INVESTORS CORP.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 555 SENCHURCH ROAD, SUITE 303, NORFOLK, VA
BAN20010760 COSMOS SERVICES, INC.
FOR A MONEY ORDER LICENSE
BAN20010761 FIRST GUARANTY MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 700 N. FAIRFAX STREET, SUITE 220, ALEXANDRIA, VA
BAN20010762 INTERSTATE FUNDING CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20010763 PROSPEX MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20010764 SHIRLEY, MICHAEL L. D/B/A LIGHTHOUSE WORLD MORTGAGE COMPANY
FOR A MORTGAGE BROKER'S LICENSE
BAN20010765 VIRGINIA COMMERCE BANK
TO ESTABLISH AN EFT AT 185 SOMERVILLE STREET, ALEXANDRIA, VA
BAN20010766 PRESTIGE HOME MORTGAGE, LLC
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 11421 CRONHILL DRIVE, SUITE E, OWINGS MILLS, MD TO 11403 CRONRIDGE DRIVE, SUITE 200, OWINGS MILLS, MD
BAN20010767 HOME LOAN CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3302 CREGGY OAK COURT, SUITE 104, WILLIAMSBURG, VA
BAN20010768 PREFERRED MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 11130 MAIN STREET, SUITE 101, FAIRFAX, VA
BAN20010769 D&S UNITED CORPORATION D/B/A USA FIRST MORTGAGE (ALEXANDRIA CI)
TO OPEN A MORTGAGE BROKER'S OFFICE AT 6601 LITTLE RIVER TURNPIKE, SUITE 315, ALEXANDRIA, VA
BAN20010770 FIRST DOMINION MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 130 THOMPSON STREET, SUITE E, ASHLAND, VA TO 202 ENGLAND STREET, SUITE C, ASHLAND, VA
BAN20010771 CHALLENGE FINANCIAL INVESTORS CORP.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2309 ROSEBAY COURT, VIRGINIA BEACH, VA
BAN20010772 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2601 PRINCESS ANNE STREET, SUITE 102, FREDERICKSBURG, VA
BAN20010773 SOUTHERN FINANCIAL BANK
TO OPEN A BRANCH AT 300 EAST MARKET STREET, CHARLOTTESVILLE, VA
BAN20010774 VILLAGE MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010775 VALLEY ACCEPTANCE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 600 GREEN VALLEY ROAD, SUITE 305, GREENSBORO, NC TO 11 SE COURT SQUARE, GRAHAM, NC
BAN20010776 FIRST ADVANTAGE MORTGAGE COMPANY
TO OPEN A MORTGAGE BROKER'S OFFICE AT 51 MONROE STREET, SUITE 1505, ROCKVILLE, MD
BAN20010777 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1641 E. US 70 HIGHWAY, GARNER, NC
BAN20010778 CTX MORTGAGE COMPANY
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 200 NORTH QUEEN STREET, MARTINSBURG, WV TO 1314 EDWIN MILLER ROAD, SUITE 206, MARTINSBURG, WV
BAN20010779 BEST MORTGAGE AND FINANCIAL SERVICES, INC.
FOR ADDITIONAL MORTGAGE AUTHORITY

BAN20010780 PRIMEQUITY, LLC
FOR A MORTGAGE LENDER'S LICENSE
BAN20010781 INNOVATIVE MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2823 ARLINGTON AVENUE, FAYETTEVILLE, NC TO 6916 SURREY ROAD, FAYETTEVILLE, NC
BAN20010782 AMERICAN GENERAL FINANCE, INC.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 7007 MECHANICSVILLE TURNPIKE, MECHANICSVILLE, VA TO 7144 MECHANICSVILLE TURNPIKE, MECHANICSVILLE, VA
BAN20010783 AMERICAN GENERAL FINANCE OF AMERICA, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 7007 MECHANICSVILLE TURNPIKE, SUITE 103, MECHANICSVILLE, VA TO 7144 MECHANICSVILLE TURNPIKE, MECHANICSVILLE, VA
BAN20010784 EMERSON, JR., GEORGE P.
TO ACQUIRE 25 PERCENT OR MORE OF MORTGAGE VIRGINIA LLC
BAN20010785 FRIDAY FINANCIAL ADVISORS GROUP, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 231 RESORT DRIVE, BASYE, VA
BAN20010786 MAPLE MORTGAGE, INCORPORATED
FOR A MORTGAGE BROKER'S LICENSE
BAN20010787 AMERICAN RESIDENTIAL FUNDING, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3320 VIRGINIA BEACH BOULEVARD, SUITE 10, VIRGINIA BEACH, VA
BAN20010788 ALBEMARLE FIRST BANK
TO OPEN A BRANCH AT 8260 SEMINOLE TRAIL, RUCKERSVILLE, VA
BAN20010789 L-SQUARED, LLC D/B/A TITAN MORTGAGE COMPANY
FOR A MORTGAGE BROKER'S LICENSE
BAN20010790 SAAB FINANCIAL CORP.D/B/A SAAB MORTGAGE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4900 LEESBURG PIKE, SUITE 307, ALEXANDRIA, VA TO 2070 CHAIN BRIDGE ROAD, SUITE G-3, VIENNA, VA
BAN20010791 CAPITAL ACCESS, LTD.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7310-B MAPLE PLACE, 2ND FLOOR, ANNANDALE, VA TO 6715 LITTLE RIVER TURNPIKE, SUITE 202, ANNANDALE, VA
BAN20010792 MONEY MANAGEMENT BY MAIL, INC. D/B/A MONEY MANAGEMENT INTERNATIONAL
TO OPEN AN ADDITIONAL DEBT COUNSELING OFFICE AT 9009 WEST LOOP SOUTH, 7TH FLOOR, HOUSTON, TX
BAN20010793 MONEY MANAGEMENT BY MAIL, INC. D/B/A MONEY MANAGEMENT INTERNATIONAL
TO OPEN AN ADDITIONAL DEBT COUNSELING OFFICE AT 10000 NORTH 31ST AVENUE, SUITE D-100, PHOENIX, AZ
BAN20010794 FIRST VIRGINIA BANK-COLONIAL
TO MERGE INTO IT FIRST COLONIAL BANK
BAN20010795 NUMERICA FUNDING, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 701 LYNNHAVEN PARKWAY, VIRGINIA BEACH, VA
BAN20010796 LAKELAND REGIONAL MORTGAGE CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20010797 GIROSOL CORP.
FOR A MONEY ORDER LICENSE
BAN20010798 TREDEGAR TRUST COMPANY, THE
TO RELOCATE PRINCIPAL OFFICE FROM 901 E. BYRD STREET, SUITE 190 TO 821 E. MAIN STREET, RICHMOND, VA
BAN20010799 INNOVATIVE FUNDING GROUP, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010800 MORTGAGE BANKERS OF VIRGINIA, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 13678 EAST WARWICK BLVD., SUITE E1, NEWPORT NEWS, VA
BAN20010801 RESOURCE BANK
TO OPEN A BRANCH AT 8730 STONY POINT PARKWAY, SUITE 100, RICHMOND, VA
BAN20010802 UNITED CALIFORNIA SYSTEMS INTERNATIONAL, INC.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 1000 CORPORATE POINTE, SUITE 104, CULVER CITY, CA TO 12233 W. OLYMPIC BOULEVARD, SUITE 280, LOS ANGELES, CA
BAN20010803 FIRST M & S MORTGAGE GROUP, L.L.C.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010804 CENTEX CREDIT CORPORATION D/B/A CENTEX HOME EQUITY CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT THREE CROWNE POINT COURT, SUITE 190, CINCINNATI, OH
BAN20010805 MORTGAGE PLUS, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20010806 FEDERATED HOME MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010807 MORTGAGE RESOURCES AND INSURANCE SERVICES, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20010808 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2092 MERTZ, LISLE, IL
BAN20010809 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 6001 SOUTH ANTHONY BLVD., SUITE 103, FT. WAYNE, IN
BAN20010810 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2030 ORY DRIVE, BRUSLY, LA
BAN20010811 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 226 DEFENSE HIGHWAY, SUITE 103, ANNAPOLIS, MD

BAN20010812 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 13403 AUTUMN CREST DRIVE, MT. AIRY, MD
BAN20010813 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 20315 SEABROOK DRIVE, MONTGOMERY VILLAGE, MD
BAN20010814 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 8739 PAIGE ROAD, ALDEN, MI
BAN20010815 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1776 KOZY COURT, INTERLOCHEN, MI
BAN20010816 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 205 PLANTATION DRIVE, NEW BERN, NC
BAN20010817 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 823 SWEETWATER ROAD, PHILADELPHIA, TN
BAN20010818 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 6115 JACKSONBURG ROAD, MIDDLETOWN, OH
BAN20010819 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1131 SOUTH LAKE DRIVE, LEXINGTON, SC
BAN20010820 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 323 W. MARION STREET, MULLINS, SC
BAN20010821 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 412 SOUTH MYRTLE DRIVE, SURFSIDE BEACH, SC
BAN20010822 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1204 W. SOUTH JORDAN PKWY., SUITE B2, SOUTH JORDAN, UT
BAN20010823 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1808 ARTIC AVENUE, VIRGINIA BEACH, VA TO 5127 EAST VIRGINIA BEACH BOULEVARD, SUITE 101, NORFOLK, VA
BAN20010824 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 15517 EBBYNSIDE COURT, BOWIE, MD TO 5906 GREENFELL LOOP, BOWIE, MD
BAN20010825 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 4334 UPLAND DRIVE, ALEXANDRIA, VA
BAN20010826 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 5000 TERRELL STREET, ANNANDALE, VA
BAN20010827 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 4944 CARRIAGE PARK ROAD, FAIRFAX, VA
BAN20010828 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 115 W. 2ND AVENUE, FRANKLIN, VA
BAN20010829 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 13401 GLEN TAYLOR LANE, HERNDON, VA
BAN20010830 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2505 EASIE STREET, OAKTON, VA
BAN20010831 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 4 RIVER ROAD, POQUOSON, VA
BAN20010832 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 983 LAKE HERITAGE DRIVE, RUTHER GLEN, VA
BAN20010833 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2693 EAGLE'S LAKE ROAD, VIRGINIA BEACH, VA
BAN20010834 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1932 ASHMONT DRIVE, VIRGINIA BEACH, VA
BAN20010835 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 5139 LONE PINE LANE, CROSS LAKES, WV
BAN20010836 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 107 WESTMORELAND STREET, BECKLEY, WV
BAN20010837 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 102 BRAND STREET, GRANT TOWN, WV
BAN20010838 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT ROUTE 1, BOX 190A, REDHOUSE, WV
BAN20010839 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT ROUTE 1, BOX 355, WASHINGTON, WV
BAN20010840 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 35 ASH DRIVE, WILLIAMSTOWN, WV
BAN20010841 FIRST HERITAGE MORTGAGE COMPANY
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 526 MAIN STREET, SOUTH BOSTON, VA TO 120 EDMUNDS BOULEVARD, HALIFAX, VA
BAN20010842 NOVASTAR HOME MORTGAGE, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1700 E. GARRY AVENUE, SUITE 230, SANTA ANA, CA TO 2901 W. MACARTHUR, SUITE 115, SANTA ANA, CA
BAN20010843 WESTERN HOME MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 17310 RED HILL AVENUE, SUITE 135, IRVINE, CA TO 17952 SKY PARK CIRCLE, SUITE J, IRVINE, CA
BAN20010844 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 13319 WOODBRIDGE STREET, WOODBRIDGE, VA TO 101 S. WHITING STREET, SUITE 306, ALEXANDRIA, VA

BAN20010845 LINCOLN MORTGAGE, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20010846 CASTLEWOOD FINANCIAL SERVICES, INC. D/B/A H&R BLOCK INCOME TAX ACCOUNTING AND FINANCIAL SERVICES
FOR A MORTGAGE BROKER'S LICENSE
BAN20010847 MERITAGE MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1101 KERMIT DRIVE, SUITE 501, NASHVILLE, TN
BAN20010848 MERITAGE MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 10401 DEERWOOD PARK BOULEVARD, JACKSONVILLE, FL
BAN20010849 INDEPENDENT REALTY CAPITAL CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1855 KATELLA AVENUE, SUITE 355, ORANGE, CA TO 747 W. KATELLA AVENUE, SUITE 111, ORANGE, CA
BAN20010850 CONGRESSIONAL FUNDING USA, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20010851 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 101 E. HOLLY AVENUE, SUITE 18, STERLING, VA TO 22894 PACIFIC BOULEVARD, SUITE 100, DULLES, VA
BAN20010852 MORTGAGE AND EQUITY FUNDING CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 7202 GLEN FOREST DRIVE, SUITE 207, RICHMOND, VA
BAN20010853 TRUST ONE MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 17780 FITCH STREET, SUITE 120, IRVINE, CA
BAN20010854 TRUST ONE MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 3816 SOUTH BRISTOL STREET, SUITE P, SANTA ANA, CA
BAN20010855 AEGIS MORTGAGE CORPORATION D/B/A UC LENDING
TO OPEN A MORTGAGE LENDER'S OFFICE AT 809 GLENEAGLES COURT, SUITE 302, TOWSON, MD
BAN20010856 AEGIS MORTGAGE CORPORATION D/B/A UC LENDING
TO OPEN A MORTGAGE LENDER'S OFFICE AT 2000 BUILDING, 10632 LITTLE PATUXENT PARKWAY, SUITE 430, COLUMBIA, MD
BAN20010857 AEGIS MORTGAGE CORPORATION D/B/A UC LENDING
TO OPEN A MORTGAGE LENDER'S OFFICE AT 8002 DISCOVERY DRIVE, SUITE 125, RICHMOND, VA
BAN20010858 AEGIS MORTGAGE CORPORATION D/B/A UC LENDING
TO OPEN A MORTGAGE LENDER'S OFFICE AT SHERWOOD PLAZA, 9990 LEE HIGHWAY, SUITE 100, FAIRFAX, VA
BAN20010859 AEGIS MORTGAGE CORPORATIO D/B/A UC LENDING
TO OPEN A MORTGAGE LENDER'S OFFICE AT TANGLEWOOD WEST BUILDING, 3959ELECTRIC ROAD, SW, SUITE 7, ROANOKE, VA
BAN20010860 AEGIS MORTGAGE CORPORATION D/B/A UC LENDING
TO OPEN A MORTGAGE LENDER'S OFFICE AT 6160 KEMPSVILLE CIRCLE, SUITE 200B, NORFOLK, VA
BAN20010861 STERLING PROCESSING, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20010862 ADVANTAGE MORTGAGE GROUP, LTD.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010863 NORTH SEATTLE COMMUNITY COLLEGE FOUNDATION D/B/A AMERICAN FINANCIAL SOLUTIONS
TO OPEN A DEBT COUNSELING OFFICE
BAN20010864 COOPER & SHEIN, LLC D/B/A C.S. MORTGAGE
FOR A MORTGAGE BROKER'S LICENSE
BAN20010865 ROCUDA FINANCE CO.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 5108 KINGS MOUNTAIN ROAD, COLLINSVILLE, VA TO 2879 VIRGINIA AVENUE, COLLINSVILLE, VA
BAN20010866 MORTGAGE LENDING SERVICES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT ONE EAST CHERRY HILL ROAD, REISTERSTOWN, MD
BAN20010867 CAPITAL CENTER, L.L.C. D/B/A VIRGINIA LOAN CENTER
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 10551 PATTERSON AVENUE, RICHMOND, VA
BAN20010868 EAST WEST MORTGAGE COMPANY, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 8260 GREENSBORO DRIVE, SUITE 150, MCLEAN, VA
BAN20010869 EDWARD D. JONES & CO., L.P. D/B/A EDWARDJONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1428 KEMPSVILLE ROAD, SUITE C, CHESAPEAKE, VA
BAN20010870 GATEWAY FUNDING DIVERSIFIED MORTGAGE SERVICES, L.P.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 102 H CENTRE BOULEVARD, MARLTON, NJ
BAN20010871 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2850 DELK ROAD, SUITE 2-H, MARIETTA, GA
BAN20010872 AMERICA TRUST MORTGAGE CORP.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 9444 WILLIAM KIRK LANE, BURKE, VA TO 7700 LITTLE RIVER TURNPIKE, SUITE 506, ANNANDALE, VA
BAN20010873 D & M FINANCIAL, CORP.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 544 WASHINGTON AVENUE, BELLEVILLE, NJ TO 383 WASHINGTON AVENUE, BELLEVILLE, NJ
BAN20010874 1ST PREFERENCE MORTGAGE CORP.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 9309 BELAIR ROAD, BALTIMORE, MD TO 9649 BELAIR ROAD, SUITE 102, BALTIMORE, MD
BAN20010875 1ST METROPOLITAN MORTGAGE CO.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 12531 CLIFFORD DRIVE, SUITE 102, WOODBRIDGE, VA TO 7900 SUDLEY ROAD, SUITE 214, MANASSAS, VA

BAN20010876 SOUTHERN TRUST MORTGAGE, LLC
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1156 BOWMAN ROAD, SUITE 103, MT. PLEASANT, SC
BAN20010877 HEARTLAND HOME FINANCE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 7123 PEARL ROAD, SUITE 303, MIDDLEBURG HEIGHTS, OH
BAN20010878 HEARTLAND HOME FINANCE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 12101 WOODCREST EXECUTIVE CENTER, ST. LOUIS, MO
BAN20010879 ADVANTAGE INVESTORS MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1703 E. JOPPA ROAD, SUITE 205, BALTIMORE, MD
BAN20010880 ADVANTAGE INVESTORS MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 20 WEST MAIN STREET, CHRISTIANSBURG, VA
BAN20010881 HOMEFIRST MORTGAGE CORP.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2301 CHESHIRE LANE, ALEXANDRIA, VA
BAN20010882 HOMEFIRST MORTGAGE CORP.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1254 CENTER HARBOR PLACE, RESTON, VA
BAN20010883 HOMEFIRST MORTGAGE CORP.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3718 RANDOLPH STREET, FALLS CHURCH, VA
BAN20010884 HOMEFIRST MORTGAGE CORP.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 7103 WILBURDALE DRIVE, ANNANDALE, VA
BAN20010885 HOMEFIRST MORTGAGE CORP.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 10359 STEAMBOAT LANDING LANE, BURKE, VA
BAN20010886 HOMEFIRST MORTGAGE CORP.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 6581 CYPRESS POINT ROAD, ALEXANDRIA, VA
BAN20010887 HOMEFIRST MORTGAGE CORP.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1803 COOLSPRING DRIVE, ALEXANDRIA, VA
BAN20010888 HOMEFIRST MORTGAGE CORP.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2230 GEORGE C. MARSHALL, APT 412, FALLS CHURCH, VA
BAN20010889 HOMEFIRST MORTGAGE CORP.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 7056 FALLS REACH DRIVE, SUITE 302, FAIRFAX, VA
BAN20010890 FIRST FIDELITY MORTGAGE, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 400 OBERLIN ROAD, SUITE 220, RALEIGH, NC TO 5613 SIX FORKS ROAD, SUITE 200, RALEIGH, NC
BAN20010891 GUIDANCE RESIDENTIAL, LLC
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20010892 PRIME FINANCIAL CORP. (USED IN VA BY: PRIME MORTGAGE CORPORATION)
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 11615 TALL PINES DRIVE, GERMANTOWN, MD TO 11821 PARKLAWN DRIVE, SUITE 120, ROCKVILLE, MD
BAN20010893 BANK OF CLARKE COUNTY
TO OPEN A BRANCH AT 1460 NORTH FREDERICK PIKE, FREDERICK COUNTY, VA
BAN20010894 STREETWISE MORTGAGE LLC
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20010895 COLONIAL 1ST MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010896 CENTEX HOME EQUITY COMPANY, LLC
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1200 CAMP HILL BYPASS, SUITE 201, CAMP HILL, PA
BAN20010897 FRMC FINANCIAL, INC. D/B/A FIRST REPUBLIC MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 11865 FEDERAL SQUARE STREET, WALDORF, MD TO 3050 CRAIN HIGHWAY, SUITE 100, WALDORF, MD
BAN20010898 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 6411 BALTIMORE AVENUE, 2ND FLOOR, RIVERDALE, MD
BAN20010899 EAGLE MORTGAGE SERVICES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010900 FIRST CAPITAL FINANCIAL SERVICES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010901 CONSUMER MORTGAGE SERVICES INCORPORATED
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20010902 RELIANCE MORTGAGE GROUP, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010903 MONEYLINK, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010904 JOHNSON, VICTORIA JEAN
FOR A MORTGAGE BROKER'S LICENSE
BAN20010905 CH MORTGAGE COMPANY I, LTD., L.P. (USED IN VA BY: CH MORTGAGE COMPANY I, LTD.)
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 11350 RANDOM HILLS ROAD, SUITE 650, FAIRFAX, VA TO 11710 PLAZA AMERICA DRIVE, SUITE 2000, RESTON, VA
BAN20010906 FULL SPECTRUM LENDING, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 5957 EAST VIRGINIA BEACH BOULEVARD, SUITE 49, NORFOLK, VA
BAN20010907 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 6022 JEFFERSON AVENUE, SUITE 204B, NEWPORT NEWS, VA TO 110 N. BRADDOCK STREET, WINCHESTER, VA
BAN20010908 AMERICAN GENERAL FINANCE OF AMERICA, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 851 STATLER CROSSING, SUITE 326, STAUNTON, VA TO 850 STATLER SQUARE, SUITE 113, STAUNTON, VA

BAN20010909 AMERICAN GENERAL FINANCE, INC.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 851 STATLER CROSSING, SUITE 326, STAUNTON, VA TO 850 STATLER SQUARE, SUITE 113, STAUNTON, VA
BAN20010910 FIRST VIRGINIA BANK-HAMPTON ROADS
TO MERGE INTO IT JAMES RIVER BANK/COLONIAL
BAN20010911 FIRST VIRGINIA BANK-HAMPTON ROADS
TO MERGE INTO IT JAMES RIVER BANK
BAN20010912 BB&T CORPORATION
TO ACQUIRE COMMUNITY FIRST BANKING COMPANY
BAN20010913 SUNTRUST BANK
TO OPEN A BRANCH AT 5980 KINGSTOWN CENTER, FAIRFAX COUNTY, VA
BAN20010914 SUNTRUST BANK
TO OPEN A BRANCH AT 5727 BURKE CENTER, BURKE, VA
BAN20010915 MORTGAGE PROS, INC.
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN20010916 TIDEWATER MORTGAGE SERVICES, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 400 S. WITCHDUCK ROAD, SUITE 102, VIRGINIA BEACH, VA TO 208 GOLDEN OAK COURT, SUITE 400, VIRGINIA BEACH, VA
BAN20010917 TIDD, DONALD W.
TO ACQUIRE 25 PERCENT OR MORE OF DOMINION MORTGAGE CORPORATION
BAN20010918 VIRGINIA FINANCIAL CORPORATION
SAVINGS INST.HOLDING CO. FOR AQUISITION
BAN20010919 VIRGINIA FINANCIAL CORPORATION
TO ACQUIRE VIRGINIA COMMONWEALTH FINANCIAL CORPORATION, CULPEPER, VA
BAN20010920 FINANCIAL DYNAMICS CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 7209 LOCKPORT PLACE, LORTON, VA
BAN20010921 AMERICAN GENERAL FINANCE, INC.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 5 EAST CHURCH STREET, MARTINSVILLE, VA TO 2776 GREENSBORO ROAD, MARTINSVILLE, VA
BAN20010922 AMERICAN GENERAL FINANCE OF AMERICA, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 5 EAST CHURCH STREET, MARTINSVILLE, VA TO 2776 GREENSBORO ROAD, HENRY COUNTY, VA
BAN20010923 TRANSLAND FINANCIAL SERVICES, INC.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 4870 HAYGOOD ROAD, SUITE 102, VIRGINIA BEACH, VA TO 508 S. INDEPENDENCE BOULEVARD, SUITE 200, VIRGINIA BEACH, VA
BAN20010924 AMERICAN MORTGAGE CONSULTANTS, INC. D/B/A AMCI
TO OPEN A MORTGAGE BROKER'S OFFICE AT 82 BROOKVIEW CIRCLE, DALEVILLE, VA
BAN20010925 ACCREDITED HOME LENDERS, INC.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 4501CIRCLE 75 PARKWAY, F-6350, ATLANTA, GA TO 5500 INTERSTATE NORTH PARKWAY, SUITE 300, ATLANTA, GA
BAN20010926 NEW PEOPLES BANKSHARES, INC.
TO ACQUIRE NEW PEOPLES BANK, INC. HONAKER, VA
BAN20010927 JAMES MONROE BANK
TO OPEN A BRANCH AT 10509 JUDICIAL DRIVE, FAIRFAX, VA
BAN20010928 FIRST MIDLAND MORTGAGE COMPANY, L.L.C.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7401 WISCONSIN AVENUE, SUITE 300, BETHESDA, MD TO 4101 CHAIN BRIDGE ROAD, SUITE 208, FAIRFAX, VA
BAN20010929 CHALLENGE FINANCIAL INVESTORS CORP.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 7023 LITTLE RIVER TURNPIKE, SUITE 310, ANNANDALE, VA
BAN20010930 GMK AMERICA, INC.
FOR A MONEY ORDER LICENSE
BAN20010931 AMERICAN GENERAL FINANCE OF AMERICA, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 3940 X PLANK ROAD, FREDERICKSBURG, VA TO 3940 PLANK ROAD, SUITE H, SPOTSYLVANIA COUNTY, VA
BAN20010932 AMERICAN GENERAL FINANCE, INC.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 3940 PLANK ROAD, SUITE X, FREDERICKSBURG, VA TO 3940 PLANK ROAD, SUITE H, FREDERICKSBURG, VA
BAN20010933 ROYAL CROWN BANCORP INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20010934 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3212 CUTSHAW AVENUE, SUITE 204, RICHMOND, VA
BAN20010935 HOMEGOLD, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 5414 FREDERICKSBURG ROAD, SUITE 200, SAN ANTONIO, TX
BAN20010936 HOMEGOLD, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 172 MCSWAIN DRIVE, WEST COLUMBIA, SC
BAN20010937 SILVER MORTGAGE COMPANY, L.L.C.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20010938 FIRST-CITIZENS BANK & TRUST COMPANY
TO OPEN A BRANCH AT NORTHEAST QUADRANT OF INTERSECTION OF JOHN MARSHALL HWY. AND COMMERCE AVE., FRONT ROYAL, VA
BAN20010939 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 6015 MORROW STREET EAST, SUITE 209, JACKSONVILLE, FL

BAN20010940 MORTGAGE CENTER OF AMERICA, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 4238 WILSON BOULEVARD, ARLINGTON, VA
BAN20010941 ADVANTAGE INVESTORS MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 8805 WEST UNION HILLS DRIVE, SUITE 201, PEORIA, AZ
BAN20010942 MORTGAGE FINDERS OF VIRGINIA, INC. D/B/A EXCEL MORTGAGE BANKERS
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 6001 LAKESIDE AVENUE, SUITE 11, RICHMOND, VA TO 5511 STAPLES MILL ROAD, SUITE 103, RICHMOND, VA
BAN20010943 NEWPORT NEWS SHIPBUILDING EMPLOYEES' CREDIT UNION, INC.
TO MERGE INTO IT AMOCO YORKTOWN REFINERY CREDIT UNION, INCORPORATED, YORKTOWN, VA
BAN20010944 PWC MORTGAGE, LLC
FOR A MORTGAGE LENDER'S LICENSE
BAN20010945 SALEM FINANCIAL, LC
TO OPEN A MORTGAGE BROKER'S OFFICE AT 22226 TIMBERLAKE ROAD, LYNCHBURG, VA
BAN20010946 FIRST RATE MORTGAGE GROUP INC. (USED IN VA BY: FIRST RATE MORTGAGE CORP.)
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20010947 ADCO FINANCIAL MORTGAGE SERVICES, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN20010948 CHALLENGE FINANCIAL INVESTORS CORP.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 609 VIRGINIA AVENUE, BLUEFIELD, VA
BAN20010949 CHESAPEAKE BANK
TO RELOCATE OFFICE FROM 6569 MARKET DRIVE, GLOUCESTER, VA TO 6797 GEORGE WASHINGTON MEMORIAL HWY., GLOUCESTER, VA
BAN20010950 FIRST CITIZENS MORTGAGE CORP.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 5126 RICHARDSON DRIVE, FAIRFAX, VA TO 10803 MAIN STREET, SUITE 800, FAIRFAX, VA
BAN20010951 MORTGAGE ADVISORY GROUP, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20010952 SOUTHTRUST CORPORATION
TO ACQUIRE BANK OF TIDEWATER, THE
BAN20010953 SUNSHINE MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 5300 WESTVIEW DRIVE, SUITE 306, FREDERICK, MD TO 5300 WESTVIEW DRIVE, SUITE 108, FREDERICK, MD
BAN20010954 ADVANTAGE CAPITAL MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20010955 SOUTHERN MORTGAGE SERVICES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 163 STRATFORD COURT, SUITE 173, WINSTON-SALEM, NC TO 2000 CLOVERDALE AVENUE, WINSTON-SALEM, NC
BAN20010956 NMLI INCORPORATED (USED IN VA BY: NMLI)
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2402 MICHELSON DRIVE, SUITE 255, IRVINE, CA TO 3001 RED HILL, BUILDING 6, SUITE 107, COSTA MESA, CA
BAN20010957 OLDE TOWNE MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20010958 CHALLENGE FINANCIAL INVESTORS CORP.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 611 COLISEUM DRIVE, WINSTON-SALEM, NC
BAN20010959 HOME CAPITAL, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20010960 AMERICAN LENDING CORP.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20010961 NATIONWIDE FINANCIAL CORP.
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN20010962 WESTSTAR MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 18281 FOREST ROAD, LYNCHBURG, VA
BAN20010963 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 6700 BAUM DRIVE, SUITE 6, KNOXVILLE, TN
BAN20010964 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 13809 S. CASPER, SUITE B, GLENPOOL, OK
BAN20010965 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4605 PEMBROKE LAKE CIRCLE, SUITE 203, VIRGINIA BEACH, VA
BAN20010966 1ST METROPOLITAN MORTGAGE CO.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 6307 EXECUTIVE BOULEVARD, ROCKVILLE, MD
BAN20010967 FRANKLIN MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2114 ANGUS ROAD, SUITE 223, CHARLOTTESVILLE, VA TO 1928 ARLINGTON BOULEVARD, SUITE 107, CHARLOTTESVILLE, VA
BAN20010968 SOUTHTRUST BANK
TO MERGE INTO IT BANK OF TIDEWATER, THE
BAN20010969 SAN FRANCISCO EXPRESS, INC.
FOR A MONEY ORDER LICENSE
BAN20010970 EDWARD D. JONES & CO., L.P. D/B/A EDWARDJONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 625 GREENVILLE AVENUE, STAUNTON, VA
BAN20010971 PAGE VALLEY BANK, THE
TO OPEN A BRANCH AT 600 S. 3RD STREET, SHENANDOAH, VA

BAN20010972 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2045 MT. DIABLO STREET, SUITE 104, CONCORD, CA
BAN20010973 AMERICAN GENERAL FINANCE, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT ROOSEVELT GARDENS SHOPPING CENTER, 2352 E. LITTLE CREEK ROAD, NORFOLK, VA
BAN20010974 AMERICAN GENERAL FINANCE OF AMERICA, INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN20010975 AMERICAN GENERAL FINANCE OF AMERICA, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE LENDING WILL ALSO BE CONDUCTED
BAN20010976 AMERICAN GENERAL FINANCE OF AMERICA, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE OPEN-END LENDING WILL ALSO BE CONDUCTED
BAN20010977 AMERICAN GENERAL FINANCE OF AMERICA, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE TERM LIFE INSURANCE BUSINESS WILL ALSO BE CONDUCTED
BAN20010978 AMERICAN GENERAL FINANCE OF AMERICA, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE PROPERTY INSURANCE BUSINESS WILL ALSO BE CONDUCTED
BAN20010979 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1801 HIGH STREET, PORTSMOUTH, VA TO 626-B HIGH STREET, PORTSMOUTH, VA
BAN20010980 GRP MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1684 EAST GUDE DRIVE, SUITE 103, ROCKVILLE, MD TO 14660 ROTHGEB DRIVE, SUITE 101, ROCKVILLE, MD
BAN20010981 CHALLENGE FINANCIAL INVESTORS CORP.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 3705 SHORE DRIVE, VIRGINIA BEACH, VA TO 4873 S. OLIVER DRIVE, SUITE 101, VIRGINIA BEACH, VA
BAN20010982 CHALLENGE FINANCIAL INVESTORS CORP.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3055 MT. PLEASANT STREET, NW, WASHINGTON, DC
BAN20010983 WHITE OAK MORTGAGE GROUP, LLC, THE
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 2230 C TACKETT'S MILL DRIVE, LAKE RIDGE, VA TO 5350 SHAWNEE ROAD, SUITE 350, ALEXANDRIA, VA
BAN20010984 DIVERSIFIED FINANCIAL MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2110 C GALLOWS ROAD, SUITE 2, VIENNA, VA
BAN20010985 DIVERSIFIED FINANCIAL MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 3335 KNOLLS PARKWAY, IJAMSVILLE, MD TO 200-A MONROE STREET, ROCKVILLE, MD
BAN20010986 FIRST-CITIZENS BANK & TRUST COMPANY
TO OPEN A BRANCH AT 10439 MIDLOTHIAN TURNPIKE, CHESTERFIELD COUNTY, VA
BAN20010987 BANKERS EXPRESS MORTGAGE, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20010988 EWEB FUNDING GROUP, LLC
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20010989 BOLIVIAN EXPRESS SERVICES, INC.
FOR A MONEY ORDER LICENSE
BAN20010990 AMERICA FIRST MORTGAGE & LOAN SERVICES, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20010991 HERITAGE MORTGAGE, LP
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20010992 TICO CREDIT COMPANY, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE TAX PREPARATION BUSINESS WILL ALSO BE CONDUCTED
BAN20010993 CENTRAL MOTEL, INC.
TO OPEN A CHECK CASHER AT 2201 N. LOMBARDY STREET, RICHMOND, VA
BAN20010994 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 9115 GUILFORD ROAD, SUITE 400, COLUMBIA, MD
BAN20010995 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1601 WAVEBOTTOM SPRING ROAD, CHESTER, VA
BAN20010996 TRAN, DUNG DINH D/B/A US MORTGAGE & INVESTMENT SERVICES
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 11621 TALL PINES DRIVE, GERMANTOWN, MD TO 966 HUNGERFORD DRIVE, SUITE 11 B, ROCKVILLE, MD
BAN20010997 APPOMATTOX FINANCIAL SERVICES, LLC
TO OPEN A CHECK CASHER AT 103 CAVALIER SQUARE SHOPPING CENTER, HOPEWELL, VA
BAN20010998 CHALLENGE FINANCIAL INVESTORS CORP.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 11632 RUMFORD COURT, LAKE RIDGE, VA
BAN20010999 ADVANCED MORTGAGE SERVICES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20011000 UNITED BANKSHARES, INC.
TO ACQUIRE CENTURY BANKSHARES, INC.
BAN20011001 UNITED BANK
TO MERGE INTO IT CENTURY NATIONAL BANK
BAN20011002 TIDEH2O RESIDENTIAL FUNDING, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4190 S. PLAZA TRAIL, SUITE 135, VIRGINIA BEACH, VA TO 4176 S. PLAZA TRAIL, SUITE 234, VIRGINIA BEACH, VA
BAN20011003 FIRST BANK
TO RELOCATE OFFICE FROM 2210 VALLEY AVENUE, WINCHESTER, VA TO 1835 VALLEY AVENUE, WINCHESTER, VA

BAN20011004 FIRST BANK
TO RELOCATE OFFICE FROM 508 NORTH COMMERCE AVENUE, FRONT ROYAL, VA TO 1717 SHENANDOAH AVENUE, FRONT ROYAL, VA
BAN20011005 EDWARD D. JONES & CO., L.P. D/B/A EDWARDJONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 26 BUCK DRIVE, RUCKERSVILLE, VA
BAN20011006 OPTION ONE MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 25510 COMMERCENTRE DRIVE, SUITE 100, LAKE FOREST, CA
BAN20011007 EAST WEST MORTGAGE COMPANY, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 903 SOUTH SCOTT STREET, ARLINGTON, VA
BAN20011008 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 5331 SW MACADAM, SUITE 243, PORTLAND, OR
BAN20011009 NORTHERN NECK STATE BANK
TO OPEN A BRANCH AT 1649 TAPPAHANNOCK BOULEVARD, TAPPAHANNOCK, VA
BAN20011010 FIRST BANK
TO OPEN A BRANCH AT 150 WEST MAIN STREET, WYTHEVILLE, VA
BAN20011011 1ST CONTINENTAL MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4103 CHAIN BRIDGE ROAD, SUITE B101, FAIRFAX, VA TO 13168 CENTERPOINTE WAY, SUITE 202, WOODBRIDGE, VA
BAN20011012 CAPITAL CENTER, L.L.C. D/B/A VIRGINIA LOAN CENTER
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 4201 DOMINION BOULEVARD, GLEN ALLEN, VA TO ROWE PLAZA BLDG., 4510 COX ROAD, SUITE 302, GLEN ALLEN, VA
BAN20011013 HAMILTON NATIONAL MORTGAGE COMPANY
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 1800 EAST LANCASTER AVENUE, PAOLI, PA TO 500 LAPP ROAD, MALVERN, PA
BAN20011014 MOBILITY FINANCIAL, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20011015 GREENWOOD PROPERTIES, LLC D/B/A SUPERIOR LENDING SERVICES
FOR A MORTGAGE BROKER'S LICENSE
BAN20011016 DAVIS, ROBERT E. D/B/A DAVIS FINANCIAL
TO OPEN A MORTGAGE BROKER'S OFFICE AT 555 SOUTHLAKE BOULEVARD, RICHMOND, VA
BAN20011017 SENTRUST MORTGAGE, LLC
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 9669 ATHENS PLACE, GAITHERSBURG, MD TO ONE BANK STREET, SUITE 160, GAITHERSBURG, MD
BAN20011018 EQUITY VISION MORTGAGE CORP.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 12508 COLEWOOD STREET, OAK HILL, VA TO 1760 RESTON PARKWAY, SUITE 312, RESTON, VA
BAN20011019 TRANSLAND FINANCIAL SERVICES, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 700 COMMERCE COURT, MARTINSVILLE, VA
BAN20011020 GE CAPITAL MORTGAGE SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 6601 SIX FORKS ROAD, RALEIGH, NC
BAN20011021 123BORROW.COM, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20011022 GREAT LAKES FINANCIAL CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20011023 TIDEWATER MORTGAGE CO., LLC
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20011024 CONSUMER CREDIT COUNSELING SERVICE OF VIRGINIA AND SOUTHEAST MARYLAND IN D/B/A CREDIT COUNSELORS OF VIRGINIA
TO OPEN AN ADDITIONAL DEBT COUNSELING OFFICE AT 560 NEFF AVENUE, SUITE 700, HARRISONBURG, VA
BAN20011025 CONSUMER CREDIT COUNSELING SERVICE OF VIRGINIA AND SOUTHEAST MARYLAND IN D/B/A CREDIT COUNSELORS OF VIRGINIA
TO OPEN AN ADDITIONAL DEBT COUNSELING OFFICE AT 2217 PRINCESS ANNE STREET, SUITE 322, FREDERICKSBURG, VA
BAN20011026 FINANCIAL CONSULTING CORPORATION D/B/A LOAN PROCESSING CENTER
FOR A MORTGAGE BROKER'S LICENSE
BAN20011027 SOUTHTRUST CORPORATION
TO ACQUIRE COMMUNITY BANKSHARES INCORPORATED, RICHMOND, VA
BAN20011028 COMMONWEALTH FUNDING CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20011029 CREDIT PEOPLE COMPANY, THE
FOR A MORTGAGE BROKER'S LICENSE
BAN20011030 SOUTHTRUST BANK
TO MERGE INTO IT COMMERCE BANK
BAN20011031 AMBASSADOR MORTGAGE, INC. D/B/A ACTION MORTGAGE
TO OPEN A MORTGAGE BROKER'S OFFICE AT 184 BAER OAK ROAD, MAURERTOWN, VA
BAN20011032 UNIVERSITY OF VIRGINIA COMMUNITY CREDIT UNION, INC.
TO OPEN A CREDIT UNION SERVICE OFFICE AT 5766 THOMAS JEFFERSON PARKWAY, SUITE 201, PALMYRA, VA
BAN20011033 COMMONWEALTH MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20011034 OPTION ONE MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 401 WAMPANOAG TRAIL, SUITE 300, EAST PROVIDENCE, RI

BAN20011035 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 9601 WINCHESTER AVENUE, BUNKER HILL, WV
BAN20011036 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1565 FRANKLIN AVENUE, MINEOLA, NY
BAN20011037 AURORA LOAN SERVICES INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 5235 WESTVIEW DRIVE, FREDERICK, MD
BAN20011038 CHALLENGE FINANCIAL INVESTORS CORP.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 5185 HOLLY FARMS DRIVE, VIRGINIA BEACH, VA
BAN20011039 COLUMBIA NATIONAL, INCORPORATED
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 5641 BURKE CENTRE PARKWAY, BURKE, VA
BAN20011040 MONEX INTERNATIONAL, LLC
FOR A MONEY ORDER LICENSE
BAN20011041 CARNEGIE FINANCIAL GROUP, INCORPORATED D/B/A CAPITAL INVESTMENT GROUP
FOR A MORTGAGE BROKER'S LICENSE
BAN20011042 FAMILY FINANCE CORP.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE EXTENDED SERVICE CONTRACTS WILL ALSO BE SOLD
BAN20011043 AMERICAN MORTGAGE AND INVESTMENT CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 122 WATERSIDE COURT, EDGEWATER, MD TO 9200 BASIL COURT, SUITE 107, LARGO, MD
BAN20011044 DIVERSIFIED FINANCIAL, LLC
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 11921 ROCKVILLE PIKE, SUITE 550, ROCKVILLE, MD TO 11921 ROCKVILLE PIKE, SUITE 250, ROCKVILLE, MD
BAN20011045 MORTGAGEIT, INC. D/B/A MIT LENDING (ROCKVILLE, MD. ONLY)
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 15200 SHADY GROVE ROAD, ROCKVILLE, MD TO 1803 RESEARCH BOULEVARD, ROCKVILLE, MD
BAN20011046 DRISKELL FOODS, INC. T/A SAV-MART
TO OPEN A CHECK CASHER AT 985 INGLESIDE ROAD, NORFOLK, VA
BAN20011047 COMMUNITY MORTGAGE CENTERS, LLC D/B/A THE MORTGAGE STORE U.S.A. (RICHMOND ONLY)
TO OPEN A MORTGAGE BROKER'S OFFICE AT 9200 BASIL COURT, SUITE 221, LARGO, MD
BAN20011048 COMMUNITY MORTGAGE CENTERS, LLC D/B/A THE MORTGAGE STORE U.S.A. (RICHMOND ONLY)
TO OPEN A MORTGAGE BROKER'S OFFICE AT 7630 LITTLE RIVER TURNPIKE, SUITE 710, ANNANDALE, VA
BAN20011049 HOMEFIRST MORTGAGE CORP.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 14260 STONE CHASE WAY, CENTERVILLE, VA
BAN20011050 1ST METROPOLITAN MORTGAGE CO.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 297 INDEPENDENCE BOULEVARD, SUITE 302, VIRGINIA BEACH, VA
BAN20011051 UNIVERSITY OF VIRGINIA COMMUNITY CREDIT UNION, INC.
TO RELOCATE CREDIT UNION OFFICE FROM 222 LEE STREET, CHARLOTTESVILLE, VA TO 409 LANE ROAD ANNEX, CHARLOTTESVILLE, VA
BAN20011052 SALEM FINANCIAL, LC
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1910 ELECTRIC ROAD, ROANOKE, VA
BAN20011053 HERITAGE MORTGAGE BROKERS, L.L.C.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 13928 JEFFERSON DAVIS HIGHWAY, SUITE A, WOODBRIDGE, VA
BAN20011054 HERITAGE MORTGAGE BROKERS, L.L.C.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 9529 CHERRY OAK COURT, BURKE, VA
BAN20011055 DO, HOANG-GIAP THI T/A ATT MORTGAGE COMPANY
TO RELOCATE A MORTGAGE BROKER'S OFFICE FROM 7309 ARLINGTON BOULEVARD, SUITE 205, FALLS CHURCH, VA TO 5729 OLD CLIFTON ROAD, CLIFTON, VA
BAN20011056 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1450 MERCANTILE LANE, SUITE 203, LARGO, MD
BAN20011057 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 120 E. REYNOLDS ROAD, SUITE 3, LEXINGTON, KY
BAN20011058 MONEY CENTRE LTD, THE
FOR A MORTGAGE BROKER'S LICENSE
BAN20011059 SOUTHERN COMMUNITY BANK & TRUST
TO OPEN A BRANCH AT NORTH SIDE OF HULL STREET RD., 500 FEET EOF ITS INTERSECTION. WITH SOUTHSHORE DR., MIDLOTHIAN, VA
BAN20011060 ADVANCE SECURITY MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20011061 BAY CAPITAL CORP.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20011062 SOUTHEAST FUNDING, INC. D/B/A CHESAPEAKE BAY MORTGAGE FUNDING
TO RELOCATE A MORTGAGE BROKER'S OFFICE FROM 3705 SHORE DRIVE, VIRGINIA BEACH, VA TO 1023 LASKIN ROAD, SUITE 103, VIRGINIA BEACH, VA
BAN20011063 SUPERIOR HOME MORTGAGE CORPORATION (USED IN VA BY: SUPERIOR MORTGAGE CORPORATION)
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 13164 CENTERPOINTE WAY, SUITE 201, WOODBRIDGE, VA TO 13190 CENTERPOINTE WAY, SUITE 102, WOODBRIDGE, VA
BAN20011064 COMMUNITY BANKERS' BANK
TO RELOCATE MAIN OFFICE FROM 557-B SOUTHLAKE BOULEVARD, CHESTERFIELD COUNTY, VA TO 2601 PROMENADE PARKWAY, MIDLOTHIAN, VA

BAN20011065 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 45 WINTONBURY AVENUE, BLOOMFIELD, CT TO 308 CUTTER COVE, STAFFORD, VA
BAN20011066 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 5 CHERYL AVENUE, WALLINGFORD, CT TO 139 WEST QUAIL LANE, LAPLATA, MD
BAN20011067 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1B VISTA LANE, ITHACA, NY
BAN20011068 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 255 GLENDA DRIVE, BEAVER FALLS, PA
BAN20011069 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2400 VALENTINE DRIVE, BUMPASS, VA
BAN20011070 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 321 TAZEWELL AVENUE, BLUEFIELD, VA
BAN20011071 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 6211 CENTREVILLE ROAD, SUITE 800, CENTREVILLE, VA
BAN20011072 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 12001 RIDGE KNOLL DRIVE, SUITE 8, FAIRFAX, VA
BAN20011073 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 7312 GORDONS ROAD, FALLS CHURCH, VA
BAN20011074 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3401 PORTSMOUTH BOULEVARD, PORTSMOUTH, VA
BAN20011075 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 11615 STONEVIEW SQUARE, SUITE 11C, RESTON, VA
BAN20011076 1ST METROPOLITAN MORTGAGE CO.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 20 GWYNNS MILLS COURT, OWINGS MILLS, MD
BAN20011077 AMERICAN RESIDENTIAL FUNDING, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1191 KING EDWARDS WAY, HARRISONBURG, VA
BAN20011078 AMERICAN RESIDENTIAL FUNDING, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 14377 UNIFORM DRIVE, CENTREVILLE, VA
BAN20011079 AMERICAN RESIDENTIAL FUNDING, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 600 KING ARTHUR DRIVE, VIRGINIA BEACH, VA
BAN20011080 FNB CORPORATION
TO ACQUIRE SALEM COMMUNITY BANKSHARES, VA
BAN20011081 ALDA FINANCIAL SERVICES, INC.D/B/A ALDA HOME MORTGAGE
FOR A MORTGAGE BROKER'S LICENSE
BAN20011082 AMERIGROUP MORTGAGE CORPORATION (USED IN VA BY: MORTGAGE INVESTORS CORPORATION)
TO OPEN A MORTGAGE LENDER'S OFFICE AT 6120 CENTRAL AVENUE, ST. PETERSBURG, FL
BAN20011083 COMMUNITY CREDIT COUNSELING CORP.
TO OPEN A DEBT COUNSELING OFFICE
BAN20011084 PACIFIC EQUITY SERVICES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20011085 MILLENNIUM LENDING GROUP, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20011086 AMERICAN STANDARD MORTGAGE LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20011087 CONSUMER CREDIT COUNSELING SERVICE OF VIRGINIA AND SOUTHEAST MARYLAND IN D/B/A CREDIT COUNSELORS OF VIRGINIA
TO OPEN AN ADDITIONAL DEBT COUNSELING OFFICE AT 522 S. INDEPENDENCE BLVD., SUITE 103, VIRGINIA BEACH, VA
BAN20011088 CHALLENGE FINANCIAL INVESTORS CORP.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 7360 MCWHORTER PLACE, SUITE 200, ANNANDALE, VA
BAN20011089 CAPITAL FINANCIAL HOME EQUITY, LLC
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1380 CENTRAL PARK BOULEVARD, SUITE 202, FREDERICKSBURG, VA
BAN20011090 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1800 N. BEAUREGARD STREET, SUITE 150, ALEXANDRIA, VA
BAN20011091 FIRST MERIDIAN MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 7700 LITTLE RIVER TURNPIKE, SUITE 204, ANNANDALE, VA
BAN20011092 BANKERS FUNDING CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 10716 CLOVERBROOKE DRIVE, POTOMAC, MD
BAN20011093 FIELDSTONE MORTGAGE COMPANY D/B/A BROAD STREET MORTGAGE CO.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2215 AB DEFENSE HIGHWAY, CROFTON, MD
BAN20011094 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2611 DUMBARTON STREET, NW, WASHINGTON, DC
BAN20011095 LENDING GROUP OF VIRGINIA, INC., THE (USED IN VA BY: THE LENDING GROUP, INC.)
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 2300 NORTH BARRINGTON ROAD, HOFFMAN ESTATES, IL TO 2300 N. BARRINGTON ROAD, SUITE 105, HOFFMAN ESTATES, IL
BAN20011096 PRINCIPAL RESIDENTIAL MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 8700 INDIAN CREEK PARKWAY, SUITE 300, OVERLAND PARK, KS

BAN20011097 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1505 E. 17TH STREET, SUITE 225, SANTA ANA, CA
BAN20011098 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 301 SOUTHLAKE BOULEVARD, SUITE 200, RICHMOND, VA
BAN20011099 EVERYDAY LENDING MORTGAGE CORPORATION, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 5602B VIRGINIA BEACH BOULEVARD, SUITE 201, VIRGINIA BEACH, VA
BAN20011100 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 833 ROUTE 37, WEST, SUITE 216, TOMS RIVER, NJ
BAN20011101 TRANS-FAST REMITTANCE, INC.
FOR A MONEY ORDER LICENSE
BAN20011102 AT-HOME MORTGAGE ASSOCIATES, LTD., A LIMITED PARTNERSHIP (USED IN VA BY: AT-HOME MORTGAGE ASSOCIATES, LTD.)
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20011103 CHALLENGE FINANCIAL INVESTORS CORP.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 203 YOAKUM PARKWAY, SUITE 907, ALEXANDRIA, VA
BAN20011104 METFUND MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2109 BERMUDEZ COURT, VIENNA, VA TO 2606 HUNTER MILL ROAD, OAKTON, VA
BAN20011105 HOMEGOLD, INC.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 3901 PELHAM ROAD, GREENVILLE, SC TO PIEDMONT, WEST, 33 VILLA ROAD, SUITE 300, GREENVILLE, SC
BAN20011106 VIRGINIA MORTGAGE SERVICES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20011107 AMERICA'S MORTGAGE BROKER, LLC
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20011108 BENEFICIAL VIRGINIA, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE AUTO SECURITY PLANS WILL ALSO BE SOLD
BAN20011109 ALL CREDIT CONSIDERED MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 751 ROCKVILLE PIKE, SUITE 5B, ROCKVILLE, MD
BAN20011110 INDEPENDENT REALTY CAPITAL CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 6767 W. TROPICANA AVENUE, SUITE 221, LAS VEGAS, NV TO 8072 WEST SAHARA AVENUE, SUITE D, LAS VEGAS, NV
BAN20011111 ADVANCE MORTGAGE
TO OPEN A MORTGAGE LENDER'S OFFICE AT 123 S. LYNNHAVEN ROAD, VIRGINIA BEACH, VA
BAN20011112 ADVANCE MORTGAGE
TO OPEN A MORTGAGE LENDER'S OFFICE AT 5907 W. NORFOLK ROAD, PORTSMOUTH, VA
BAN20011113 ADVANCE MORTGAGE
TO OPEN A MORTGAGE LENDER'S OFFICE AT 300 CEDAR LAKES DRIVE, CHESAPEAKE, VA
BAN20011114 ADVANCE MORTGAGE
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1215 VOLVO PARKWAY, CHESAPEAKE, VA
BAN20011115 ADVANCE MORTGAGE
TO OPEN A MORTGAGE LENDER'S OFFICE AT 400 OAKMEARS CRESCENT, VIRGINIA BEACH, VA
BAN20011116 ADVANCE MORTGAGE
TO OPEN A MORTGAGE LENDER'S OFFICE AT 800 DILLIGENCE DRIVE, NEWPORT NEWS, VA
BAN20011117 ADVANCE MORTGAGE
TO OPEN A MORTGAGE LENDER'S OFFICE AT 4190 S. PLAZA TRAIL, SUITE 100, VIRGINIA BEACH, VA
BAN20011118 ADVANCE MORTGAGE
TO OPEN A MORTGAGE LENDER'S OFFICE AT 4100 HOLLY ROAD, VIRGINIA BEACH, VA
BAN20011119 SUNTRUST BANK
TO OPEN A BRANCH AT 3713 LEE HIGHWAY, ARLINGTON COUNTY, VA
BAN20011120 SUNTRUST BANK
TO OPEN A BRANCH AT INTERSECTION OF ELDEN AND POST DRIVE, HERNDON, VA
BAN20011121 HARBOR BANK
TO OPEN A BRANCH AT 13769 WARWICK BOULEVARD, NEWPORT NEWS, VA
BAN20011122 SEVERN MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 3601 W. HUNDRED ROAD, CHESTER, VA TO 11800 CHESTER VILLAGE DRIVE, CHESTER, VA
BAN20011123 AGGRESSIVE MORTGAGE CORP.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 5250 CHALLEDON DRIVE, VIRGINIA BEACH, VA
BAN20011124 PRINCIPAL RESIDENTIAL MORTGAGE, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 699 WALNUT STREET, DES MOINES, IA TO 7601 OFFICE PLAZA DRIVE, NORTH, SUITE 125, WEST DES MOINES, IA
BAN20011125 ADVANTAGE INVESTORS MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1541 BRICKELL AVENUE, SUITE 404, MIAMI, FL
BAN20011126 RESIDENTIAL PROFESSIONAL MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20011127 SAK MORTGAGE INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20011128 CHALLENGE FINANCIAL INVESTORS CORP.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1392 SIERRA DRIVE, VIRGINIA BEACH, VA TO ONE COLUMBUS CENTER, SUITE 612 B, VIRGINIA BEACH, VA

BAN20011129 CHALLENGE FINANCIAL INVESTORS CORP.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 5185 HOLLY FARMS DRIVE, VIRGINIA BEACH, VA TO 3826 VIRGINIA BEACH BOULEVARD, SUITE 202, VIRGINIA BEACH, VA
BAN20011130 FIRST ONE LENDING CORPORATION
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 27392 CALLE ARROYO, SAN JUAN CAPISTRANO, CA TO 32122 CAMINO CAPISTRANO, 2ND FLOOR, SAN JUAN CAPISTRANO, CA
BAN20011131 EDWARD D. JONES & CO., L.P. D/B/A EDWARDJONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 152 EAST KING STREET, STRASBURG, VA
BAN20011132 EDWARD D. JONES & CO., L.P. D/B/A EDWARDJONES
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 111 FAIRWAY LANE, SUITE 102, STAUNTON, VA TO 2489 STUARTS DRAFT HIGHWAY, STUARTS DRAFT, VA
BAN20011133 HOUSEHOLD REALTY CORPORATION D/B/A HOUSEHOLD REALTY CORPORATION OF VIRGINIA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2517 KNOB CREEK ROAD, SUITE 4, JOHNSON CITY, TN
BAN20011134 CAPITAL FINANCIAL ASSOCIATES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1601-18TH STREET, N.W., SUITE ONE, WASHINGTON, DC TO 1806 11TH STREET, N.W., SUITE 100, WASHINGTON, DC
BAN20011135 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 320 C CHARLES DIMMOCK PARKWAY, COLONIAL HEIGHTS, VA
BAN20011136 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4326 DALE BOULEVARD, SUITE 9, WOODBRIDGE, VA TO 4326 DALE BOULEVARD, SUITE 3, WOODBRIDGE, VA
BAN20011137 HOMEBUYER'S MORTGAGE, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 14910 BOGLE DRIVE, CHANTILLY, VA TO 4090-A LAFAYETTE CENTER DRIVE, CHANTILLY, VA
BAN20011138 PARAGON MORTGAGE & FINANCIAL SERVICES CORP.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 19650 CLUB HOUSE ROAD, SUITE 204, GAITHERSBURG, MD TO 19634 CLUB HOUSE ROAD, SUITE 315, GAITHERSBURG, MD
BAN20011139 FIRST PACIFIC FINANCIAL, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN20011140 CATHOLIC CHARITIES OF HAMPTON ROADS, INC.
TO OPEN AN ADDITIONAL DEBT COUNSELING OFFICE AT 121 SOUTH MAIN STREET, FRANKLIN, VA
BAN20011141 1ST METROPOLITAN MORTGAGE CO.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 6767 FOREST HILL AVENUE, SUITE 305, RICHMOND, VA
BAN20011142 MORTGAGE ADVANTAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20011143 MIDDLEBURG BANK, THE
TO OPEN A BRANCH AT 211 FORT EVANS ROAD, NE, LEESBURG, VA
BAN20011144 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO MERGE INTO IT F & M BANK-CENTRAL VIRGINIA
BAN20011145 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO MERGE INTO IT F&M BANK-NORTHERN VIRGINIA
BAN20011146 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO MERGE INTO IT F&M BANK-SOUTHERN VIRGINIA
BAN20011147 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO MERGE INTO IT F & M BANK-RICHMOND
BAN20011148 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO MERGE INTO IT F & M BANK - MASSANUTTEN
BAN20011149 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO MERGE INTO IT F & M BANK - ATLANTIC
BAN20011150 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO MERGE INTO IT F & M BANK-PEOPLES
BAN20011151 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO MERGE INTO IT F&M BANK-HIGHLANDS
BAN20011152 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO MERGE INTO IT F & M BANK - WINCHESTER
BAN20011153 BUILDER'S MORTGAGE SERVICES OF FREDERICKSBURG, LLC
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20011154 EXCEL MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 50 WEST EDMONSTON DRIVE, SUITE 606, ROCKVILLE, MD TO 50 WEST EDMONSTON DRIVE, SUITE 208, ROCKVILLE, MD
BAN20011155 DELTA FUNDING CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 607 LYNNHAVEN PARKWAY, VIRGINIA BEACH, VA
BAN20011156 INVVISION MORTGAGE, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN20011157 NOVELLE FINANCIAL SERVICES, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20011158 PARAGON MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20011159 FIRST COUNTY MORTGAGE SERVICES INCORPORATED
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 5901 KINGSTOWNE VILLAGE PARKWAY, KINGSTOWNE, VA TO 5990 KINGSTOWNE TOWNE CENTER, ALEXANDRIA, VA

BAN20011160 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 15421 SNOW HILL LANE, CENTREVILLE, VA TO 6211 CENTREVILLE ROAD, SUITE 800, CENTREVILLE, VA
BAN20011161 PIONEER BANK
TO OPEN A BRANCH AT 120 SOUTH MAIN STREET, HARRISONBURG, VA
BAN20011162 AMERICAN RESIDENTIAL FUNDING, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 6044 MAYBROOK WAY, GLEN ALLEN, VA
BAN20011163 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 7905 MALCOLM ROAD, SUITE 304, CLINTON, MD
BAN20011164 NOVASTAR HOME MORTGAGE, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 867 WOODLANE ROAD, MOUNT HOLLY, NJ TO 102C CENTRE BOULEVARD, MARLTON, NJ
BAN20011165 HELEN A. D/B/A FAST CASH
TO OPEN A CHECK CASHER AT 904 S. HIGH STREET, HARRISONBURG, VA
BAN20011166 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 10903 INDIAN HEAD HIGHWAY, SUITE 307, FORT WASHINGTON, MD
BAN20011167 1ST CHOICE HOUSING INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20011168 NEW PEOPLES BANK, INC.
TO OPEN A BRANCH AT 326 EAST JACKSON STREET, GATE CITY, VA
BAN20011169 CHALLENGE FINANCIAL INVESTORS CORP.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1183 SUNSET BOULEVARD, WEST COLUMBIA, SC
BAN20011170 ATLANTIC BAY MORTGAGE GROUP, L.L.C.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2548 VIRGINIA BEACH BLVD., SUITE 104, VIRGINIA BEACH, VA
BAN20011171 FIRST HERITAGE MORTGAGE COMPANY
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 105 S. UNION STREET, SUITE 711, DANVILLE, VA TO 2135 SOUTH BOSTON ROAD, DANVILLE, VA
BAN20011172 FIRST HERITAGE MORTGAGE COMPANY
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1295 B SOUTH BOSTON ROAD, DANVILLE, VA
BAN20011173 JEAN-BAPTISTE, HENRI
FOR A MORTGAGE BROKER'S LICENSE
BAN20011174 BEST RATE FUNDING CORP.
FOR A MORTGAGE LENDER'S LICENSE
BAN20011175 AMERICAN GENERAL FINANCIAL SERVICES, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN20011176 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 2360 W. JOPPA ROAD, LUTHERVILLE, MD TO 201 WEST PADONIA ROAD, TIMONIUM, MD
BAN20011177 HOUSEHOLD REALTY CORPORATION D/B/A HOUSEHOLD REALTY CORPORATION OF VIRGINIA
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM LEXINGTON COMMONS CENTER, GLEN ALLEN, VA TO 10184 WEST BROAD STREET, GLEN ALLEN, VA
BAN20011178 BENEFICIAL VIRGINIA INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 7222 WILLIAMSON ROAD, ROANOKE COUNTY, VA TO 6427 WILLIAMSON ROAD, ROANOKE COUNTY, VA
BAN20011179 BENEFICIAL DISCOUNT CO. OF VIRGINIA
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 7222 WILLIAMSON ROAD, ROANOKE, VA TO 6427 WILLIAMSON ROAD, BROOKSIDE SHOPPING CENTER, ROANOKE, VA
BAN20011180 BENEFICIAL MORTGAGE CO. OF VIRGINIA
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 7222 WILLIAMSON ROAD, ROANOKE, VA TO 6427 WILLIAMSON ROAD, BROOKSIDE SHOPPING CENTER, ROANOKE, VA
BAN20011181 NATIONAL BANK OF COMMERCE
TO OPEN A BRANCH AT 13264 BOOKER T. WASHINGTON HWY., HARDY, VA
BAN20011182 NATIONAL BANK OF COMMERCE
TO OPEN A BRANCH AT 115 WEST MAIN STREET, BEDFORD, VA
BAN20011183 NATIONAL BANK OF COMMERCE
TO OPEN A BRANCH AT 4110 BRAMBLETON AVENUE, S.W., ROANOKE, VA
BAN20011184 NATIONAL BANK OF COMMERCE
TO OPEN A BRANCH AT 3565 ORANGE AVENUE, N.E., ROANOKE, VA
BAN20011185 NATIONAL BANK OF COMMERCE
TO OPEN A BRANCH AT 1315 HERSHBERGER ROAD, N.W., ROANOKE, VA
BAN20011186 NATIONAL BANK OF COMMERCE
TO OPEN A BRANCH AT 111 FRANKLIN ROAD, ROANOKE, VA
BAN20011187 NATIONAL BANK OF COMMERCE
TO OPEN A BRANCH AT 670 BRANDON AVENUE, S.W., ROANOKE, VA
BAN20011188 NATIONAL BANK OF COMMERCE
TO OPEN A BRANCH AT 1395 WEST MAIN STREET, SALEM, VA
BAN20011189 NATIONAL BANK OF COMMERCE
TO OPEN A BRANCH AT 119 LEE HIGHWAY, CHILHOWIE, VA
BAN20011190 SUPERIOR HOME MORTGAGE CORPORATION (USED IN VA BY: SUPERIOR MORTGAGE CORPORATION)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 118 BELLEVUE AVENUE, HAMMONTON, NJ

BAN20011191 FSC CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1717 BABCOCK BOULEVARD, PITTSBURGH, PA
BAN20011192 EQUITY ONE CONSUMER LOAN COMPANY, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 4411 PLANK ROAD, SPOTSYLVANIA COUNTY, VA TO 3439 JEFFERSON DAVIS HIGHWAY, FREDERICKSBURG, VA
BAN20011193 CHALLENGE FINANCIAL INVESTORS CORP.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 10202 CHRISTIANO DRIVE, GLEN ALLEN, VA
BAN20011194 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2513 CHAMBERLAYNE AVENUE, RICHMOND, VA
BAN20011195 DALE, VALERIE DENISE
TO BE AN EXCLUSIVE AGENT FOR PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
BAN20011196 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 24422 AVENIDA DE LA CARLOTA, SUITE 390, LAGUNA HILLS, CA
BAN20011197 H&R BLOCK MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 900 NORTHBROOK DRIVE, SUITE 200, TREVOSE, PA
BAN20011198 COVENANT FINANCIAL SERVICES, LLC D/B/A COVENANT MORTGAGE
TO OPEN A MORTGAGE BROKER'S OFFICE AT 4708 AUTUMN GLORY WAY, CHANTILLY, VA
BAN20011199 ROY D. HANSEN MORTGAGE COMPANY, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 511 TWIN BROOK LANE, STAFFORD, VA TO 203 BURGESS AVENUE, ALEXANDRIA, VA
BAN20011200 HERITAGE MORTGAGE BROKERS, L.L.C.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 4102 HAMPSTEAD LANE, LAKE RIDGE, VA
BAN20011201 COMMUNITY MORTGAGE SERVICES CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 5066 SOUTH AMHERST HIGHWAY, MADISON HEIGHTS, VA
BAN20011202 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 9401 W. THUNDERBIRD ROAD, SUITE 143, PEORIA, AZ
BAN20011203 NEXSTAR FINANCIAL CORPORATION
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN20011204 CITIFINANCIAL, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 329 AND BLUERIDGE AVENUE, SUITE 9, CULPEPER, VA
BAN20011205 CITIFINANCIAL SERVICES, INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN20011206 CITIFINANCIAL SERVICES, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE OPEN-END LENDING WILL ALSO BE CONDUCTED
BAN20011207 CITIFINANCIAL SERVICES, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE TITLE INSURANCE BUSINESS WILL ALSO BE CONDUCTED
BAN20011208 CITIFINANCIAL SERVICES, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE PROPERTY INSURANCE BUSINESS WILL ALSO BE CONDUCTED
BAN20011209 CITIFINANCIAL SERVICES, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE LENDING WILL ALSO BE CONDUCTED
BAN20011210 CITIFINANCIAL SERVICES, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE SALES FINANCE BUSINESS WILL ALSO BE CONDUCTED
BAN20011211 CITIFINANCIAL SERVICES, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE AUTO SECURITY PLANS WILL ALSO BE SOLD
BAN20011212 CHANCELLOR MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1267 COURTHOUSE ROAD, SUITE 202, STAFFORD, VA
BAN20011213 PINNACLE MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20011214 RANDALL, III, LUTHER H.
TO ACQUIRE 25 PERCENT OR MORE OF OXFORD CAPITAL, LLC
BAN20011215 BARNETT, VIRGINIA
TO ACQUIRE OXFORD CAPITAL, LLC
BAN20011216 MORTGAGE CENTER OF AMERICA, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 20 COURTHOUSE SQUARE, SUITE 104, ROCKVILLE, MD
BAN20011217 NETWORTH FINANCIAL GROUP, THE
FOR A MORTGAGE BROKER'S LICENSE
BAN20011218 BB&T CORPORATION
TO ACQUIRE AREA BANCSHARES CORPORATION
BAN20011219 BB&T CORPORATION
TO ACQUIRE MID-AMERICA BANCORP
BAN20011220 METROCITI MORTGAGE LLC
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20011221 ATLANTIC CAPITAL FUNDING CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 180 WEST MAIN STREET, HANCOCK, MD
BAN20011222 AMERICAN RESIDENTIAL FUNDING, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 6044 MAYBROOK WAY, GLEN ALLEN, VA
BAN20011223 GUIDANCE RESIDENTIAL, LLC
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 2001 PENNSYLVANIA AVENUE, N.W., WASHINGTON, DC TO 5203 LEESBURG PIKE, 2 SKYLINE PLACE, FALLS CHURCH, VA
BAN20011224 MORTGAGE ALTERNATIVES, CORP.
FOR A MORTGAGE BROKER'S LICENSE

BAN20011225 ORIGEN FINANCIAL L.L.C.
FOR A MORTGAGE LENDER'S LICENSE
BAN20011226 HOMEFIRST MORTGAGE CORP.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1804 COOL SPRING DRIVE, ALEXANDRIA, VA
BAN20011227 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1104 CHARLES STREET, SOUTH BOSTON, VA
BAN20011228 ALLIED MORTGAGE CAPITAL CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 19 N. MALLORY STREET, HAMPTON, VA TO 19 E. MELLEN STREET, HAMPTON, VA
BAN20011229 METROPOLITAN MORTGAGE BANKERS, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 3920 LANSING COURT, DUMFRIES, VA TO 11129 AIR PARK ROAD, ASHLAND, VA
BAN20011230 BEACON MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 6041 COLLINSTONE DRIVE, GLEN ALLEN, VA TO 9532 HAGAN ROAD, GLEN ALLEN, VA
BAN20011231 INTERSTATE FUNDING CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 6490 DOBBIN ROAD, SUITE H, COLUMBIA, MD TO 7130 MINSTREL WAY, SUITE 200, COLUMBIA, MD
BAN20011232 FIELDSTONE MORTGAGE COMPANY D/B/A BROAD STREET MORTGAGE CO.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4870 HAYGOOD ROAD, SUITE 105, VIRGINIA BEACH, VA
BAN20011233 1ST PREFERENCE MORTGAGE CORP.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 610 MADISON STREET, ALEXANDRIA, VA TO 101 N. COLUMBUS, SUITE 400, ALEXANDRIA, VA
BAN20011234 MORRIS, BONIFACE & ASSOCIATES INCORPORATED
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 10707 SPOTSYLVANIA AVENUE, SUITE 202, FREDERICKSBURG, VA TO 12804 WILLOW POINT DRIVE, FREDERICKSBURG, VA
BAN20011235 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 15885 KINGS HIGHWAY, MONTROSS, VA TO 4032 SWANNANOA DRIVE, PORTSMOUTH, VA
BAN20011236 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 26 PASHO STREET, ANDOVER, MA TO 5834 BLUE HILL ROAD, SUITE 100, GLENVILLE, PA
BAN20011237 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 13460 NORTH 94TH DRIVE, SUITE H-1A, PEORIA, AZ
BAN20011238 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 265 DRIFTWOOD DRIVE, EL CENTRO, CA
BAN20011239 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1330 PRINCE PHILLIP DRIVE, CASSELBERRY, FL
BAN20011240 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 10240 N.W. 47TH STREET, SUITE 17, SUNRISE, FL
BAN20011241 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 75-5782 KAWENA STREET, KAILIUA-KONA, HI
BAN20011242 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3320 FEATHERSTON DRIVE, LEXINGTON, KY
BAN20011243 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 10103 AUTUMN RIDGE COURT, BOWIE, MD
BAN20011244 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3729 BOYD DRIVE, EDGEWATER, MD
BAN20011245 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 4600 EMBASSY CIRCLE, SUITE 303, OWINGS MILLS, MD
BAN20011246 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 6550 CADILLAC STREET, GARDEN CITY, MI
BAN20011247 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 106 LEDGEWOOD DRIVE, RIGFORKE, MT
BAN20011248 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 22-1 FLORENCE TOLLGATE, FLORENCE, NJ
BAN20011249 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 13 W. BROAD STREET, PALMYRA, NJ
BAN20011250 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 5834 BLUE HILL ROAD, SUITE 100, GLENVILLE, PA
BAN20011251 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 4395 CHERRYCREST COVE, MEMPHIS, TN
BAN20011252 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 11948 CHAPEL ROAD, CLIFTON, VA
BAN20011253 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 9328 HERSH FARM LANE, MANASSAS, VA
BAN20011254 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 907 FOXBORO DRIVE, NEWPORT NEWS, VA
BAN20011255 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 10200 BUSHMAN DRIVE, SUITE 114, OAKTON, VA
BAN20011256 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1101 EVERGREEN AVENUE, RICHMOND, VA

BAN20011257 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3144 CRESTWOOD LANE, VIRGINIA BEACH, VA
BAN20011258 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 5435 W. SAHARA AVENUE, UNIT A, LAS VEGAS, NV
BAN20011259 CITIZENS FIRST FINANCIAL, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20011260 LEE, NATHAN C.
TO ACQUIRE 25 PERCENT OR MORE OF AMERISOURCE MORTGAGE, L.L.C.
BAN20011261 EMERSON, JR., GEORGE P.
TO ACQUIRE 25 PERCENT OR MORE OF AMERISOURCE MORTGAGE, L.L.C.
BAN20011262 HIMALAYA MORTGAGE & INVESTMENTS, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20011263 STARBOL SERVICES, INC.
FOR A MONEY ORDER LICENSE
BAN20011264 ALLIED MORTGAGE CAPITAL CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 833 ROUTE 37, WEST, SUITE 216, TOMS RIVER, NJ TO 11921 FREEDOM DRIVE, SUITE 550, RESTON, VA
BAN20011265 HORIZON FINANCIAL, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 8C CRAFTSMAN COURT, GREER, SC TO 31 BOLAND COURT, GREENVILLE, SC
BAN20011266 WASHINGTON MUTUAL FINANCE OF VIRGINIA, LLC
TO OPEN A MORTGAGE LENDER'S OFFICE AT 3405 MCLEMORE DRIVE, PENSACOLA, FL
BAN20011267 CHALLENGE FINANCIAL INVESTORS CORP.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 7530 DIPLOMAT DRIVE, SUITE 201, MANASSAS, VA
BAN20011268 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO RELOCATE OFFICE FROM 7021 MECHANICSVILLE TURNPIKE, MECHANICSVILLE, VA TO 7016 MECHANICSVILLE TURNPIKE, MECHANICSVILLE, VA
BAN20011269 FIRST COUNTY MORTGAGE SERVICES INCORPORATED
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 5901 KINGSTOWNE VILLAGE PKWY., SUITE 202, ALEXANDRIA, VA
BAN20011270 M-POINT, LLC
TO OPEN A MORTGAGE BROKER'S OFFICE AT 751 MILLER DRIVE, SUITE D-2, LEESBURG, VA
BAN20011271 CHALLENGE FINANCIAL INVESTORS CORP.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 203 YOAKUM PARKWAY, SUITE 907, ALEXANDRIA, VA TO 8303 ARLINGTON BOULEVARD, SUITE 210, FAIRFAX, VA
BAN20011272 METRO FINANCIAL GROUP, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20011273 DAVIS, KIM C.
TO OPEN A CHECK CASHER AT 3100 HALIFAX ROAD, SOUTH BOSTON, VA
BAN20011274 FIRST BANK AND TRUST COMPANY, THE
TO MERGE INTO IT FIRST BANK AND TRUST COMPANY OF TENNESSEE
BAN20011275 RBMG, INC.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 7909 PARKLANE ROAD, COLUMBIA, SC TO 9710 TWO NOTCH ROAD, COLUMBIA, SC
BAN20011276 RBMG, INC.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 8031 PHILIPS HIGHWAY, SUITE 6, JACKSONVILLE, FL TO 7215 FINANCIAL WAY, JACKSONVILLE, FL
BAN20011277 MERITAGE MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 340 INTERSTATE NORTH, SUITE 340, MARIETTA, GA
BAN20011278 MERITAGE MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 6650 SOUTHPOINT PARKWAY, SUITE 220, JACKSONVILLE, FL TO 7215 FINANCIAL WAY, JACKSONVILLE, FL
BAN20011279 FARMERS BANK, WINDSOR, VIRGINIA
TO OPEN A BRANCH AT 1238 HOLLAND ROAD, SUITE 104, SUFFOLK, VA
BAN20011280 RELIANCE MORTGAGE GROUP, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 5238 STONEY BRANCH COURT, CENTREVILLE, VA TO 4124 WALNEY ROAD, SUITE K, CHANTILLY, VA
BAN20011281 PEOPLES BANK OF VIRGINIA
TO OPEN A BANK AT 2702 NORTH PARHAM ROAD, HENRICO COUNTY, VA
BAN20011282 SOUTHERN STAR MORTGAGE CORP.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20011283 PMCC MORTGAGE CORP.
FOR A MORTGAGE LENDER'S LICENSE
BAN20011284 ERENNA, BEKELE L.
FOR A MORTGAGE BROKER'S LICENSE
BAN20011285 DAVIS, KIM C.
TO OPEN A CONSUMER FINANCE OFFICE
BAN20011286 ALL FUND, INC. D/B/A ALL FUND MORTGAGE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2936 BREEZEWOOD AVENUE, SUITE 200, FAYETTEVILLE, NC
BAN20011287 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 730 HOLIDAY DRIVE, PITTSBURGH, PA

BAN20011288 BLUE RIDGE FINANCE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 600 EAST MAIN STREET, PURCELLVILLE, VA
BAN20011289 EDWARD D. JONES & CO., L.P. D/B/A EDWARDJONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 4848 KINGS MOUNTAIN ROAD, COLLINSVILLE, VA
BAN20011290 MORTGAGEIT, INC. D/B/A MIT LENDING (ROCKVILLE, MD. ONLY)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1079 ROUTE 300, NEWBURGH, NY
BAN20011291 DAHABSHIL, INC.
FOR A MONEY ORDER LICENSE
BAN20011292 CENDANT MORTGAGE CORPORATION D/B/A PHH MORTGAGE SERVICES
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 14523 OAKMERE DRIVE, CENTREVILLE, VA TO 6824 ELM STREET, MCLEAN, VA
BAN20011293 CENDANT MORTGAGE CORPORATION D/B/A PHH MORTGAGE SERVICES
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1160 PEPSI PLACE, SUITE 306, CHARLOTTESVILLE, VA
BAN20011294 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 46950 COMMUNITY PLAZA, SUITE 212, STERLING, VA TO 207 E. HOLLY AVENUE, SUITE 213, STERLING, VA
BAN20011295 CALUSA INVESTMENTS, LLC
FOR A MORTGAGE LENDER'S LICENSE
BAN20011296 UNIVERSITY OF VIRGINIA COMMUNITY CREDIT UNION, INC.
TO MERGE INTO IT ACME VISIBLE RECORDS FEDERAL CREDIT UNION
BAN20011297 SMITH MORTGAGE SERVICES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20011298 AFS MORTGAGE INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 3100 18TH STREET, NW, WASHINGTON, DC TO 3102 18TH STREET, NW, WASHINGTON, DC
BAN20011299 APPROVED MORTGAGE CAPITAL, L.L.C.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 13800 COPPERMINE ROAD, SUITE 390, HERNDON, VA
BAN20011300 OCEANTRUST MORTGAGE CORP.
FOR A MORTGAGE BROKER'S LICENSE
BAN20011301 TOWER MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20011302 EQUITY SOLUTIONS, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20011303 FIRST GUARANTY MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1600 HUGUENOT ROAD, SUITE 119, MIDLOTHIAN, VA
BAN20011304 ALLIED MORTGAGE CAPITAL CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 10024 HOBBYHILL ROAD, RICHMOND, VA TO 601 TWIN RIDGE LANE, RICHMOND, VA
BAN20011305 KNOX FINANCIAL GROUP, LLC, THE
TO OPEN A MORTGAGE BROKER'S OFFICE AT 6301 IVY LANE, SUITE 110, GREENBELT, MD
BAN20011306 MORTGAGE GROUP, INC., THE
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 8521 LEESBURG PIKE, SUITE 290, VIENNA, VA TO 8500 EXECUTIVE PARK AVENUE, SUITE 310, FAIRFAX, VA
BAN20011307 GOODRICH, LARRY TAYLOR
TO BE AN EXCLUSIVE AGENT FOR PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
BAN20011308 KNOX FINANCIAL GROUP, LLC, THE
TO OPEN A MORTGAGE BROKER'S OFFICE AT 313 WEST LIBERTY PLACE, SUITE 313, LANCASTER, PA
BAN20011309 GETLOANS.COM, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20011310 GATEWAY FUNDING DIVERSIFIED MORTGAGE SERVICES, L.P.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1 HIGH STREET COURT, MORRISTOWN, NJ
BAN20011311 GATEWAY FUNDING DIVERSIFIED MORTGAGE SERVICES, L.P.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 298 P. CANTERBURY ROAD, BELAIR, MD
BAN20011312 CTX MORTGAGE COMPANY, LLC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 621 LYNNHAVEN PARKWAY, SUITE 275, VIRGINIA BEACH, VA TO 448 VIKING DRIVE, SUITE 170, VIRGINIA BEACH, VA
BAN20011313 MORTGAGE CENTER OF AMERICA, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 4238 WILSON BOULEVARD, SUITE 1190, ARLINGTON, VA
BAN20011314 COLUMBIA NATIONAL, INCORPORATED
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1440 CENTRAL PARK BLVD., SUITE 201, FREDERICKSBURG, VA TO 1934 WILLIAM STREET, FREDERICKSBURG, VA
BAN20011315 ADVANCED MORTGAGE SERVICES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 209 CANYON ROAD, WINCHESTER, VA TO 357 TASKER ROAD, STEPHENS CITY, VA
BAN20011316 HERITAGE MORTGAGE BROKERS, L.L.C.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 14205 ROCK CANYON DRIVE, CENTREVILLE, VA TO 6930 SCENIC POINT LANE, MANASSAS, VA
BAN20011317 CAPITAL FINANCIAL HOME EQUITY, LLC
TO OPEN A MORTGAGE BROKER'S OFFICE AT 392 BATTLEFIELD BLVD., SOUTH, SUITE 202, CHESAPEAKE, VA
BAN20011318 VALLEY BROKER SERVICES, INC. D/B/A VBS MORTGAGE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2323 GRACE CHAPEL ROAD, HARRISONBURG, VA TO 2950 SOUTH MAIN STREET, HARRISONBURG, VA

BAN20011319 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 21617 NORDHOFF STREET, CHATSWORTH, CA
BAN20011320 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2129 E. CENTER STREET, KINGSPORT, TN
BAN20011321 EXCEL MORTGAGE & INVESTMENT SERVICES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20011322 AMERICAN MONEY CENTERS, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20011323 MORTGAGEBOT LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20011324 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3212 CUTSHAW AVENUE, SUITE 204B, RICHMOND, VA
BAN20011325 CONSULTANT'S MORTGAGE INC. (USED IN VA BY: THE MORTGAGE CONSULTANTS INC.)
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 6184-A OLD FRANCONIA ROAD, ALEXANDRIA, VA TO 11309 BEACON RACE ROAD, WOODBRIDGE, VA
BAN20011326 EDWARD D. JONES & CO., L.P. D/B/A EDWARDJONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 411 SOUTH MAIN STREET, CULPEPER, VA
BAN20011327 EDWARD D. JONES & CO., L.P. D/B/A EDWARDJONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 416 SOUTH MAIN STREET, HILLSVILLE, VA
BAN20011328 CARDINAL MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 10400 PARKERHOUSE DRIVE, GREAT FALLS, VA TO 142 EAST MAIN STREET, PURCELLVILLE, VA
BAN20011329 CARDINAL MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 690 BERKMAR CIRCLE, CHARLOTTESVILLE, VA TO 102 WHITEWOOD ROAD, #2 SACHEM VILLAGE, CHARLOTTESVILLE, VA
BAN20011330 EPSTEIN, JEFFREY WILLIAM
FOR A MORTGAGE BROKER'S LICENSE
BAN20011331 ROBERT MUSSEMAN, ROBERT
FOR A MORTGAGE BROKER'S LICENSE
BAN20011332 PENGUIN MORTGAGE CO., INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20011333 SOUTHERN MORTGAGE SERVICES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 730 EAST CHURCH STREET, SUITE 7, MARTINSVILLE, VA
BFI010001 FIRST NATIONAL HOME FINANCE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-416.1
BFI010002 FIRST GUARANTY MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-416
BFI010003 POTOMAC MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010004 1ST CHOICE MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010005 BTS FINANCIAL GROUP INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010006 AMERICAN MORTGAGE CAPITAL INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010007 1ST SECURITY MORTGAGE INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010008 1ST CONTINENTAL MORTGAGE INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010009 AMERICAN HOME FINANCE INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010010 AMERICAN INTERNATIONAL MORTGAGE BANKERS INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010011 AMERICAN MORTGAGE BANKERS INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010012 AMERICAN MORTGAGE CAPITAL INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010013 AMERICAN MORTGAGE FINANCIAL AND INVESTMENT CO.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010014 AMERICORP FINANCIAL SERVICES
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010015 BANKERS FIRST MORTGAGE CO. INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010016 BARSONS FINANCIAL SERVICES CO.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010017 BUYER'S EDGE MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010018 CALVERT MORTGAGE COMPANY LLC
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010020 COLLINBROOK MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-418

BFI010021	COLONIAL ATLANTIC MORTGAGE INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010022	COMMUNITY FINANCIAL SERVICES
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010023	CONSUMER LENDING CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010024	COUNTRYSIDE MORTGAGE SERVICES
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010025	CROSS KEYS CAPITAL LP
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010027	DIVINITY MORTGAGE CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010029	EQUITABLE MORTGAGE GROUP INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010030	EQUITY SERVICES OF VA INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010031	EXPRESS MORTGAGE CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010032	F & M MORTGAGE CORPORATION
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010034	FIRST BANKERS MORTGAGE SERVICE
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010035	FIRST MID ATLANTIC MORTGAGE CORP. INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010036	FIRST REPUBLIC MORTGAGE CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010037	FIRST RESIDENTIAL MORTGAGE
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010038	FIRST RESIDENTIAL MORTGAGE SERVICES CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010039	FIRSTPORT MORTGAGE CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010040	FLAGSHIP CAPITAL SERVICES CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010041	GMFS LLC D/B/A NEIGHBORHOOD
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010042	HOMEOWNERS.COM INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010043	INTEGRITY MORTGAGE AND FINANCE INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010045	K HOVANIAN MORTGAGE INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010046	LELAND FINANCIAL SERVICES INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010047	LOAN CONSOLIDATION AND REFINANCING COMPANY LLC
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010048	MALONE MORTGAGE COMPANY
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010049	MANDARIN MORTGAGE CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010050	METROPOLITAN MORTGAGE CO.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010051	METSAR MORTGAGE CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010052	MG INVESTMENTS INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010053	MOLTON ALLEN & WILLIAMS MORTGAGE COMPANY LLC
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010054	MORGAN HOME FUNDING CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010055	NORTHERN VIRGINIA MORTGAGE CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010056	OLD TOWN FINANCIAL CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010057	OLYMPIC MORTGAGE GROUP INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010058	PREMIER MORTGAGE CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010059	PUMPHREY FINANCIAL GROUP
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010060	SKYLINE MORTGAGE GROUP LC
	ALLEGED VIOLATION OF VA CODE § 6.1-418

BFI010061 SOUTHEAST MORTGAGE BANKING
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010062 EQUITY SOURCE INC., THE
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010063 MORTGAGE TASK GROUP INC, THE
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010064 US MORTGAGE CORPORATION
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010065 USA MORTGAGE INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010066 UNITY MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010067 WASHINGTON HOME MORTGAGE LLC
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010068 WMS INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010069 DOMAIN FINANCIAL GROUP INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010070 EX PARTE: POWERS DELEGATED
POWERS DELEGATED TO COMMISSIONER OF FINANCIAL INSTITUTIONS
BFI010071 DIVERSIFIED LENDING SERVICES
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010074 TRUST ONE MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010075 FIRST BANKERS MORTGAGE SERVICE INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010076 DOMAIN FINANCIAL GROUP INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010077 MEMBERS CAPITAL MORTGAGE LLC
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010078 WILLOW FINANCIAL SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010079 CBSK FINANCIAL GROUP INC D/B/A AMERICAN HOME LOANS
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010080 EX PARTE: ANNUAL FEES
ANNUAL FEES FOR EXAMINATION, SUPERVISION AND REGULATION OF BANKS AND SAVINGS INSTITUTIONS
BFI010081 BEACON HOME MORTGAGE LLC
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010082 PREMIER MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010083 AMERICAN MORTGAGE EXCHANGE INC.
ALLEGED VIOLATION OF VA CODE § 6.1-416
BFI010084 FUTURE LINK 2000 INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010085 MERENDINO GROUP INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010086 NATIONWIDE MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010087 FAIRFAX MORTGAGE INC D/B/A MORTGAGE DESIGN
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI010088 HOMEBUYER'S MORTGAGE INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010089 NOVAK, FRANK A.
ALLEGED VIOLATION OF VA CODE § 6.1-416.1
BFI010090 DRAGAS MORTGAGE COMPANY
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010091 123 MORTGAGE SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010092 ACCENT MORTGAGE SERVICES
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010093 ACCESS MORTGAGE SERVICES
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010094 AFFINITY MORTGAGE COMPANY
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010095 ALLIED FUNDING CORPORATION
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010096 ALPHA MORTGAGE CORPORATION
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010097 AMERICAN MORTGAGE BANKERS INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010098 AMERICAN MORTGAGE FINANCIAL & INVESTMENT CO. INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413

BFI010099 AMERICAN MORTGAGE & INVESTMENT CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010100 AMERICARE MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010101 APPLE TREE MORTGAGE INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010102 ARTISAN MORTGAGE GROUP INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010103 ATLANTIC CAPITAL FUNDING CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010104 BARSONS FINANCIAL SERVICE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010105 BENEFIT FUNDING CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010106 EAST COAST MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010107 EQUITABLE MORTGAGE GROUP INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010108 BERKELEY FINANCIAL CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010109 EXPRESS MORTGAGE INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010110 FAITHLOAN INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010111 FIDELITY FUNDING MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010112 BUSINESS MORTGAGE INC .
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010113 FIDELITY HOME MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010114 FINANCIAL FREEDOM SENIOR FUNDING CORPORATION
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010115 FINANCIAL MORTGAGE INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010116 BUYER'S EDGE MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010117 FIRST ADVANTAGE MORTGAGE CO.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010118 FIRST AMERICAN HOME EQUITY INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010119 CENTEX CREDIT CORPORATION
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010120 FIRST CAPITAL MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010121 CHALLENGE FINANCIAL INVESTORS CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010122 FIRST CHESAPEAKE MORTGAGE CORP. OF FREDERICKSBURG
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010123 FIRST FINANCIAL FUNDING OF WASHINGTON, INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010124 CHESAPEAKE INVESTMENT & MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010125 FIRST FINANCIAL SERVICES OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010126 FIRST GOVERNMENT MORTGAGE & INVESTORS CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010127 CITIFINANCIAL INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010128 FIRST ONE LENDING CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010129 FIRST RESIDENTIAL MORTGAGE SERVICES CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010130 COMSTOCK MORTGAGE SERVICES LC
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010131 FIRST STREET MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010132 CONGRESSIONAL FUNDING INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010133 CREATIVE FINANCE INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010134 D & M FINANCIAL CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-413

BFI010135	WAPNER, LYNETTA
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010136	FORD ENTERPRISES INTERNATIONAL INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010137	HAMILTON NATIONAL MORTGAGE CO.
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010138	METFUND MORTGAGE CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010139	HOMECOMINGS FINANCIAL NETWORK INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010140	METSTAR MORTGAGE CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010141	INNOVATION FUNDING INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010142	JAM CONSULTANTS INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010143	JM MORTGAGE LLC
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010144	MID-STATES FINANCIAL GROUP INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010145	NEAL, JANIS B.
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010146	MILLENNIUM FINANCING INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010147	SEBECK, JOANNE C.
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010148	STOWE, JOEL
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010149	MOLTAN, ALLEN & WILLIAMS MORTGAGE CO. LLC
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010150	YATES, JOHN H.
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010151	ARONSON, JONATHAN
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010152	ZARGER, LANA C.
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010153	LANDMARK MORTGAGE INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010154	LELAND FINANCIAL SERVICES INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010155	MONUMENT MORTGAGE CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010156	LOAN CONSOLIDATION & REFINANCING CO. LLC
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010157	MORTGAGE CREDIT CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010158	MORTGAGE EXPRESS COMPANY
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010159	MORTGAGE FINDERS VIRGINIA INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010160	MORTGAGE LENDERS AMERICA LLC
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010162	MORTGAGE NETWORK USA INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010163	MORTGAGE PROCESSING INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010164	MORTGAGE TECHNOLOGY INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010165	PHILPOTT, NANCY G.
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010167	NATIONS MORTGAGE CO. INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010168	LUCAS, JR., SOLOMON RUSSELL
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010169	SOUTHLAND LOG HOMES MORTGAGE CO. LLC
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010170	NATIONS TRUST MORTGAGE CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010171	SOUTHWEST MORTGAGE CO. LLC
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010172	NEW DIRECTIONS MORTGAGE CO. INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-413

BFI010173 MORTGAGE CENTER INC, THE
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010174 MORTGAGE TASK GROUP, THE
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010175 NORTH ATLANTIC MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010176 SANFORD MORTGAGE LLC, THE
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010177 TITLE WEST MORTGAGE INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010178 BRODERICK, TOJUANNA G.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010179 NORTHSTAR MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010180 US MORTGAGE CORP OF VA
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010181 VISION MORTGAGE LLC
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010182 NUMAX MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010183 WASHINGTON NATIONWIDE MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010184 OLD TOWN FINANCIAL CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010185 WHITE OAK MORTGAGE GROUP LLC
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010186 OLYMPIC MORTGAGE GROUP INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010187 WHOLESALE EXPRESS MORTGAGE CORPORATION INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010188 NAVARRO, PEGGY L. AND GARTIN, LARRY D.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010189 PCLOANS.COM INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010190 PINNACLE MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § .1-413
BFI010191 PLATINUM CAPITAL GROUP INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010192 PLATINUM MORTGAGE INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010193 PREMIER FINANCIAL CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010194 PROSPERITY MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010195 PUMPHREY FINANCIAL GROUP
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010196 REGAL MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010197 RESIDENTIAL MORTGAGE ASSOCIATES. INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010198 FOX, ROBERT
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI010199 SZI INC.
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BFI010200 TECHNICAL OLYMPIC USA INC.
ALLEGED VIOLATION OF VA CODE § 6.1-416.1
BFI010201 BNC HOLDINGS INC.
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BFI010202 TM MORTGAGE CORPORATION
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BFI010203 EX PARTE: POWERS OF STATE
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BFI010207 EMERSON, JR., GEORGE P.
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BFI010208 FOUNDATION FUNDING GROUP D/B/A GREATSTONE MORTGAGE
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CLK010067 HOUSEHOLD AUTOMOTIVE
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INS010004 VIRGINIA SETTLEMENT GROUP L.C.
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INS010005 SERVICE TITLE & SETTLEMENTS INC.
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INS010007 CHANG, SUSAN AND EVERGREEN SETTLEMENT CO., INC.
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INS010008 FREMONT COMPENSATION COMPANY
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INS010009 HOMESURE OF VIRGINIA INC.
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INS010013 BAIL USA INC.
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INS010203 BILL FRALIC INSURANCE SERVICES INC.
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INS010208 ROSS NESBIT AGENCIES INC.
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INS010219 KINGSPORT DEVELOPMENT CO. INSURANCE INC.
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INS010220 BRUCE GRAU & ASSOCIATES INC.
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INS010221 SMATHERS, VANCE
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INS010222 PROCTOR, C. RUSSELL
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INS010223 CAMPBELL, JR., HOWARD E.
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INS010224 LINDBERT, SHINON J.
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INS010225 GIADROSICH, RONALD B.
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INS010242 BANKERS LIFE & CASUALTY CO.
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INS010244 PARKER STEVENS INSURANCE AGENCY OF MASS. INC.
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INS010304 LAWRIMORE, TERRY W.
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INS010305 HAYNIE, JAMES B. AND US ENTERPRISES LC
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INS010307 ARTHUR J. GALLAGHER & CO. INSURANCE BROKERS
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INS010308 AFFINITY INSURANCE SERVICES OF WASHINGTON INC.
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PST000003 ADELPHIA BUSINESS SOLUTIONS
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PUA010003 DELMARVA POWER & LIGHT COMPANY
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PUA010005 POTOMAC EDISON COMPANY
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PUA010006 RESTON LAKE ANNE AIR CONDITIONING CORP.
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PUA010009 VIRGINIA NATURAL GAS INC.
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PUA010011 ROANOKE GAS COMPANY
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PUA010012 COMM SOUTH COMPANIES OF VIRGINIA INC., ET AL.
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PUA010013 C&P ISLE OF WIGHT WATER CO.
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PUA010014 COMMUNITY ELECTRIC COOPERATIVE
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PUA010015 DELMARVA POWER & LIGHT CO.
FOR APPROVAL OF CERTAIN TRANSACTIONS UNDER CHAPTER 4 OF TITLE 56 OF CODE OF VIRGINIA

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PUA010018 KMC TELECOM HOLDINGS INC., ET AL.
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PUA010019 MARSHALL WATER WORKS INC.
FOR APPROVAL OF TRANSFER OF CONTROL OF ALL ASSETS OF MARSHALL WATER WORKS INC.

PUA010020 IDT INVESTMENTS INC.
FOR APPROVAL OF DIRECT AND INDIRECT ACQUISITION OF STOCK OF TELIGENT INC.

PUA010021 CONECTIV POTOMAC ELECTRIC CO. AND NEW RC INC.
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PUA010022 VIRGINIA ELECTRIC AND POWER CO.
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PUA010028 E.ON AG, POWERGEN PLC, ET AL.
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PUA010029 QWEST COMMUNICATION CORP. OF VA AND LCI INTERNATIONAL OF VIRGINIA
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FOR AUTHORITY TO TRANSFER ASSETS OF NET2000 TO CAVALIER
PUA010075 AT&T COMMUNICATIONS OF VIRGINIA
FOR APPROVAL OF MERGER
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FOR APPROVAL OF TRANSACTION BETWEEN AFFILIATES
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FOR AUTHORITY TO ACQUIRE CASTLE CRAIG WATER SYSTEM FROM CASTLE CRAIG WATER INC.
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FOR AUTHORITY TO ACQUIRE WOODROAM WATER SYSTEM FROM WOODROAM WATER WORKS INC.
PUA010081 GAMEWOOD DATA SYSTEMS INC.
FOR APPROVAL PURSUANT TO TITLE 56, CHAPTER 5 OF CODE OF VIRGINIA

PUA010082 AMERICAN WATER WORKS CO. AND THAMES WATER AQUA HOLDINGS GMBH
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PUC000294 COMCAST BUSINESS COMMUNICATIONS OF VIRGINIA LLC
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000303 CONSOLIDATED EDISON COMMUNICATIONS OF VIRGINIA INC.
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000305 TELSEON CARRIER SERVICES OF VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000324 AMERICAN FIBER SYSTEMS VA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000329 UNITED TELEPHONE-SOUTHEAST, CENTRAL TELEPHONE CO. OF VIRGINIA AND WINSTAR WIRELESS OF VIRGINIA, LLC
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PUC010001 XO VIRGINIA LLC
FOR CHANGES IN CERTIFICATES FOLLOWING CORPORATE NAME CHANGE

PUC010002 TELICOR OF VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC010003 ZEPHION NETWORKS, INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC010005 VERIZON SOUTH INC. AND PREFERRED CARRIER SERVICES OF VIRGINIA INC.
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PUC010006 VERIZON VIRGINIA INC.
FOR EXEMPTION FROM PHYSICAL COLLOCATION AT MASON COVE AND HARTWOOD CENTRAL OFFICES

PUC010007 UNITED TELEPHONE-SOUTHEAST, CENTRAL TELEPHONE CO. OF VIRGINIA AND CAT COMMUNICATIONS INTERNATIONAL, INC. D/B/A CCI
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDERE § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010008 ROADSLATE NETWORKS VA INC.
FOR INQUIRY INTO LOOP PROVISIONING ACTIVITIES OF VERIZON VIRGINIA INC.

PUC010009 NITED TELEPHONE-SOUTHEAST, KMC TELECOM OF VIRGINIA, ET AL.
FOR APPROVAL OF AMENDMENT TO INTERCONNECTION AGREEMENT

PUC010010 CENTRAL TELEPHONE CO. OF VIRGINIA, KMC TELECOM OF VIRGINIA, ET AL.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010011 AES COMMUNICATIONS LLC
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC010012 UNITED TELEPHONE-SOUTHEAST INC., CENTRAL TELEPHONE CO. OF VIRGINIA AND MAX-TEL COMMUNICATIONS INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010013 ADELPHIA BUSINESS SOLUTION OF VIRGINIA LLC
FOR CHANGES IN CERTIFICATE FOLLOWING MERGER OF SUBSIDIARIES AND CORPORATE NAME CHANGE OF PARENT COMPANY

PUC010014 VERIZON VIRGINIA INC. AND BROADVIEW NETWORKS OF VIRGINIA INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010015 VERIZON VIRGINIA INC. AND ATX TELECOMMUNICATIONS SERVICES LTD
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010016 CARONET INC. F/K/A INTERPATH COMMUNICATIONS INC
FOR CANCELLATION AND REISSUANCE OF CERTIFICATES TO REFLECT CORPORATE NAME CHANGE

PUC010017 CAMBRIAN COMMUNICATIONS OF VIRGINIA LLC
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC010018 CFW COMMUNICATIONS
FOR AMENDED CERTIFICATE UNDER UTILITY FACILITIES ACT

PUC010019 CFW COMMUNICATIONS
FOR AMENDED CERTIFICATE UNDER UTILITY FACILITIES ACT

PUC010020 VERIZON VIRGINIA INC.
FOR AMENDED CERTIFICATE UNDER UTILITY FACILITIES ACT

PUC010021 AMELIA TELEPHONE CORPORATION, TDS TELECOM AND NTELOS, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010023 DIGITAL BROADBAND COMMUNICATIONS OF VIRGINIA LLC
FOR CANCELLATION OF CERTIFICATES

PUC010024 VERIZON VIRGINIA INC.AND LEVEL 3 COMMUNICATIONS, LLC
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010025 T-CUBED OF VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC010026 UNITED TELEPHONE-SOUTHEAST INC., CENTRAL TELEPHONE CO. OF VIRGINIA AND DIRECT-TEL USA, LLC
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010027 CENTRAL TELEPHONE CO. OF VIRGINIA, UNITED TELEPHONE-SOUTHEAST INC. AND METROCALL, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010028 VERIZON VIRGINIA INC. AND Z-TEL COMMUNICATIONS OF VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010029 VERIZON VIRGINIA INC. AND LOOKING GLASS NETWORKS OF VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010030 VERIZON SOUTH INC. AND REFLEX COMMUNICATIONS OF VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010031 VERIZON SOUTH INC. AND SINGLE SOURCE OF VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010032 VERIZON VIRGINIA INC.
FOR APPROVAL OF PLAN FOR ALTERNATIVE REGULATION

PUC010033 DYNAMIC TELCO SERVICES OF VIRGINIA
FOR CANCELLATION OF CERTIFICATES

PUC010034 NETWORK PLUS VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC010035 360NETWORKS (USA) OF VIRGINIA
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC010036 VERIZON VIRGINIA INC. AND GCR TELECOMMUNICATIONS INC.
FOR APPROVAL OF AMENDMENT TO INTERCONNECTION AGREEMENT

PUC010037 NTELOS NETWORK INC.
FOR CANCELLATION AND REISSUANCE OF CERTIFICATES TO REFLECT CORPORATE NAME CHANGE

PUC010038 NTELOS NETWORK INC.
FOR CANCELLATION AND REISSUANCE OF CERTIFICATES TO REFLECT CORPORATE NAME CHANGE

PUC010039 CENTRAL TELEPHONE CO. OF VIRGINIA, UNITED TELEPHONE-SOUTHEAST, INC. AND ASPIRE TELECOM INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010040 SPRINT SPECTRUM AND SHENANDOAH TELEPHONE CO.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010041 GOBEAM SERVICES OF VIRGINIA INC.
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC010042 VERIZON VIRGINIA INC. AND PATHNET OPERATING OF VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010043 VERIZON VIRGINIA INC. AND EGIX ETWORK SERVICES OF VIRGINIA INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010044 EL PASO NETWORKS LLC
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC010045 VERIZON VIRGINIA INC. AND MASSACHUSETTS LOCAL TELEPHONE CO. INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010046 VERIZON VIRGINIA INC. AND LIGHTBONDING.COM VIRGINIA INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010047 VERIZON VIRGINIA INC., ARCH PAGING INC. AND MOBILE COMMUNICATIONS CORP.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010050 VERIZON VIRGINIA INC. AND AT&T WIRELESS SERVICES INC.
FOR APPROVAL OF AMENDMENT TO INTERCONNECTION AGREEMENT

PUC010053 ALLEGHENY COMMUNICATIONS CONNECT OF VIRGINIA
FOR CERTIFICATE TO PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC010054 ENRON BROADBAND SERVICES OF VIRGINIA
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC010055 NETWORK ACCESS SOLUTIONS LLC
FOR ADOPTION OF PERFORMANCE ASSURANCE PLAN GOVERNING DSL LOOP PROVISIONING BY VERIZON VIRGINIA

PUC010056 PUREPACKET COMMUNICATIONS OF VIRGINIA INC.
FOR CANCELLATION AND REISSUANCE OF CERTIFICATE TO REFLECT CORPORATE NAME CHANGE

PUC010057 MCLEODUSA TELECOMMUNICATIONS SERVICES OF VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATION SERVICES

PUC010058 CD STONE INC, THE
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC010059 FADAHUNSI, LOLA T/A LOLAFAD PAYPHONE SERVICES
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC010060 TRIVEDI INC. T/A DENNY'S
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC010061 DEHKAM, RAMIN T/A FALLS CHURCH LAUNDER CENTER
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC010062 BATTLE GROUP INC., THE T/A TBG COMMUNICATIONS CO.
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC010063 MCMILLAN, LEE T/A LEE'S BEAUTY & BARBERING
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC010064 CHAUDHRY, NADEEM A T/A ANS PARTNER BLAIRS EXPRESSWAY MART
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC010065 KAR CORP. T/A ALAN'S EXXON
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC010066 CLAWSON, JERRY T/A PHOENIX TELECOM LLC
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC010067 RICHARDSON, JAMES A.
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC010068 MILLER, FERNESITA T/A DIGITEL SYSTEMS CO.
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC010069 PAY PHONE CONNECTION INC.
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC010070 EBO, DAVIS T/A ONYX COMMUNICATIONS
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC010071 HAMMONDS SR., MICHAEL T/A STAR COMMUNICATIONS
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC010072 BROYLES, JASON T/A SKYNET
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC010073 PUZZLE MAKER INC. T/A QUEENS GAMBIT INC.
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC010074 BERKLEY, THOMAS T/A BERKLEY COMMUNICATIONS
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC010075 TINSLEY JR., JAMES T/A E T TELECOM
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC010076 NEW ACCESS COMMUNICATIONS LLC
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC010077 TOTAL-TEL VIRGINIA INC.
FOR CANCELLATION AND REISSUANCE OF CERTIFICATES TO REFLECT CORPORATE NAME CHANGE

PUC010078 PVTEL OF VIRGINIA LLC
FOR CANCELLATION OF CERTSIFICATES

PUC010079 INFOHIGHWAY OF VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC010080 WERBINSKI, KEVIN M.
ALLEGED VIOLATION OF VA CODE §§ 56-508.15 AND 56-508.16

PUC010081 HANDSHAW, HARRY T/A HQ COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE §§ 56-508.15 AND 56-508.16

PUC010082 NAGHDI, SHA T/A NORSTAR TELECOMMUNICATIONS LLC
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC010083 LEWIS, ROMANUEL T/A LEWIS COMMUNICATION
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC010084 EBERSOLE, KURT W.
ALLEGED VIOLATION OF VA CODE §§ 56-508.15 AND 56-508.16

PUC010085 HIXSON, JERRY L. T/A OLD TOWN FUNDING L.L.C.
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC010086 WINSLOW, JAMES
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC010087 JUAREZ, ROLANDO T/A RESTAURANTE ABI
ALLEGED VIOLATION OF VA CODE VA CODE §§ 56-508.15 AND 56-508.16

PUC010088 ANTHONY, IRENE Y T/A ANTHONY'S BARBER STYLING COLLEGE
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC010089 PAGE, JOHN T/A TRW S & ITG COMMUNICATIONS DEPARTMENT
ALLEGED VIOLATION OF VA CODE §§ 56-508.15 AND 56-508.16

PUC010090 SUISSA, MICHEL M. T/A MICHEL RENE FOR HAIR
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC010091 VERIZON SOUTH INC. AND OPENBAND OF VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010093 BIT NETWORKS LLC
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC010094 VERIZON VIRGINIA INC. AND ONSITE ACCESS LOCAL LLC
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010095 ENKIDO INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATION SERVICES

PUC010096 CAVALIER TELEPHONE L.L.C., NETWORK ACCESS SOLUTIONS, LLC, ET AL.
FOR STRUCTURAL SEPARATION OF VERIZON'S VIRGINIA INC. AND VERIZON SOUTH INC.

PUC010097 NORTHPOINT COMMUNICATIONS INC.
FOR CANCELLATION OF CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC010098 FUZION WIRELESS COMMUNICATIONS OF VIRGINIA INC.
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS. SERVICES

PUC010099 UNITED TELEPHONE-SOUTHEAST, INC., CENTRAL TELEPHONE COMPANY OF VIRGINIA AND ZEPHION NETWORKS COMMUNICATIONS
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010100 EX PARTE: RULES
IN THE MATTER OF ESTABLISHING RULES GOVERNING ABBREVIATED DISPUTE RESOLUTION PROCESS

PUC010101 LIGHTSOURCE TELECOM II LLC
FOR CANCELLATION AND REISSUANCE OF CERTIFICATE TO REFLECT CORPORATE NAME CHANGE

PUC010102 VITTS NETWORKS OF VIRGINIA INC.
FOR CANCELLATION OF CERTIFICATES

PUC010103 VERIZON VIRGINIA INC. AND NTELOS NETWORK INC.
FOR APPROVAL OF SUPPLEMENT TO INTERCONNECTION AGREEMENT

PUC010104 CABLE & WIRELESS OF VIRGINIA
FOR APPROVAL TO WITHDRAW UNITED TELNET SERVICE PRODUCT

PUC010105 VERIZON SOUTH INC. AND TELEPHONE CO. OF CENTRAL FLORIDA INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010106 VERIZON SOUTH INC. AND LIGHTWAVE COMMUNICAITONS LLC
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010107 VERIZON VIRGINIA INC. AND FUZION WIRELESS COMMUNICATIONS OF VIRGINIA INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010108 VERIZON VIRGINIA INC. AND SINGLE SOURCE OF VIRGINIA INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010109 AMELIA TELEPHONE CORP., TDS TELECOM AND RCTC
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010110 WOODLAWN COMMUNICATIONS LLC
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC010111 VERIZON SOUTH INC. F/K/A GTE SOUTH INC. AND EDGE CONNECTIONS OF VIRGINIA LLC
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010112 TELIGENT SERVICES INC.
FOR APPROVAL TO DISCONTINUE LOCAL EXCHANGE SERVICE

PUC010113 EVEREST CONNECTIONS CORP. OF VIRGINIA
FOR CANCELLATION OF CERTIFICATES TO PROVIDE TELECOMMUNICATION SERVICES

PUC010115 VERIZON VIRGINIA INC. ANDAES COMUNICATIONS LLC
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010116 VERIZON VIRGINIA INC. AND OPENBAND OF VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010118 AMELIA TELEPHONE CORP., ET AL.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010119 VERIZON SOUTH INC. AND FUZION WIRELESS COMMUNICATIONS OF VIRGINIA INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010120 VERIZON SOUTH INC. AND CYRIS LLC
FOR APPROVAL OF SUPPLEMENT TO INTERCONNECTION AGREEMENT

PUC010121 VERIZON VIRGINIA INC. AND FOCAL COMMUNICATIONS CORP. OF VIRGINIA
FOR APPROVAL OF INTERCONNETION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010122 EX PARTE: REGULATIONS
IN THE MATTER OF UPDATING CERTAIN REGULATIONS RELATING TO TELECOMMUNICATIONS

PUC010123 VERIZON VIRGINIA INC. AND AMERICAN FIBER NETWORK OF VIRGINIA, INC. D/B/A AFN
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010124 VERIZON VIRGINIA INC. AND NPCR INC. D/B/A NEXTEL PARTNERS
FOR APPROVAL OF RESALE INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010125 VERIZON AVENUE CORP.
TO CANCEL EXISTING CERTIFICATE AND REISSUE CERTIFICATE REFLECTING NEW NAME

PUC010126 @LINK NETWORKS OF VIRGINIA INC. F/K/A DAKOTA SERVICES LTD.
FOR CANCELLATION OF CERTIFICATES

PUC010127 TMC OF VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC010128 EX PARTE: RULES
IN THE MATTER OF ESTABLISHING RULES GOVERNING DISCONTINUANCE OF LOCAL EXCHANGE SERVICE PROVIDED BY COMPETITIVE LOCAL EXCHANGE CARRIERS

PUC010129 EX PARTE: RULES
IN THE MATTER OF REVISING RULES GOVERNING OFFERING OF COMPETITIVE LOCAL EXCHANGE SERVICE

PUC010130 CENTRAL TELEPHONE CO. OF VIRGINIA, UNITED TELEPHONE-SOUTHEAST, INC. AND AT&T WIRELESS SERVICES, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010132 LIGHTBONDING.COM VIRGINIA INC.
FOR CANCELLATION OF CERTIFICATES

PUC010133 TALK AMERICA VIRGINIA INC. F/K/A TEL-SAVE HOLDING OF VIRGINIA INC.
FOR CANCELLATION AND REISSUANCE OF CERTIFICATES TO REFLECT CORPORATE NAME CHANGE

PUC010136 SPRINT COMMUNICATIONS CO. OF VIRGINIA, VERIZON VIRGINIA INC. AND VERIZON SOUTH INC.
FOR ARBITRATION OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010137 URBAN MEDIA OF VIRGINIA INC.
FOR CANCELLATION OF CERTIFICATES

PUC010138 KMC DATA LLC
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC010139 VERIZON VIRGINIA INC.
TO EXTENDED LOCAL SERIVCE IN THE CATOCTIN (668) EXCHANGE TO HERNDON, FAIRFAX ET AL.

PUC010140 VERIZON SOUTH INC.
TO EXTEND LOCAL SERVICE FROM VERIZON SOUTH'S ARCOLA EXCHANGE TO DISTRICT OF COLUMBIA EXCHANGE

PUC010141 UNITED TELEPHONE-SOUTHEAST INC., CENTRAL TELEPHONE CO. OF VIRGINIA AND BROADSLATE NETWORKS OF VIRGINIA INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010142 AMELIA TELEPHONE CORP. AND CAVALIER TELEPHONE LLC
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010143 VERIZON VIRGINIA INC. AND FAIRPOINT COMMUNICATIONS CORP. – VIRGINIA
FOR APPROVAL OF AMENDMENTS TO INTERCONNECTION AGREEMENT

PUC010144 VERIZON VIRGINIA INC. AND JONES TELECOMMUNICATIONS OF VIRGINIA INC. D/B/A COMCAST COMMUNICATIONS OF VIRGINIA
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010145 CENTRAL TELEPHONE CO. OF VIRGINIA, UNITED TELEPHONE-SOUTHEAST, INC. NTCH-ET INC. AND NTCH-WEST TENN. INC. D/B/A CLEARTALK
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010146 YIPES TRANSMISSION VIRGINIA INC. AND VERIZON VIRGINIA INC.
FOR ARBITRATION OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010147 BROADBAND OFFICE COMMUNICATIONS-VIRGINIA INC.
FOR TERMINATION OF LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC010148 GLOBAL TELECOM BROKERS OF VIRGINIA INC.
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC010149 CONECTIV COMMUNICATIONS OF VIRGINIA
TO CANCEL CERTIFICATES

PUC010150 SYLVATUS EXCHANGE CUSTOMERS
FOR EXTENDED LOCAL SERVICE FROM UNITED TELEPHONE-SOUTHEAST, INC.'S SYLVATUS EXCHANGE TO WYTHEVILLE EXCHANGE

PUC010151 ELINK TELECOMMUNICATIONS OF VIRGINIA INC.
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC010153 VERIZON SOUTH INC. AND VERIZON VIRGINIA INC.
FOR PARTIAL WAIVER OF STATE CORPORATION COMMISSION RULES OF PRACTICE AND PROCEDURE

PUC010156 VOICESTREAM WIRELESS CORP. AND SHENANDOAH TELEPHONE CO.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010158 VERIZON SOUTH INC. AND 1-800-RECONEX INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010159 OPENBAND OF VIRGINIA INC.
TO CANCEL CERTIFICATES

PUC010160 2ND CENTURY COMMUNICATIONS OF VIRGINIA INC.
FOR CANCELLATION OF CERTIFICATE

PUC010161 OPENBAND OF VIRGINIA LLC
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC010162 UNITED TELEPHONE-SOUTHEAST INC., CENTRAL TELEPHONE CO. OF VIRGINIA AND AMERICAN FIBER NETWORK OF VIRGINIA INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010163 CAVALIER TELEPHONE LLC
FOR REFUSING OR FAILING TO PORT TELEPHONE NUMBERS FOR CUSTOMERS SWITCHING FROM CAVALIER SERVICE TO ANOTHER LOCAL EXCHANGE TELECOMMUNICATIONS COMPANY

PUC010165 BROADSLATE NETWORKS OF VIRGINIA INC.
FOR DECLARATORY JUDGMENT INTERPRETING INTERCONNECTION AGREEMENT WITH CENTRAL TELEPHONE CO. OF VIRGINIA, INC. AND UNITED TELEPHONE-SOUTHEAST, INC. ("SPRINT") AND DIRECTING SPRINT TO PROVISION UNBUNDLED NETWORK ELEMENTS IN ACCORDANCE WITH THE TELECOMMUNICATIONS ACT OF 1996

PUC010166 BROADSLATE NETWORKS OF VIRGINIA, INC.
FOR DECLARATORY JUDGMENT INTERPRETING INTERCONNECTION AGREEMENT WITH VERIZON VIRGINIA INC. (F/K/A BELL ATLANTIC-VIRGINIA, INC.) AND DIRECTING VERIZON TO PROVISION UNBUNDLED NETWORK ELEMENTS IN ACCORDANCE WITH THE TELECOMMUNICATIONS ACT OF 1996

PUC010167 RTO COMMUNICATIONS LLC
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC010168 CENTRAL TELEPHONE CO. OF VIRGINIA, UNITED TELEPHONE-SOUTHEAST INC. AND VERIZON WIRELESS
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER §252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010169 UNITED TELEPHONE-SOUTHEAST INC., CENTRAL TELEPHONE CO. OF VIRGINIA AND DEVON MOBILE COMMUNICAITONS LP
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010170 UNITED TELEPHONE SOUTHEAST INC., CENTRAL TELEPHONE CO. OF VIRGINIA AND BUSINESS TELECOM INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010171 XO LONG DISTANCE SERVICES (VA) LLC
FOR CERTIFICATE TO PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC010172 VIRGINIA TELECOMMUNICATIONS INDUSTRY ASSOCIATION
FOR FORMAL PROCEDURES FOR ANNUAL CERTIFICATION OF USE OF UNIVERSAL SERVICE SUPPORT

PUC010173 ONSITE ACCESS LOCAL LLC
FOR CANCELLATION OF CERTIFICATES

PUC010175 VERIZON VIRGINIA INC.
TO IMPLEMENT EXTENDED LOCAL SERVICE FROM VERIZON'S ROANOKE EXCHANGE TO VERIZON'S BUCHANAN EXCHANGE

PUC010176 360 COMMUNICATIONS CO. OF CHARLOTTESVILLE D/B/A ALLTEL
FOR INJUNCTION AND OTHER RELIEF AND REQUEST FOR EMERGENCY AND EXPEDITED RELIEF

PUC010177 RHYTHMS LINKS INC.
FOR AUTHORITY TO CANCEL LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC010178 CENTRAL TELEPHONE CO. OF VIRGINIA, UNITED TELEPHONE-SOUTHEAST INC. AND HIGHLAND CELLULAR
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010179 VARTEC TELECOM INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC010180 CAVALIER TELEPHONE LLC, PETITIONER V. VERIZON VIRGINIA INC., DEFENDANT
PETITION FOR SUSPENSION OF FLEXGROW TARIFF

PUC010181 US LEC OF VIRGINIA LLC
FOR CERTIFICATE TO PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC010182 VERIZON SOUTH INC. VIC-RMTS-DC D/B/A VERIZON AVENUE
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010185 VERIZON SOUTH INC. AND PREMIERE NETWORK SERVICES OF VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010186 EX PARTE: RULES
IN THE MATTER OF REVISING RULES GOVERNING PAYPHONE SERVICE AND INSTRUMENTS20 VAC 5-400-90

PUC010187 TELECENTS OF VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC010189 VERIZON VIRGINIA INC. AND VERIZON SOUTH INC.
TO CLARIFY EXTENDED LOCAL CALLING STATUS BETWEEN HAMPTON AND CRITTENDEN AND BETWEEN NEWPORT NEWS AND CRITTENDEN EXCHANGES

PUC010190 VERIZON SOUTH INC. AND NOS COMMUNICATIONS INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010191 VERIZON SOUTH INC. AND Z-TEL COMMUNICATIONS VA INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010192 VERIZON SOUTH INC. AND BUSINESS TELECOM INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010193 VERIZON SOUTH INC. AND ALDELPHIA BUSINESS SOLUTIONS OF VIRGINIA LLC
FOR APPROVAL OF AMENDMENT TO INTERCONNECTION AGREEMENT

PUC010194 US LEC OF VIRGINIA LLC
FOR DECLARATORY JUDGMENT INTERPRETING AND ENFORCING INTERCONNECTION AGREEMENT

PUC010195 UNITED TELEPHONE-SOUTHEAST INC. AND SHENTEL COMMUNICATIONS
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010198 BROADSTREET COMMUNICATIONS OF VIRGINIA LLC
FOR AUTHORITY TO DISCONTINUE TELECOMMUNICATIONS SERVICES IN ROANOKE AREA

PUC010199 UNITED TELEPHONE-SOUTHEAST INC., CENTRAL TELEPHONE CO. OF VIRGINIA AND 1-800-RECONEX, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010200 UNITED TELEPHONE-SOUTHEAST INC., CENTRAL TELEPHONE CO. OF VIRGINIA AND PREFERRED CARRIER SERVICES OF VIRGINIA INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010201 EX PARTE: RULES
IN THE MATTER OF ADOPTING SERVICE QUALITY RULES

PUC010202 VERIZON VIRGINIA INC.
TO EXTEND LOCAL SERVICE BETWEEN HAYSI EXCHANGE AND DANTE, HONAKER, AND LEBANON EXCHANGES

PUC010203 BUDGET PHONE OF VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE PREPAID MONTH-BY-MONTH LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC010204 BUSINESS TELECOM OF VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC010205 VERIZON SOUTH INC. AND IDS TELCOM LLC
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010206 EX PARTE: PERFORMANCE STANDARDS
IN THE MATTER OF ESTABLISHING CARRIER PERFORMANCE STANDARDS FOR VERIZON VIRGINIA INC.

PUC010207 ARBROS COMMUNICATIONS INC.
FOR EXTENSION OF TIME TO FILE AUDITED FINANCIAL STATEMENTS

PUC010208 VERIZON VIRGINIA INC. AND VIC-RMTS-DC LLC D/B/A VERIZON AVENUE
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010209 VERIZON VIRGINIA INC. AND TELEPHONE CO. OF CENTRAL FLORIDA INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER §252 (E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010210 PICUS COMMUNICATIONS LLC
FOR CANCELLATION OF CERTIFICATES AND TARIFFS

PUC010211 VITCOM CORPORATION
FOR CERTIFICATE TO PROVIDE LOCAL TELECOMMUNICATIONS SERVICES

PUC010212 INTRADO COMMUNICATIONS INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC010213 CAVALIER TELEPHONE LLC
TO RECLASSIFY BETHIA WIRE CENTER INTO DENSITY CELL ONE

PUC010214 VERIZON ADVANCED DATA, VERIZON VIRGINIA INC. AND VERIZON SOUTH
FOR APPROVAL TO DISCONTINUE LOCAL EXCHANGE AND INTRALATA INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC010215 VERIZON SOUTH INC. AND STICKDOG TELECOM INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010216 VERIZON VIRGINIA INC. AND BUSINESS TELECOM OF VIRGINIA INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010217 DECOT, MARK E.
COMPLAINT AGAINST WILLIAMS COMMUNICATIONS, INC.

PUC010218 UNITED TELEPHONE-SOUTHEAST INC., CENTRAL TELEPHONE CO. OF VIRGINIA AND SHENTEL COMMUNICATIONS CO.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010220 VERIZON SOUTH INC
TO EXTEND LOCAL SERVICE FROM JEWELL RIDGE EXCHANGE TO BIG PRATER, RICHLANDS, TAZEWELL, DAVENPORT, HONAKER AND LEBANON EXCHANGES

PUC010221 STARPOWER COMMUNICATIONS
FOR AUTHORITY TO GRANDFATHER RESALE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC010222 A-TECH TELECOM OF VIRGINIA
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE

PUC010223 VERIZON VIRGINIA INC., DSL.NET COMMUNICATIONS VA, INC. D/B/A DSL.NET, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010224 VERIZON VIRGINIA INC. AND IDS TELECOM LLC
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010225 VERIZON VIRGINIA INC. AND 1-800-RECONEX, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010226 EX PARTE: PERFORMANCE ASSURANCE PROGRAM
IN THE MATTER OF ESTABLISHING A PERFORMANCE ASSURANCE PROGRAM FOR VERIZON VIRGINIA, INC.

PUC010229 UNITED TELEPHONE-SOUTHEAST INC., CENTRAL TELEPHONE CO. OF VIRGINIA AND DIRECT2INTERNET CORP.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010230 VERIZON SOUTH INC. AND ACCESS POINT OF VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010231 VERIZON SOUTH INC. AND PREFERRED CARRIER SERVICES, INC. D/B/A PHONE FOR ALL & TELEFONOS PAR TODOS
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010232 PAETEC COMMUNICATIONS OF VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC010233 VERIZON VIRGINIA INC. AND CYRIS LLC
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010234 VERIZON VIRGINIA INC. AND NEW ACCESS COMMUNICATIONS LLC
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010235 VERIZON VIRGINIA INC. AND Z-TEL COMMUNICATIONS, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010236 VERIZON VIRGINIA INC. AND PREFERRED CARRIER SERVICES OF VIRGINIA INC. D/B/A PHONE FOR ALL
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010237 VERIZON SOUTH INC. AND NOW COMMUNICTIONS OF VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010238 TELIGENT SERVICES OF VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICAITONS SERVICES

PUC010239 KMC TELECOM OF VIRGINIA INC., ET AL.
FOR DECLARATORY JUDGMENT ENFORCING THEIR INTERCONNECTION AGREEMENTS VERIZON VIRGINIA INC.

PUC010241 VERIZON SOUTH INC. AND IG2 INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC010242 QUANTUMSHIFT COMMUNICATIONS OF VIRGINIA, INC.
TO CANCEL EXISTING CERTIFICATES AND REISSUE CERTIFICATE REFLECTING NEW NAME

PUC010243 NTERA OF VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC010245 TELIGENT OF VIRGINIA INC.
FOR EMERGENCY AUTHORITY TO DISCONTINUE LOCAL EXCHANGE SERVICE

PUC010247 MPOWER COMMUNICATIONS OF VIRGINIA INC.
FOR CANCELLATION OF CERTIFICATE

PUC010248 FAIRPOINT COMMUNICATIONS CORP.-VIRGINIA
FOR AUTHORITY TO DISCONTINUE RETAIL TELEPHONE SERVICE

PUC010250 NEWSOUTH COMMUNICATIONS OF VIRGINIA INC.
FOR CANCELLATION OF CERTIFICATE

PUC010254 VERIZON VIRGINIA INC.
TO EXTEND LOCAL SERVICE FROM CHARLES CITY EXCHANGE TO RICHMOND EXCHANGE

PUC010255 AT&T COMMUNICATIONS OF VIRGINIA LLC
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC010258 BROADSTREET COMMUNICATIONS OF VIRGINIA LLC
FOR AUTHORITY TO CEASE OPERATIONS AND DISCONTINUE ALL TELECOMMUNICATIONS SERVICES

PUC010259 LIGHTSOURCE TELECOM II LLC
FOR CANCELLATION OF CERTFICATES

PUE: DIVISION OF ENERGY REGULATION

PUE000486 TITAN ENERGY OF CHESAPEAKE INC.
FOR LICENSE TO CONDUCT BUSINESS AS COMPETITIVE SERVICE PROVIDER IN NATURAL GAS RETAIL ACCESS PILOT PROGRAMS

PUE000568 CNG RETAIL SERVICES CORP.
TO CANCEL CERTIFICATE AND REISSUE CERTIFICATE IN NEW CORP. NAME

PUE000741 VIRGINIA ELECTRIC & POWER CO.
FOR CERTIFICATE TO DEVELOP, CONSTRUCT, OWN AND OPERATE NATURAL GAS PIPELINE

PUE000743 WASHINGTON GAS LIGHT CO. AND SHENANDOAH GAS DIVISION, THE
FOR WAIVER OF CERTAIN TARIFF PROVISIONS
PUE000745 VIRGINIA ELECTRIC & POWER CO.
FOR CERTIFICATE TO OPERATE COGENERATION FACILITIES IN ALTAVISTA, HOPEWELL AND SOUTHAMPTON, VA
PUE000746 COMMUNITY ELECTRIC COOPERATIVE
FOR APPROVAL OF FUNCTIONAL SEPARATION PLAN
PUE000747 SHENANDOAH VALLEY ELECTRIC COOPERATIVE
FOR GENERAL RATE INCREASE
PUE000748 SHENANDOAH VALLEY ELECTRIC COOPERATIVE
FOR APPROVAL OF FUNCTIONAL SEPARATION PLAN
PUE000749 SOUTHSIDE ELECTRIC COOPERATIVE
FOR APPROVAL OF FUNCTIONAL SEPARATION PLAN
PUE000750 SOUTHSIDE ELECTRIC COOPERATIVE
FOR GENERAL RATE INCREASE AND FOR APPROVAL OF SPECIAL RATE AND CONTRACT
PUE010001 PRINCE GEORGE ELECTRIC COOPERATIVE
FOR APPROVAL OF FUNCTIONAL SEPARATION PLAN
PUE010002 BARC ELECTRIC COOPERATIVE
FOR APPROVAL OF FUNCTIONAL SEPARATION PLAN
PUE010003 KENTUCKY UTILITIES COMPANY
FOR APPROVAL OF FUNCTIONAL SEPARATION PLAN
PUE010004 MECKLENBURG ELECTRIC COOPERATIVE
FOR APPROVAL OF FUNCTIONAL SEPARATION PLAN
PUE010005 NORTHERN VIRGINIA ELECTRIC COOPERATIVE
FOR APPROVAL OF FUNCTIONAL SEPARATION PLAN
PUE010006 NORTHERN NECK ELECTRIC COOPERATIVE
FOR APPROVAL OF FUNCTIONAL SEPARATION PLAN
PUE010007 RAPPAHANNOCK ELECTRIC COOPERATIVE
FOR APPROVAL OF FUNCTIONAL SEPARATION PLAN
PUE010008 A&N ELECTRIC COOPERATIVE
FOR APPROVAL OF FUNCTIONAL SEPARATION PLAN
PUE010009 CRAIG-BOTETOURT ELECTRIC COOPERATIVE
FOR APPROVAL OF FUNCTIONAL SEPARATION PLAN
PUE010011 APPALACHIAN POWER COMPANY
FOR APPROVAL OF FUNCTIONAL SEPARATION PLAN
PUE010012 SOMMERSBY WATER CO INC.
FOR CERTIFICATE AND FOR TRANSFER OF ASSETS
PUE010013 EX PARTE: RULES
IN THE MATTER OF ESTABLISHING FINAL RULES FOR RETAIL ACCESS
PUE010014 C&S CABLE CONTRACTING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010015 COMMERCIAL CONCRETE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010016 D&E CABLE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010017 DEHAVENS MASONRY CONCRETE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010018 EASTERN TECHNICAL COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010019 MCI COMMUNICATIONS CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010020 MILLER LANDSCAPING & SPRINKLER
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010021 REALTY SIGN POST CO. LLC
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010022 S AND N COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010023 EASTERN LAWN & LANDSCAPE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010024 MARTIN & GASS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010025 QUALITY PLUS SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010026 SOUTHERN CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010027 FALWELL WELL CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010028 KEVCOR CONTRACTING CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010029 R. B. HINKLE CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010030 VIRGINIA ELECTRIC & POWER CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A

PUE010031	A&W CONTRACTING CORP.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010032	ASHLEY BACKHOE SERVICES
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010033	LT BOWDEN INCORPORATED
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010034	MAGELLAN TELECOMMUNICATIONS LLC
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010035	G T CONSTRUCTION CO.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010036	QUALITY CABLE COMPANY LTD
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010037	RAWHIDE CONSTRUCTION
	ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010038	THOMPSON BUILDING CORP.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010039	TENASKA VIRGINIA PARTNERS LP
	FOR CERTIFICATE TO PROVIDE ELECTRIC SERVICES IN VIRGINIA
PUE010041	C & M CONTRACTING INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010042	HAILE LANDSCAPE DESIGN INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010043	HALL MECHANICAL & ASSOCIATES
	ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE010044	HENRY S. BRANSCOME INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE010045	LANDON L. HALL CONSTRUCTION CO.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010046	RD CONTRACTORS INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010047	ROANOKE GAS COMPANY
	ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010048	SMITH & KEENE ELECTRICAL SERVICES INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17.A
PUE010049	SOMERS PLUMBING
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010050	VIRGINIA NATURAL GAS INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010051	UNITED CITIES GAS COMPANY
	ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE010052	STRONG COMPANIES INC. THE
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010053	NOCUTS INC.
	ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE010054	MASTEC NORTH AMERICA INC.
	ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE010055	JM HOLT & SONS CONSTRUCTION INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010056	GODSEY & SON INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010057	DIRECTIONAL BORING LLC
	ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE010058	BELL ATLANTIC-VIRGINIA INC.
	ALLEGED VIOLATION OF VA CODE §§ 56-265.17 A, ET AL.
PUE010059	CABLECOM INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010060	WASHINGTON GAS LIGHT COMPANY
	ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE010061	COLUMBIA GAS OF VIRGINIA INC.
	ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE010062	ALL CLEAR LOCATING SERVICES INC.
	ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE010063	COX COMMUNICATIONS INC.
	ALLEGED VIOLATION OF VA CODE §§ 56-265.17 A, ET AL.
PUE010064	CENTRAL LOCATING SERVICE
	ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE010065	UTILIQUEST LLC
	ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE010066	ALLEGHENY POWER
	ANNUAL INFORMATIONAL FILING
PUE010067	ROANOKE GAS COMPANY
	ANNUAL INFORMATIONAL FILING

PUE010068 COMMONWEALTH PUBLIC SERVICE CORP.
ANNUAL INFORMATIONAL FILING
PUE010069 FOX RUN WATER COMPANY INC.
FOR APPROVAL OF TRANSFER OF WATER UTILITY ASSETS AND FOR CERTIFICATE
PUE010072 AUBON WATER COMPANY
TO APPOINT A RECEIVER-RECEIVER
PUE010073 S.E. MORAN UTILITIES INC.
TO CANCEL CERTIFICATE
PUE010074 WASHINGTON GAS LIGHT CO.
ALLEGED VIOLATION OF VA CODE § 56-5.1
PUE010075 WASHINGTON GAS LIGHT COMPANY AND SHENANDOAH GAS DIV. OF WASHINGTON GAS LIGHT CO.
ANNUAL INFORMATIONAL FILING
PUE010076 CESARIOS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010077 GODSEY & SON INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010078 COLONIAL MECHANICAL CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010079 DIRECTIONAL BORING LLC
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010080 LAWHORNE BROTHERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010081 MID-ATLANTIC PIPELINERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010082 S. W. RODGERS COMPANY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010083 TIDEWATER UTILITY CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010084 BENITEZ CABLE
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE010085 CROWELL BROTHERS CONSTRUCTION CO., INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010086 EDMONDS CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010087 ELLIOT ELECTRIC CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010088 FOLEY PLUMBING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010089 GINN CONCRETE COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010090 GULL CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010091 IVY H. SMITH COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010092 JERRIT ELECTRIC CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010093 VENEZIA, JIM
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010094 LAKESIDE CONCRETE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010095 MELCAR INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010096 P&L SIGN POST
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE10097 PRINCE TELECOM INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010098 RANDALL PLUMBING & MECHANICAL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010099 SUPERIOR BACKHOE SERVICE
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010100 WILLIAM A HAZLE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010101 WISE GUYS CONTRACTING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010102 BETCO CONSTRUCTION INC.
ALLEGED VIOLATOIN OF VA CODE § 56-265.17 A
PUE010103 CLARK AFFORDABLE SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010104 COASTAL CABLE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010105 COVINGTON SEWER & WATER CO.
ALLEGED VIOLATOIN OF VA CODE § 56-265.17 A

PUE010106 D&F CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010107 EAHEART EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010108 RITCHIE, JOHN HENRY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010109 JOHNSON EXCAVATING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010110 LANDMARK BUILDERS OF DUBLIN INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010111 OYLER CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010112 RED WHITE & BLUE PAVING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010113 ROYAL CONCRETE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010114 SALEM FOUNDATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010115 SOUTHERN AND COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010116 TERMINIX COMPANY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010117 TOTAL DEVELOPMENT SOLUTIONS
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010118 VICO CONSTRUCTION CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010119 WCC CABLE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010120 WINN CARIBE COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010121 CATV SUBSCRIBER SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010122 GRAHAM CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010123 NEW CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE010124 NORTHERN PIPELINE CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010125 ROCKINGHAM CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010126 SPREAD BY HAND LLC
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010127 B&H CONCRETE CONSTRUCTION CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010128 BCM LANDWORKS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010129 BREEDEN MECHANICALS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010130 BURRIS CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010131 C&S CABLE CONTRACTING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010132 CW WRIGHT CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010133 CARL R. JACKSON & SONS
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010134 DA FOSTER COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010135 EH IVES CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.18
PUE010136 EASTERN MECHANICAL CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010137 GIBSON MECHANICAL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010138 INFRACORPS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 B
PUE010139 JL WARREN INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010140 LE VINSON CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010141 LEESBURG SOUTHER ELECTRIC INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE010142	LEO CONSTRUCTION COMPANY
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010143	MASTEC NORTH AMERICA INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010144	MID EASTERN BUILDERS INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010145	ROGER COOK PLUMBING
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010146	SINCLAIR PLUMBING
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010147	SUBURBAN GRADING & UTILITIES INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010148	TIDEWATER DECK & FENCE
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010149	TROPIAL POOLS
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010150	VECTOR UTILITIES INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010151	CABLE ASSOCIATES INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010152	GREAT FALLS SEPTIC SERVICE INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010153	LEVEL 3 COMMUNICATIONS LLC
	ALLEGED VIOLATION OF VA CODE § 56-265.19 B
PUE010154	VIRGINIA ELECTRIC & POWER co.
	FOR APPROVAL OF ELECTRICAL FACILITIES UNDER VA CODE § 56-46.1 AND FOR CERTIFICATE
PUE010155	LAKE MONTICELLO SERVICE CO.
	ANNUAL INFORMATIONAL FILING
PUE010156	EARTH MOVERS INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010157	ATLAS PLUMBING & MECHANICAL INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010158	VIRGINIA NATURAL GAS INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010159	VIRGINIA ELECTRIC AND POWER CO.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010160	COLUMBIA GAS OF VIRGINIA INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010161	RIDGE LIMITED COMPANY
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010162	J M HOLT & SONS CONSTRUCTION INC.
	ALLEGED VIOLATION OF VA CODE §§ 56-265.17 A, ET AL.
PUE010163	S AND N COMMUNICATIONS INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010164	ALL CLEAR LOCATING SERVICES INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010165	WASHINGTON GAS LIGHT CO.
	ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010166	UTILIQUEST LLC
	ALLEGED VIOLATION OF VA CODE §§ 56-265.17 B, ET AL.
PUE010167	CENTRAL LOCATING SERVICE LTD
	ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010168	JWS COMMUNICATIONS
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010169	CINCAP MARTINSVILLE LLC
	FOR CERTIFICATE TO CONSTRUCT, OWN AND OPERATE ELECTRIC GENERATION FACILITIES
PUE010170	APPALACHIAN POWER COMPANY
	ANNUAL INFORMATIONAL FILING
PUE010171	LOUDOUN COUNTY POWER
	FOR CERTIFICATE TO CONSTRUCT, OWN AND OPERATE ELECTRIC GENERATION FACILITIES
PUE010173	REGENCY REALTY GROUP INC. V. DALE SERVICE CORP.
	TO REQUIRE UTILITY TO ACQUIRE EASEMENT TO PROVIDE SEWER
PUE010174	NEW CONSTRUCTION INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE010175	CAPITOL PLUMBING & AIR INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010176	MCV CONSTRUCTION CORPORATION
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010177	RANDY'S EXCAVATING
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010178	WC SPRATT INCORPORATED
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A

PUE010179 AMERICAN ELECTRIC POWER
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010180 ATLAS AIR CONDITIONING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010181 BENFIELD ELECTRIC CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010182 BREEDEN MECHANICAL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010183 C LEWIS WALTRIP II INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010184 CHANCELLOR PLUMBING & HEATING
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010185 CONSTRUCTION MANAGEMENT INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010186 D&M EXCAVATING
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010187 DA FOSTER COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE010188 DAVID L GOODE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010189 DOWN UNDER CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010190 EDGEMOORE HOMES
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010191 FMC CIVIL CONSTRUCTION LLC
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010192 GREEN TOUCH INCORPORATED
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010193 PEN-MAR MASONRY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010194 PERRY ENGINEERING CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010195 PERS CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010196 ROSS MYERS BASEMENT WATERPROOFING AND DRAINAGE SYSTEMS
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010197 UTILX CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010198 WEST FENCE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010199 WILLIAM B HOPKE CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010200 DALE SERVICE CORPORATION
FOR GENERAL INCREASE IN RATES
PUE010201 APAC VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010202 ATLANTIC FOUNDATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010203 BURRIS CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010204 D&F CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010205 INNERVIEW LTD
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010206 JSC CONCRETE CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010207 KAN-DO ENTERPRISES INC
ALLEGED VIOLATION OF VA CODE § 56-265.24 D
PUE010208 LASTING DEVELOPMENT CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010209 MAGELLAN TELECOMMUNICATIONS LLC
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010210 CLINE, ROBERT ALVIN
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010211 S W DAY CONSTRUCTION CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010212 SANITARY ENGINEERING CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010213 SPECIALTY SERVICE CONTRACTORS
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010214 ARNOLD PARRECO & SONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C

PUE010215 BUG-N-OUT
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010216 CITY SIGNAL FIBER SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010217 COUNTS & DOBYNS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010218 DINSMORE PLUMBING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010219 H A DAVE & SONS
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010220 HYPES EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010221 JIM GRIFFITH BUILDER INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010222 JOHN R TONEY CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010223 RAY SINK PIPELINE CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010224 SERVICE ELECTRIC CORPORATION OF VIRGINIA
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010225 SHIRELY CONTRACTING CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010226 SILVA CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010227 KAUFFMAN GROUP INC, THE
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010228 UNITED PLUMBING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010229 WINN CARIBE COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010230 FMC CIVIL CONSTRUCTION LLC
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010231 DRIGGS CORPORATION, THE
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010232 UNITED CITIES GAS COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010233 ALL CLEAR LOCATING SERVICES
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE010234 PRECON CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010235 WASHINGTON GAS LIGHT CO.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE010236 COLUMBIA GAS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE010237 VIRGINIA NATURAL GAS INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE010238 CENTRAL LOCATING SERVICE LTD
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE010239 UTILIQUEST LLC
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010241 COLUMBIA GAS OF VIRGINIA
ANNUAL INFORMATIONAL FILING
PUE010242 VIRGINIA ELECTRIC & POWER CO.
ANNUAL INFORMATIONAL FILING
PUE010243 ALLEGHENY POWER
FOR DELAY OF START DATE FOR COMPETITIVE METERING
PUE010244 KENTUCKY UTILITIES COMPANY
ANNUAL INFORMATIONAL FILING
PUE010245 AEP-VIRGINIA
IN MATTER OF OVERSIGHT OF DESIGN, SITING, CONSTRUCTION AND OPERATION OF
PUE010246 MARSHALL WATER WORKS II INC
FOR CERTIFICATE TO PROVIDE WATER UTILITY SERVICES AND TO TRANSFER ASSETS
PUE010248 CONTRACTING ENTERPRISES INC
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE010249 D & F CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010250 JAMES WRIGHT EXCAVATING CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010251 VERIZON VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010252 DAVES LAWN SERVICE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE010253 DYNALECTRIC COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010254 FALCON DEVELOPMENT CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE010255 FMC CIVIL CONSTRUCTION LLC
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010256 KINGDOM WORK CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010257 REDLINE CORPORATION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010258 SOUTHWEST EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010259 USS EXCAVATING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010260 UTILIMARC INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010261 VARNEY ELECTRIC CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010262 WILLIAM B HOPKE CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010263 ATLANTIC CABLE & TRENCH INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010264 BROWNING CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010265 COLUMBIA GAS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010266 CONSULTANT ENGINEERING SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010267 DIRECTIONAL BORING LLC
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010268 EAST COAST FIRE PROTECTION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010269 HARRISONBURG CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010270 NORTHERN VIRGINIA UTILITY PROTECTION SERVICE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.22 A
PUE010271 PAMCO ELECTRICAL
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010272 PREMIER COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010273 DELMARVA POWER & LIGHT CO.
ANNUAL INFORMATIONAL FILING
PUE010274 VIRGINIA ELECTRIC & POWER CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010275 WASHINGTON GAS LIGHT COMPANY
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE010276 RB HINKLE CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010277 ATLANTIC CABLE SERVICE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010278 SUBURBAN GRADING & UTILITIES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010279 VIRGINIA NATURAL GAS INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE010280 R&P LUCAS UNDERGROUND UTILITIES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010281 SANITARY ENGINEERING CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010282 STONEWORK DESIGN/BUILD
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010283 VICO CONSTRUCTION CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010284 WOLF CONTRACTORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010285 ALL CLEAR LOCATING SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010286 D&L EQUIPMENT COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010287 DAVID NELMS PLUMBING & SEPTIC SYSTEMS
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010288 DAWSON CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE010289	MOORE, IRVIN ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010290	MYERS CABLE INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010291	PREMIERE STRUCTURES INC. ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE010292	SHAFFER CONSTRUCTION CO. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010293	RICHARDSON-WAYLAND ELECTRIC CORP., THE ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010294	CENTRAL LOCATING SERVICE ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE010295	UTILIQUEST LLC ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE010296	EX PARTE: RULES IN THE MATTER OF ESTABLISHING RULES AND REGULATIONS PURSUANT TO VIRGINIA ELECTRIC UTILITY RESTRUCTURING ACT
PUE010297	EX PARTE: RULES IN THE MATTER OF ESTABLISHING RULES AND REGULATIONS PURSUANT TO VIRGINIA ELECTRIC UTILITY RESTRUCTURING ACT
PUE010298	EX PARTE: RULES IN THE MATTER OF ESTABLISHING RULES AND REGULATIONS PURSUANT TO VIRGINIA ELECTRIC UTILITY RESTRUCTURING ACT
PUE010299	METROMEDIA ENERGY FOR A LICENSE TO SUPPLY NATURAL GAS AND ELECTRICITY SERVICES
PUE010300	HENRY COUNTY POWER LLC FOR CERTIFICATE TO CONSTRUCT, OWN AND OPERATE ELECTRIC GENERATION FACILITIES
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PUE010303	OLD DOMINION ELECTRIC COOPERATIVE FOR CERTIFICATE PURSUANT TO VA CODE § 56-265.2
PUE010305	UNITED CITIES GAS COMPANY FOR APPROVAL OF AMENDMENT TO PURCHASED GAS ADJUSTMENT RIDER
PUE010306	EX PARTE: WIRES CHARGES IN THE MATTER OF CONSIDERING REQUIREMENTS RELATING TO WIRES CHARGES
PUE010307	VIRGINIA NATURAL GAS INC. ANNUAL INFORMATIONAL FILING
PUE010308	VIRGINIA GAS STORAGE COMPANY ANNUAL INFORMATIONAL FILING
PUE010309	VIRGINIA GAS DISTRIBUTION CO. ANNUAL INFORMATIONAL FILING
PUE010310	VIRGINIA GAS PIPELINE CO. ANNUAL INFORMATIONAL FILING
PUE010312	VIRGINIA-AMERICAN WATER CO. FOR GENERAL RATE INCREASE
PUE010313	EX PARTE: FILING REQUIREMENTS IN THE MATTER OF PROMULGATION OF FILING REQUIREMENTS FOR ELECTRIC GENERATING FACILITIES
PUE010314	ALL CLEAR C/O CENTRAL LOCATING ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010315	ATLANTIC CABLE & TRENCH INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010316	C&S CABLE CONTRACTING INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010317	CONTRACTING ENTERPRISES INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010318	GH SULLIVAN EXCAVATING ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010319	HOUR HOMES AT THE CRESCENTS INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010320	KEMPSVILLE LANDSCAPING ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010321	MAGELLAN TELECOMMUNICATIONS LLC ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010322	PEACE NURSERIES ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010323	PROMARK UTILITY LOCATORS INC. ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010324	CHERRY HILL CONSTRUCTION INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010325	COOPER & CLAIBORNE CONSTRUCTION INC. ALLEGED VIOLATIOIN OF VA CODE § 56-265.24 A

PUE010326 D&F CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010327 EV WILLIAMS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010328 JM HOLT & SONS CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010329 KEVCOR CONTRACTING CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010330 LEO CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010331 NICHOLS PLUMBING & HEATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010332 NORTHERN PIPELINE CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010333 SW RODGERS COMPANY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010334 SHAFFER CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010335 UNITED PLUMBING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010336 UTILX CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.18
PUE010337 GRADE SOLUTIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010338 C&P ISLE OF WIGHT WATER CO.
FOR APPROVAL OF ACQUISITION OF WATER SUPPLY FACILITIES AND FOR CERTIFICATE
PUE010339 DOWN UNDER CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 F
PUE010340 PRECON MARINE INCORPORATED
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010341 UNITED CITIES GAS COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010342 DA FOSTER COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010343 COUNTS & DOBYNS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010344 ROCKINGHAM CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010345 WASHINGTON GAS LIGHT CO.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE010346 COLUMBIA GAS OF VIRGINIA
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE010347 VIRGINIA ELECTRIC & POWER CO.
ALLEGED VIOLATION OF VA CODE §§ 56-265.18, ET AL.
PUE010348 CENTRAL LOCATING SERVICE LTD
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE010349 UTILIQUEST LLC
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE010350 COLUMBIA GAS OF VIRGINIA INC.
TO EXTEND CUSTOMER CHOICE PILOT PROGRAM
PUE010351 UNITED CITIES GAS COMPANY
EARNINGS TEST FOR THE 2000 FISCAL YEAR
PUE010352 COOK INLET POWER LP
FOR LICENSE TO CONDUCT BUSINESS AS COMPETITIVE SERVICE PROVIDER IN ELECTRIC
PUE010353 DELMARVA POWER & LIGHT CO.
FOR DETERMINATION OF COMPLIANCE AND THE SCC'S REGIONAL TRANSMISSION ENTITIES
PUE010354 WASHINGTON GAS LIGHT COMPANY
FOR APPROVAL OF AMENDMENT TO THEIR RESPECTIVE PURCHASED GAS CHARGE PROVISIONS
PUE010355 VIRGINIA GAS DISTRIBUTION CO.
TO CHANGE FILING PERIODS FOR VARIOUS REPORTS
PUE010356 EVAN ENERGY COMPANY LC
TO FURNISH NATURAL GAS SERVICETO THE UNIVERISTY OF VIRGINIA'S COLLEGE-WISE, VIRGINIA
PUE010357 VIRGINIA GAS DISTRIBUTION CO.
ANNUAL INFORMATIONAL FILING
PUE010358 VIRGINIA GAS STORAGE CO.
ANNUAL INFORMATIONAL FILING
PUE010359 VIRGINIA GAS PIPELINE CO.
ANNUAL INFORMATIONAL FILING
PUE010361 ACN INC.
FOR AMENDMENT TO LICENSE TO CONDUCT BUSINESS AS COMPETITIVE SERVICE PROVIDER
PUE010362 VIRGINIA NATURAL GAS
ALLEGED VIOLATION OF GAS PIPELINE SAFETY STANDARDS

PUE010363 WHITMORE TERESA, ET AL. V VALLEY RIDGE WATER CO. INC.
FOR INCREASE IN RATES
PUE010364 NEW POWER CO., THE
FOR LICENSE TO CONDUCT BUSINESS AS ELECTRIC COMPETITIVE SERVICE PROVIDER &
PUE010365 ALLEGHENY POWER
FOR WAIVER TO RULE 20 VAC 5-312-80 F
PUE010366 DELMARVA POWER & LIGHT CO.
FOR WAIVER OF CERTAIN RETAIL ACCESS RULES PROVISIONS
PUE010367 VIRGINIA COOPERATIVES
FOR ADDITIONAL TIME TO COMPLY WITH RETAIL ACCESS RULES
PUE010368 APPALACHIAN POWER COMPANY
FOR WAIVER TO RULE 20 VAC 5-312-80 F
PUE010369 WASHINGTON GAS COMPANY
FOR CLARIFICATION OR WAIVER & FOR ADDITIONAL TIME
PUE010370 VIRGINIA ELECTRIC & POWER CO.
FOR ADDITIONAL TIME TO COMPLY WITH RULES GOVERNING RETAIL ACCESS
PUE010371 UTILIQUEST LLC
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010372 BEST CONCRETE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010373 BREEDEN MECHANICAL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010374 COLUMBIA GAS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010375 ALLEGHENY ENERGY SUPPLY CO LLC
FOR PERMANENT LICENSE TO CONDUCT BUSINESS AS COMPETITIVE SERVICES PROVIDER FOR
PUE010376 FMC CIVIL CONSTRUCTION LLC
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010377 GENTLE RAIN IRRIGATION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010378 GRANJA CONTRACTING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010379 GREEN VILLAGE CONCRETE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010380 HAGY & SONS EXCAV
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010381 HAMILTON ELECTRIC INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010382 K TOONE & SONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010383 KEMPSVILLE DECK & FENCE CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010384 MAGELLAN TELECOMMUNICATIONS LLC
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010385 RAINES BORING AND DRILLING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010386 STEELE FOUNDATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010387 VIRGINIA ENTERPRISES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010388 VIRGINIA UNDERGROUND UTILITY
ALLEGED VIOLATION OF VA CODE § 56-265.22 A
PUE010389 WILMIK INCORPORATED
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010390 YORKTOWN DECORATIVE CONCRETE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010391 CHUCKYS PUMP REPAIR, WELL & DRILLING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010392 CITY SIGNAL FIBER SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010393 PYRAMID CONSTRUCTION OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010394 KING PLUMBING & HEATING INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.17 A, ET AL.
PUE010395 LEO CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE §§ 56-265.17 A, ET AL.
PUE010396 UNITED CITIES GAS COMPANY
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE010397 ROCKINGHAM CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 B, ET AL.
PUE010398 UTILIQUEST LLC
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.

PUE010399 CENTRAL LOCATING SERVICE LTD
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE010400 HALL MECHANICAL & ASSOCIATES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010401 J HARMAN SAUNDERS CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010402 KEN CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010403 MEPCO INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010404 ROUNTREE CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010405 S STEPHENS CABLE CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010406 TRIPLE H CONTRACTING CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010407 WILLIAM A HAZEL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010408 WILLIAM B HOPKE CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010409 A & L CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010410 ATLAS PLUMBING & MECHANICAL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010411 DRUCKER & FALK INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010412 INFRACORPS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010413 S AND N COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010414 BINFORD SLOAN CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010415 C LEWIS WALTRIP II INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010416 CASON CUSTOM HOMES
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010417 CASPER COLOSIMO & SON INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010421 EAST COAST LANDSCAPES
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010422 EX PARTE: RULES
IN THE MATTER OF ADOPTING RULES GOVERNING CERTIFICATION OF NOTIFICATION CENTERS
PUE010423 KINDER MORGAN VIRGINIA LLC
FOR CERTIFICATE TO CONSTRUCT AND OPERATE GENERATING FACILITY IN BRUNSWICK COUNTY, VA
PUE010424 LAKE MONTICELLO SERVICE
TO AMEND CERTIFICATES
PUE010425 AOBA ALLIANCE INC.
FOR LICENSE TO ACT AS AGGREGATOR OF ELECTRICITY AND NATURAL GAS SERVICES
PUE010426 WASHINGTON GAS LIGHT CO.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010427 ROANOKE GAS COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.
PUE010428 MARSHALL WATERWORKS INC. AND MARSHALL WATERWORKS II, INC.
FOR CANCELLATION OF OLD CERTIFICATES
PUE010429 TENASKA VIRGINIA II PARTNERS
FOR CERTIFICATE TO OWN, OPERATE AND CONSTRUCT GENERATION FACILITY
PUE010430 MIRANT DANVILLE LLC
FOR CERTIFICATE TO OWN, OPERATE AND CONSTRUCT GENERATION FACILITY
PUE010431 AEP RETAIL ENERGY LLC
FOR PERMANENT LICENSE TO CONDUCT BUSINESS AS NATURAL GAS AND ELECTRIC CSP & AS
PUE010432 S AND N COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-275.17 A
PUE010433 RICHARDSON-WAYLAND ELECTRIC CORP., THE
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010434 TRULUR CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010435 UNITED CITIES GAS COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010436 ANDERSON'S BACK HOE SERVICE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010437 CONTRACTING ENTERPRISES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A

PUE010438	CABLE ASSOCIATES, INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010439	WASHINGTON GAS LIGHT COMPANY ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010440	VIRGINIA ELECTRIC AND POWER CO. ALLEGED VIOLATION OF VA CODE §§ 56-265.17 C, ET AL.
PUE010441	VIRGINIA NATURAL GAS INC. ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010442	R B HINKLE CONSTRUCTION INC. ALLEGED VIOLATION OF VA CODE §§ 56-265.24 B, ET AL.
PUE010443	LEO CONSTRUCTION COMPANY ALLEGED VIOLATION OF VA CODE §§ 56-265.17 C, ET AL.
PUE010444	FRED W BORDEN, INCORPORATED ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010445	ATLAS PLUMBING & MECHANICAL INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010446	CENTRAL LOCATING SERVICE, LTD ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010447	UTILIQUEST, LLC ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010448	IRONGATE MUTUAL HOMES INC. ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010449	DIRT MASTERS, INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010450	E V WILLIAMS INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010451	HYDRO PRO IRRIGATION ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010452	J M HOLT & SONS CONSTRUCTION INC. ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010453	JAMES E RATCLIFF CONCRETE ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010454	JSC CONCRETE CONSTRUCTION INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010455	TIDEWATER UTILITY CONSTRUCTION INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010456	WOLF CONTRACTORS, INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010457	ATLANTIC CABLE & TRENCH INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010458	BATTLEFIELD UTILITY CONTRACTORS INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010459	C LEWIS WALTRIP II INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010460	COLUMBIA GAS OF VIRGINIA INC. ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010461	COOPER & CLAIBORNE CONSTRUCTION INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010462	GREAT FALLS LAWN & TREE ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010463	HOWARD B HANKINS INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010464	J M D CONSTRUCTION CO., INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010465	LANDMARK COMMUNITIES ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010466	MID EASTERN BUILDERS, INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010467	PIPELINE STRUCTURES, INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010468	PRECON CONSTRUCTION COMPANY ALLEGED VIOLATION OF VA CODE § 56-256.18
PUE010469	WILBERT HILL COMPANY ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010470	EDDIE'S EXCAVATING, INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010471	L S LEE INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010472	NORTHERN VIRGINIA ELECTRIC COOPERATIVE ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010473	FINE CREEK LAND TRUST AGAINST SOUTHSIDE ELECTRIC COOPERATIVE SEEKING SANCTIONS

PUE010474 WEST ROCKINGHAM WATER CO.
FOR CANCELLATION OF CERTIFICATE
PUE010475 WASHINGTON GAS ENERGY
FOR PERMANENT LICENSE TO CONDUCT BUSINESS AS ELECTRIC AND NATURAL GAS
PUE010476 BGE COMMERCIAL BUILDING SYSTEM
FOR PERMANENT LECENSE TO CONDUCT BUSINESS AS A NATURAL GAS CSP
PUE010477 CPV CUNNINGHAM CREEK LLC
FOR APPROVAL OF ELECTRICAL GENERATING FACILITIES
PUE010478 AMERADA HESS
TO CONVERT PILOT LICENSES TO PERMANENT LICENSES
PUE010479 VIRGINIA ENERGY CONSORTIUM
FOR PERMANENT LICENSE TO CONDUCT BUSINESS AS COMPETITIVE ELECTRIC SERVICE
PUE010480 NEW POWER COMPANY, THE
TO CONVERT COMPANY'S PILOT LICENSE TO PERMANENT LICENSE
PUE010481 ENERGY WINDOW INC.
FOR PERMANENT LICENSE TO CONDUCT BUSINESS AS ELECTRIC AND NATURAL GAS
PUE010482 DOMINION RETAIL INC.
FOR PERMANENT LICENSES TO CONDUCT BUSINESS AS ELECTRIC AND NATURAL GAS CSP &
PUE010483 OLD MILL POWER COMPANY
FOR PERMANENT LICENSES TO CONDUCT BUSINESS AS ELECTRIC AND NATURAL GAS CSP &
PUE010484 ENRON ENERGY MARKETING CORP.
FOR PERMANENT LICENSE TO CONDUCT BUSINESS AS A NATURAL GAS CSP
PUE010485 DOSWELL LIMITED PARTNERSHIP
INFORMATION REQUIRED BY FINAL ORDER IN PUE890068
PUE010486 AMERICAN ELECTRIC POWER
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010487 AQUATECH IRRIGATION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010488 EASTERN TECHNICAL COMM. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.18
PUE010489 FMC CIVIL CONSTRUCTION LLC
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010490 J G FINDLAY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010491 LE BLIZZARD GRADING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010492 PROMARK UTILITY LOCATORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010493 ROCKINGHAM CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010494 TAYLOR RENTALS/PARTY PLUS
ALLEGED VIOLATION VA CODE § 56-265.17 A
PUE010495 VICO CONSTRUCTION CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010496 WR HALL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010497 AD WHITTAKER CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010498 ATLANTIC CABLE & TRENCH INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010499 CATV SUBSCRIBER SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010500 EC PACE COMPANY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010501 GENTLE RAIN IRRIGATION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010502 HT BOWLING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010503 JACK ST CLAIR INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010504 LV GREGORY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010505 LANGFORD EXCAVATING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010506 RTWL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010507 SHENANDOAH VALLEY ELECTRIC COOPERATIVE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010508 S AND N COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010509 TA SHEETS MECHANICAL GENERAL
ALLEGED VIOLATION OF VA CODE § 56-265.24 A

PUE010510 MAKAR COMPANY, THE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010511 PEPCO ENERGY SERVICES INC.
FOR PERMANENT LICENSES TO CONDUCT BUSINESS AS ELECTRIC AND NATURAL GAS CSP & AS
PUE010512 NORTHERN VIRGINIA ELECTRIC COOPERATIVE
FOR DECLARATORY JUDGMENT AND MOTION FOR INJUNCTION
PUE010513 WASHINGTON GAS LIGHT COMPANY
FOR EXTENSION OF TIME TO FILE STUDY
PUE010515 VIRGINIA ELECTRIC & POWER CO.
FOR REVISION OF LICENSE CONDITIONS
PUE010516 UNITED CITIES GAS COMPANY
ALLEGED PIPELINE SAFETY STANDARDS VIOLATIONS
PUE010517 ATLAS PLUMBING & MECHANICAL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010518 FRED W BORDEN INCORPORATED
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010519 BREEDEN MECHANICAL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010520 LIVING WATER INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010521 MARTIN & GASS INCORPORATED
ALLEGED VIOLATION VA CODE § 56-265.17 C
PUE010522 MARTINS CONSTRUCTION CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010523 SW RODGERS COMPANY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010524 SALEM PAVING CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010525 URBAN IRRIGATION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010526 SUBURBAN GRADING & UTILITIES INC.
ALLEGED VIOLATION OF VA CODES §§ 56-265.24 A, ET AL.
PUE010527 COLUMBIA GAS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010528 CURTIS W KEY PLUMBING CONTRACTORS INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.17 A, ET AL.
PUE010529 INNERVIEW LTD
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010530 AMW OF TIDEWATER INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.17 A, ET AL.
PUE010531 C&P ISLE OF WIGHT WATER CO.
FOR APPROVAL OF ACQUISITION OF WATER SUPPLY FACILITIES AND AMENDMENT TO CERTIFICATE
PUE010532 AMERICA'S ENERGY ALLIANCE INC.
FOR PERMANENT LICENSES TO CONDUCT BUSINESS AS ELECTRIC AND NATURAL GAS CSP & AS
PUE010533 INTERNATIONAL PAPER COMPANY
FOR ARBITRATION AND REDRESS OF BILLING COMPLAINT
PUE010534 MEGELLAN TELECOMMUNICATIONS LLC
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010535 ROANOKE GAS CO. AND COMMONWEALTH
ANNUAL INFORMATIONAL FILING
PUE010536 TIGER NATURAL GAS INC.
FOR PERMANENT LICENSE TO CONDUCT BUSINESS AS NATURAL GAS CSP
PUE010537 BOLLINGER ENERGY CORP.
FOR PERMANENT LICENSE TO CONDUCT BUSINESS AS NATURAL GAS CSP
PUE010538 CENTRAL LOCATING SERVICES
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE010539 UTILITQUEST LLC
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE010540 MID-ATLANTIC PIPELINERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010541 CUBE CONSTRUCTION CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010542 EASTERN CONTRACTING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010543 HM ROSS PAVING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010544 CASTLE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010545 CITY IRON WORKS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010546 COLONIAL GARDENS
ALLEGED VIOLATION OF VA CODE § 56-265.24 A

PUE010547 ER NEFF EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010548 EV WILLIAMS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010549 HARRIS EXCAVATING COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010550 MID EASTERN BUILDERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010551 MID-ATLANTIC PIPELINER INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010552 MYERS CABLE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010553 PRECON CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010554 R&P LUCAS UNDERGROUND UTILITIES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010555 S&N COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010556 SAGRES CONSTRUCITON CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010557 SHULL PLUMBING & HEATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010558 ANDERSON COMPANY LLC, THE
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010559 VALLEY EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010560 A TO Z CUSTOM PLUMBING INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE010561 ADELPHIA CABLE COMMUNICATIONS
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010562 ADROIT UTILITIES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010564 AMB CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010565 COLUMBIA GAS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010566 FLIPPO CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010567 HENRY S BRANSCOME INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010568 HOLLADAY CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010569 OASIS CONCRETE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010570 PROMARK UTILITY LOCATORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010571 SERVICE ELECTRIC CORP. OF VIRGINIA
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010572 US CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010573 UTILIQUEST LLC
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE010574 CENTRAL LOCATING SERVICE LTD
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE010575 NORTHERN PIPELINE CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010576 CURTIS W KEY PLUMBING CONTRACTORS, INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE010577 UNITED CITIES GAS COMPANY
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE010578 DOWN UNDER CONSTRUCTION
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE010579 COOPER & CLAIBORNE CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE010580 WASHINGTON GAS LIGHT COMPANY
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE010581 ENERGY CONSULTANTS INC.
FOR PERMANENT LICENSE TO CONDUCT BUSINESS AS ELECTRIC AGGREGATOR
PUE010582 ENRON ENERGY SERVICES
FOR PERMANENT LICENSE TO CONDUCT BUSINESS AS NATURAL GAS COMPETITIVE SERVICE
PUE010583 COLUMBIA GAS OF VIRGINIA
ALLEGED VIOLATION OF VIRGINIA PIPELINE SAFETY STANDARDS

PUE010584 AES NEWENERGY INC.
FOR PERMANENT LICENSES TO CONDUCT BUSINESS AS COMPETITIVE ELECTRIC SERVICE
PUE010585 SALTVILLE GAS STORAGE CO.
FOR CERTIFICATE TO OWN, OPERATE, AND CONSTRUCT NATURAL GAS STORGAGE FACILITY
PUE010586 SOUTHWESTERN VIRGINIA GAS CO.
ANNUAL INFORMATIONAL FILING
PUE010587 COLUMBIA GAS OF VIRGINIA
FOR APPROVAL OF RETAIL SUPPLY CHOICE PLAN PURSUANT TO VA CODE § 56-235.8
PUE010588 SHANNON FOREST WATERWORKS
FOR APPOINTMENT OF RECEIVER
PUE010589 BROOKFIELD WATER & BILDEL CORP
FOR AUTHORITY FOR BILDEL CORP. TO SELL AND FOR BROOKFIELD TO ACQUIRE ASSESTS
PUE010591 ATLANTIC STATES CONTRACTING
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010592 ATLAS PLUMBING & MECHANICAL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010593 BUILDERS BACKHOE SERVICE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010594 CASTLE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.18
PUE010595 CORENET
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010596 CROWELL BROTHERS CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010597 HENDERSON CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010598 HUTCHINS ELECTRIC SERVICE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010599 JM HOLT & SONS CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010600 KAN-DO ENTERPRISES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010601 MADISON COUNTY CABLE TV INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010602 MEADE CONTRACTING CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010603 R & P LUCAS UNDERGROUND UTILITIES, INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE010604 RR SNIPES CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010605 S W RODGERS COMPANY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010606 LACEY, TIMOTHY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010607 UNITED PLUMBING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010608 ATLANTIC CABLE & TRENCH INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010609 BATTLEFIELD EXCAVATION LLC
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010610 BATTLEFIELD UTILITY CONTRACTOR
ALLEGED VIOLATION OF VA CODE § 56-265.18
PUE010611 BUTLER CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010612 CAMPBELL LAND SURVEYING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010613 COMMONWEALTH EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010614 DELIGHTFUL GARDENS LANDSCAPE
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010615 HENRY S BRANSCOME INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010616 HUBBARD TELEPHONE CONTRACTORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010617 HYLAND SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010618 INNERVIEW LTD
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010619 KEVCOR CONTRACTING CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010620 MASTEC NORTH AMERICA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A

PUE010621 MASTERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010622 MIKE BENNINGTON EXCAVATING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010623 NORTON CONCRETE CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010624 PROMARK UTILITY LOCATORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010625 RICK CARNEY IRRIGATION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010626 ROCKINGHAM CONSTRUCTION CO
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010627 SMOOTH EDGE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010628 STRUCTURAL SOLUTIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010629 VIRGINIA STEEL STUD & TRUSS
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010630 A & W CONTRACTING CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010631 ALL PLUMBING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010632 BREEDEN MECHANICAL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010633 C W WRIGHT CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010634 D&F CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010635 FALCON DEVELOPMENT CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010636 FMC CIVIL CONSTRUCTION LLC
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010637 GRANJA CONTRACTING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010640 GREAT FALLS SEPTIC SERVICE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010641 H & S CONSTRUCTION CO
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010642 METROPLEX RETAINING WALLS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010643 QUALITY PLUS SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010644 SUPERIOR BACKHOE SERVICE
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010645 UTILX CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010646 W C SPRATT INCORPORATED
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010647 BOOKMAN CONSTRUCTION CO
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010648 CAPITOL PAVING OF DC INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010649 CASCADE CONSTRACTING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010650 WASHINGTON GAS LIGHT CO.
ALLEGED VIOLATION OF VA CODE § 56-265.19
PUE010651 UNITED CITIES GAS COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010652 VIRGINIA ELECTRIC & POWER CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010653 VIRGINIA NATURAL GAS INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE010654 COLUMBIA GAS OF VIRGINIA
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE010655 UTILIQUEST LLC
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE010656 CENTRAL LOCATING SERVICE
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010657 ALLEGHENY ENERGY SUPPLY CO.
FOR AUTHORIZATION TO CONSTRUCT, OWN AND OPERATE 88 MW ELECTRIC TRANSMISSION
PUE010658 SELECT ENERGY
FOR PERMANENT LICENSES TO CONDUCT BUSINESS AS A CSP OF NATURAL GAS

PUE010660 COLUMBIA GAS OF VIRGINIA INC.
TO CLOSE RATE SCHEDULE TS-1 AND TS-2 TO NEW CUSTOMERS & APPROVAL TO
PUE010661 DOUGLAS, DERRICK AND KAREN V. SOUTHWESTERN VIRGINIA GAS CO.
FORMAL COMPLAINT FOR TERMINATION OF
PUE010663 VIRGINIA ELECTRIC & POWER CO.
FOR APPROVAL AND CERTIFICATION OF ELECTRIC TRANSMISSION FACILITIES
PUE010665 EX PARTE: FILING REQUIREMENTS
IN THE MATTER OF AMENDING FILING REQUIREMENTS FOR APPLICATIONS TO CONSTRUCT AND OPERATE
PUE010667 BROWNS SEPTIC TANK SERVICE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010668 C&S CABLE CONTRACTING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE010669 EASTERN TECHNICAL COMMUNICA
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010670 HENRY S BRANSCOME INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010671 HOPE ELECTRIC CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010672 INNERVIEW LTD
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010673 MASTEC NORTH AMERICA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010674 MELCAR INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010675 OSBORNE IRRIGATION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010676 PUHLMANS TREE SERVICE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010677 SB BALLARD INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010678 LAWSON, STERLING LEE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010679 BEAU KNICKS ELECTRIC & PLUMBING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010680 BISHOPS GRADING & EXCAVATING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010681 DEANS DEMOLITION & REMODELING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010682 EAVERS BROTHERS EXCAVATING
ALLEGED VIOLATION OF VA CODE §§ 56-265.17 A, ET AL.
PUE010683 GRADE SOLUTIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010684 HP ALEXANDER NC INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010685 HAMMOND-MITCHELL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010686 JWS COMMUNICATIONS
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010687 LAMS LUMBER COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010688 MAUST ENTERPRISES OF VIRGINIA
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010689 PROMARK UTILITY LOCATORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010690 ROCKINGHAM CONSTRUCTION C. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010691 SHENANDOAH VALLEY ELECTRIC COOPERATIVE
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010692 SUBURBAN GRADING & UTILITIES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010693 TRUMBO ELECTRIC INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010694 UNDER CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010695 W E CURLING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010696 JUDY CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010697 D A FOSTER COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010698 JONES PLUMBING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE010699 JSC CONCRETE CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010700 SW RODGERS COMPANY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010701 TRIPLE H CONTRACTING CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010702 WILLIAM B HOPKE CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010703 WISE GUYS CONTRACTING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010704 TRIPLE K FENCE COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010705 CROWELL BROTHERS CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE010706 COMMONWEALTH EXCAVATING & PIPELINE CO.
ALLEGED VIOLATION OF VA CODE §§ 56-265.18, ET AL.
PUE010707 COLUMBIA GAS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010708 VIRGINIA NATURAL GAS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010709 VIRGINIA ELECTRIC & POWER CO.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE010710 UNITED CITIES GAS CO.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010711 CENTRAL LOCATING SERVICE LTD
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE010712 WASHINGTON GAS LIGHT COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010713 UTILIQUEST LLC
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE010714 ALAN TOOTHMAN CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE010716 STROCK, TERRY L., ET AL. V. B & J ENTERPRISES LC
FOR INCREASE IN RATES PURSUANT TO VA CODE § 56-265.13:6
PUE010718 HUFFMAN COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A

PUF: DIVISION OF PUBLIC UTILITY FINANCE

PUF010001 VIRGINIA-AMERICAN WATER CO.
FOR AUTHORITY TO ISSUE DEBT SECURITIES
PUF010002 DALE SERVICE CORPORATION
FOR AUTHORITY TO ISSUE SECURITIES AND TO ENTER INTO INTEREST RATE SWAP AGREEMENTS
PUF010003 RAPPAHANNOCK ELECTRIC COOPERATIVE
FOR AUTHORITY TO ISSUE LONG-TERM DEBT
PUF010004 SHENANDOAH TELEPHONE COMPANY
FOR AUTHORITY TO LEND FUNDS TO AFFILIATE
PUF010005 SHENANDOAH VALLEY ELECTRIC
FOR AUTHORITY OF AFFILIATES TRANSACTIONS & FOR AUTHORITY TO GUARANTEE THE DEBT
PUF010006 VIRGINIA NATURAL GAS INC.
FOR MODIFICATION OF REPORTING REQUIREMENTS
PUF010007 RAPPAHANNOCK ELECTRIC COOPERATIVE
FOR APPROVAL OF AFFILIATE TRANSACTIONS AND FOR AUTHORITY TO MAKE LOANS TO AND/OR
PUF010008 DELMARVA POWER & LIGHT CO.
FOR AUTHORITY TO ISSUE UP TO $60 MILLION OF TAX-EXEMPT REFUNDING BONDS
PUF010009 NTELOS INC. AND ROANOKE AND BOTETOURT TELEPHONE CO.
FOR AUTHORITY TO GUARANTEE OBLIGATIONS OF AFFILIATE
PUF010010 VIRGINIA ELECTRIC & POWER CO.
FOR AUTHORITY TO ESTABLISH $1.75 BILLION REVOLVING CREDIT AND COMPETITIVE
PUF010011 WASHINGTON GAS LIGHT COMPANY
FOR AUTHORITY TO RECEIVE CASH CONTRIBUTIONS FROM WGL HOLDINGS INC.
PUF010012 SOUTHSIDE ELECTRIC COOPERATIVE
FOR AUTHORITY TO ISSUE LONG-TERM DEBT
PUF010013 VIRGINIA GAS PIPELINE CO.
FOR AUTHORITY TO INCUR INDEBTEDNESS AND TO ACQUIRE PUBLIC UTILITY ASSETS
PUF010014 ATMOS ENERGY CORPORATION
FOR AUTHORITY TO INCUR SHORT-TERM INDEBTEDNESS AND TO LEND SHORT-TERM
PUF010015 PRINCE GEORGE ELECTRIC COOPERATIVE
FOR AUTHORITY TO ISSUE LONG-TERM DEBT
PUF010016 VIRGINIA ELECTRIC & POWER CO.
FOR AUTHRORITY TO LEASE RAIL EQUIPMENT

PUF010017 TOLL ROAD INVESTORS
FOR APPROVAL OF REFINANCING AND AMENDMENT OF CERTIFICATE OF AUTHORITY
PUF010018 NORTHERN NECK ELECTRIC
FOR AUTHORITY TO GUARANTEE DEBT OF AFFILIATE
PUF010019 VIRGINIA NATURAL GAS
FOR AUTHORITY TO ENGAGE IN CERTAIN FINANCING TRANSACTIONS
PUF010020 WASHINGTON GAS LIGHT COMPANY
FOR AUTHORITY TO ISSUE SHORT-TERM DEBT
PUF010021 PRINCE GEORGE ELECTRIC
FOR AUTHORITY TO ISSUE LONG-TERM DEBT
PUF010022 POTOMAC EDISON COMPANY
FOR CONTINUING APPROVAL OF MONEY POOL AGREEMENT WITH AFFILIATES
PUF010023 KENTUCKY UTILITIES CO., ET AL.
FOR APPROVAL TO INCUR SHORT-TERM INDEBTEDNESS
PUF010025 COLUMBIA GAS OF VIRGINIA
FOR APPROVAL OF MONEY POOL AGREEMENT
PUF010026 VIRGINIA-AMERICAN WATER CO.
FOR APPROVAL TO INCREASE PRINCIPAL AMOUNT OF PROMISSORY NOTES
PUF010027 NORTHERN VIRGINIA ELECTRIC COOPERATIVE
-INTERCOMPANY NOTE-LOAN GUARANTEE FOR ITS AFFILIATE
PUF010028 SOUTHWESTERN VIRGINIA GAS CO.
FOR APPROVAL FOR RATE SWAP OF EXISTING FIRST MORTGAGE NOTES
PUF010029 KENTUCKY UTILITIES COMPANY
FOR AUTHORITY TO ISSUE SECURITIES
PUF010030 CENTRAL VIRGINIA ELECTRIC COOPERATIVE
FOR AUTHORITY TO CONVERT INTEREST RATES ON EXISTING LONG-TERM DEBT FROM FIXED
PUF010032 COLUMBIA GAS OF VIRGINIA INC.
FOR APPROVAL OF INTER-COMPANY FINANCING FOR 2002
PUF010033 APPALACHIAN POWER COMPANY
FOR AUTHORITY TO ISSUE LONG-TERM DEBT
PUF010034 ATMOS ENERGY CORPORATION
FOR ORDER AUTHORIZING ISSUANCE OF UP TO $75,000,000 IN SHARES

SEC: DIVISION OF SECURITIES

SEC010001 YUCATAN RESORTS SA
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010002 YUCATAN INVESTMENT CORP.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010003 KELLY, MICHAEL E.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010004 CHARTERHOUSE GROUP LTD, THE
ALLEGED VIOLATION OF VA CODE §§ 13.1-502, ET AL.
SEC010005 KINCAID, MICHAEL JAMES
ALLEGED VIOLATION OF VA CODE §§ 13.1-502, ET AL.
SEC010006 BRAKE, JOHN CARSON
ALLEGED VIOLATION OF VA CODE §§ 13.1-502, ET AL.
SEC010007 SMITH, MORRIS DEROY
ALLEGED VIOLATION OF VA CODE §§ 13.1-502, ET AL.
SEC010008 TANNER, DAVID R.
ALLEGED VIOLATION OF VA CODE §§ 13.1-502, ET AL.
SEC010009 GARNER, ROBERT H.
ALLEGED VIOLATION OF VA CODE §§ 13.1-502, ET AL.
SEC010010 PENNINGTON, JOHN R.
ALLEGED VIOLATION OF VA CODE §§ 13.1-502, ET AL.
SEC010011 HARDY, KELLY L.
ALLEGED VIOLATION OF VA CODE §§ 13.1-502, ET AL.
SEC010012 SHELTON, PALMER DARRELL
ALLEGED VIOLATION OF VA CODE §§ 13.1-502, ET AL.
SEC010013 KREIDER, BRIAN WAYNE
ALLEGED VIOLATION OF VA CODE §§ 13.1-502, ET AL.
SEC010014 DUNSTAN, JOHN PHATEN
ALLEGED VIOLATION OF VA CODE §§ 13.1-502, ET AL.
SEC010015 NEAS, GEORGE BURNETTE
ALLEGED VIOLATION OF VA CODE §§ 13.1-502, ET AL.
SEC010016 PERRY, JAMES HUBERT
ALLEGED VIOLATION OF VA CODE §§ 13.1-502, ET AL.
SEC010017 DEBROUX, JAMES T.
ALLEGED VIOLATION OF VA CODE § 13.1-518
SEC010018 DCW ASSOCIATES LTD
ALLEGED VIOLATION OF VA CODE § 13.1-518

SEC010019 CAMILLO, DON THOMAS
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010020 E*TRADE SECURITIES INC.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010021 LEVINSON, KATHY
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010022 SWARTWOUT, II, JAMES MILO
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010023 MILLENNIUM VUE INC.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010024 KASTLE GREENS GOLF CLUB CORP.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010025 CORDOVA, GARY A.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010026 CHRISITIAN INVESTORS FOUNDATION
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC010027 WASHINGTON GLOBAL CENTER
ALLEGED VIOLATION OF VA CODE §§ 13.1-507, ET AL.
SEC010028 CHILDREN'S MAGICAL CITIES LLC
ALLEGED VIOLATION OF VA CODE §§ 13.1-507, ET AL.
SEC010029 CMC GLOBAL ENTERTAINMENT LLC
ALLEGED VIOLATION OF VA CODE §§ 13.1-507, ET AL.
SEC010030 CHILDREN'S MAGICAL CITIES INC.
ALLEGED VIOLATION OF VA CODE §§ 13.1-507, ET AL.
SEC010031 CMC GLOBAL EDUTAINMENT INC.
ALLEGED VIOLATION OF VA CODE §§ 13.1-507, ET AL.
SEC010032 BRANKLEY, JR., ROBERT E. T/A
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010033 EX PARTE: RULES
IN THE MATTER OF PROMULGATING RULES PURSUANT TO VA CODE § 13.1-572
SEC010034 WHALE SECURITIES COMPANY
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010035 NATIONAL COVENANT PROPERTIES
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC010036 TRADETIMING.COM, INC.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010037 FULTS RICHARD C.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010038 EAST COAST BAPTIST CHURCH
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC010039 COLUMBIA UNION REVOLVING FUND
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC010040 CHRISTIANSON, THOMAS LEE K.
ALLEGED VIOLATION OF VA CODE §§ 13.1-507, ET AL.
SEC010041 CEP GROUP, THE
FOR SUBPOENA ENFORCEMENT
SEC010042 JLR DEVELOPMENT LTD
FOR SUBPOENA ENFORCEMENT
SEC010043 POTEAT, JOSEPH L.
FOR SUBPOENA ENFORCEMENT
SEC010044 MILLENIUM ADVISORY SERVICES INC.
FOR OFFICIAL INTERPRETATION PURSUANT TO VA CODE § 13.1-525
SEC010045 FREE METHODIST FOUNDATION, THE
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC010046 US CHARITABLE GIFT TRUST-2020 HIGH YIELD CHARITABLE DEFERRED RETIREMENT FUND
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC010047 US CHARITABLE GIFT TRUST-2010 INVESTMENT GRADE CHARITABLE DEFERRED RETIREMENT FUND
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC010048 US CHARITABLE GIFT TRUST-2010 HIGH YIELD CHARITABLE DEFERRED RETIREMENT FUND
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC010049 US CHARITABLE GIFT TRUST-2020 INVESTMENT GRADE CHARITABLE DEFERRED RETIREMENT FUND
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC010050 IGNOSH, PAUL MICHAEL
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010051 YODER, RICHARD J.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010052 DICKEY, STEVEN R.
FOR COMPLIANCE WITH VIRGINIA RETAIL FRANCHISING ACT PURSUANT TO VA CODE § 13.1-577
SEC010053 MISSION INVESTMENT FUND
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC010054 RAYMOND JAMES CHARITABLE ENDOWMENT POOLED INCOME FUND 2
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B

SEC010055	RAYMOND JAMES CHARITABLE ENDOWMENT POOLED INCOME FUND 1 FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC010056	WACHOVIA SECURITIES INC. FOR ORDER OF COMPROMISE AND SETTLEMENT
SEC010057	AG EDWARDS & SONS INC. FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010058	HARBIN, PATRICA A. FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010059	DOWNER, KELLY MORRIS FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010060	ANTHEM INSURANCE COMPANY FOR OFFICIAL INTERPRETATION PURSUANT TO VA CODE § 13.1-525
SEC010061	WEBSTER, HARRY P. ALLEGED VIOLATION OF VA CODE § 13.1-519
SEC010062	EPPS, ANTHONY C. ALLEGED VIOLATION OF VA CODE § 13.1-519
SEC010063	HPW ENTERPRISE INC. ALLEGED VIOLATION OF VA CODE § 13.1-519
SEC010064	APEX FINANCIAL GROUP VA ALLEGED VIOLATION OF VA CODE § 13.1-519
SEC010065	MILLENNIUM FINANCIAL GROUP ALLEGED VIOLATION OF VA CODE § 13.1-519
SEC010066	MILLENNIUM FINANCIAL GROUP ALLEGED VIOLATION OF VA CODE § 13.1-519
SEC010067	WEBSTER, HARRY P. ALLEGED VIOLATION OF VA CODE § 13.1-519
SEC010068	EPPS, ANTHONY C. ALLEGED VIOLATION OF VA CODE § 13.1-519
SEC010069	HPW ENTERPRISES INC. ALLEGED VIOLATION OF VA CODE § 13.1-501
SEC010070	APEX FINANCIAL GROUP OF VA ALLEGED VIOLATION OF VA CODE § 13.1-501
SEC010071	WASHINGTON, DAVID B. ALLEGED VIOLATION OF VA CODE § 13.1-519
SEC010072	KHOURY, ANTOINE S. FOR SUBPOENA ENFORCEMENT
SEC010073	AS KHOURY & ASSOCIATES PC FOR SUBPOENA ENFORCEMENT
SEC010074	UNITED METHODIST DEVELOPMENT FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC010075	FARRIER, JR., FRANK G. FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010076	JOHNSON, JR., TED J. FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010077	CHVALA, WILLIAM JAMES FOR SPECIAL SUPERVISION ORDER
SEC010078	ACCELERATED BENEFITS CORP. ALLEGED VIOLATION OF VA CODE §§ 13.1-504, ET AL.
SEC010079	AMERICAN TITLE CO.-ORLANDO ALLEGED VIOLATION OF VA CODE §§ 13.1-504, ET AL.
SEC010080	LAMONDA, JESS DR. ALLEGED VIOLATION OF VA CODE §§ 13.1-504, ET AL.
SEC010081	PIERCEFIELD, DAVID S. ALLEGED VIOLATION OF VA CODE §§ 13.1-504, ET AL.
SEC010082	YESBECK, JR., JOHN C. ALLEGED VIOLATION OF VA CODE §§ 13.1-504, ET AL.
SEC010083	FADOOL, TIMOTHY ALLEGED VIOLATION OF VA CODE §§ 13.1-504, ET AL.
SEC010084	MAZZA, II, VINCENT J. ALLEGED VIOLATION OF VA CODE §§ 13.1-504, ET AL.
SEC010085	SHUE,ROBERT A. ALLEGED VIOLATION OF VA CODE §§ 13.1-504, ET AL.
SEC010086	BUTLER, DALE T. ALLEGED VIOLATION OF VA CODE §§ 13.1-504, ET AL.
SEC010087	YESBECK, MATTHEW C. ALLEGED VIOLATION OF VA CODE §§ 13.1-504, ET AL.
SEC010088	GAUSS,JOHN C. ALLEGED VIOLATION OF VA CODE §§ 13.1-504, ET AL.
SEC010089	WRIGHT, CHRISTOPHER R. ALLEGED VIOLATION OF VA CODE §§ 13.1-504, ET AL.
SEC010090	MASLICH, ANDREW P. ALLEGED VIOLATION OF VA CODE §§ 13.1-504, ET AL.

SEC010091	ALBERTSON, SCOTT ALLEGED VIOLATION OF VA CODE §§ 13.1-504, ET AL.
SEC010092	SHOMO, CHARLES ALLEGED VIOLATION OF VA CODE §§ 13.1-504, ET AL.
SEC010093	CENTREVILLE BAPTIST CHURCH FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC010094	LEGACY PLANNING ALLIANCE INC. FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010095	BURNETT, JOHN M. FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010096	QUIK INTERNATIONAL ALLEGED VIOLATION OF VA CODE §§ 13.1-560, ET SEQ.
SEC010097	BOGART, BRIAN JOHN FOR SPECIAL SUPERVISION
SEC010098	BEYER & COMPANY FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010099	SUMMIT FINANCIAL GROUP FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010100	SUMMIT FINANCIAL GROUP INC. FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010101	DOMINION CAPITAL ADVISERS INC. FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010102	HOLLINGWORTH, MARK GOODWIN FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010103	MCDONALD, GERALD JOHN EDWARD FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010104	BAKIN, LARRY FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010105	VIRGINIA TECH FOUNDATION FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC010106	RICH, BRYAN M. FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010107	TIRE RECYCLERS INC. ALLEGED VIOLATION OF VA CODE § 13.1-507
SEC010108	AUBURN UNIVERSITY FOUNDATION FOR CERTIFICATE OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC010109	GLOBALINK SECURITES FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010110	JIN, YANSHI R. FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010111	21ST CENTURY ESCROW FOR TEMPORARY INJUNCTION
SEC010112	21ST CENTURY TECHNOLOGIES LLC FOR TEMPORARY INJUNCTION
SEC010113	ALPHA TECHOLOGIES LLC FOR TEMPORARY INJUNCTION
SEC010114	ADVANTAGE REAL ESTATE LL FOR TEMPORARY INJUNCTION
SEC010115	DRAKE, ALLEN FOR TEMPORARY INJUNCTION
SEC010116	BRIGHT COVE SECURITIES INC. FOR TEMPORARY INJUNCTION
SEC010117	21ST CENTURY LPS FOR TEMPORARY INJUNCTION
SEC010118	ALPHA TECHNOLOGIES LPS FOR TEMPORARY INJUNCTION
SEC010119	ADVANTAGE REAL ESTATE LPS FOR TEMPORARY INJUNCTION
SEC010120	INTEGRATED BROKERAGE SERVICES INC. FOR TEMPORARY INJUNCTION
SEC010121	LIVELY, DAVID C. FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010122	EYE AMERICA LLC FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010123	LEGACY PIF GROWTH & INCOME FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC010124	LEGACY PIF INCOME TRUST FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC010125	LEGACY PIF STABLE VALUE TRUST FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC010126	NORMAN, AUSTIN D. FOR OFFER OF COMPROMISE AND SETTLEMENT

SEC010127	MASTERS FINANCIAL GROUP INC. FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010128	SYSTEMATIC FINANCIAL MGMT FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC010129	MARIAH VISION 3 INC. FOR OFFER OF COMPROMISE AND SETTLEMENT