STATE CORPORATION COMMISSION

One Hundred Sixteenth Annual Report

of the

State Corporation Commission

of

Virginia

For the Year Ending December 31, 2018

GENERAL REPORT

Letter of Transmittal

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

RICHMOND, VIRGINIA, *December 31, 2018*

To the Honorable Ralph S. Northam

Governor of Virginia

Sir:

We have the honor to transmit herewith the one hundred sixteenth Annual Report of the State Corporation Commission for the year 2018.

Respectfully submitted,

Mark C. Christie, Chairman

Judith Williams Jagdmann, Commissioner

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State Corporation Commission

COMMISSIONERS

*Judith Williams Jagdmann	Chairman
**Mark C. Christie	Chairman
***James C. Dimitri	Commissioner

Joel H. Peck

Clerk of the Commission

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*Term as Chairman expired January 31, 2018

**Elected Chairman effective for term of one year, February 1, 2018

*** Retired as Commissioner, effective February 28, 2018

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 December 31, 2007	19
Hullihen Williams Moore	February 26, 1992 to January 31, 2004	13
Clinton Miller	February 15, 1996 to January 31, 2006	11
James C. Dimitri	September 3, 2008 to February 28, 2018	10
Mark C. Christie	February 1, 2004 to	
Judith Williams Jagdmann	February 1, 2006 to	

From 1903 through 2018 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	13	Morrison	19
Miller	11	Christie	15	Dimitri	10
Jagdmann	13				

Preface

The State Corporation Commission is vested with regulatory authority over many businesses and economic interests in Virginia. These interests are as varied as the SCC's powers, which are derived from the Constitution of Virginia and state statutes. The SCC's authority ranges from setting rates charged by public utilities to serving as the central filing office in Virginia for corporate charters.

Established by the Virginia Constitution of 1902 to oversee the railroad and telephone and telegraph industries operating in the Commonwealth, the SCC's jurisdiction now includes supervision of many businesses that have a direct impact on Virginia consumers. The SCC is charged with administering the Virginia laws related to the regulation of public utilities, insurance, state-chartered financial institutions, investment securities, retail franchising, and utility and railroad safety. In addition, it is the state's central filing office for Uniform Commercial Code financing statements and for documents that create corporations, limited liability companies, business trusts, and limited partnerships.

The SCC's structure is unique. No other state has placed in a single agency such a broad array of regulatory responsibility. Created by the state constitution as a permanent department of government, the SCC possesses legislative, judicial, and administrative powers. The decisions of the SCC can be appealed only to the Supreme Court of Virginia.

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 these 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.

Every pleading, written motion, or other document 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 document, 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 document, and shall state the partnership's mailing address and telephone number. A nonlawyer 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 the individual or a qualified officer or agent of the entity. Documents signed pursuant to this rule need not be under oath unless so required by statute.

The commission allows electronic filing. Before filing electronically, the filer shall complete an electronic document filing authorization form, establish a filer authentication password with the Clerk of the State Corporation Commission and otherwise comply with the electronic filing procedures adopted by the commission. Upon establishment of a filer authentication password, a filer may make electronic filings in any case. All documents submitted electronically must be capable of being printed as paper documents without loss of content or appearance.

The signature of an attorney or party constitutes a certification that (i) the attorney or party has read the pleading, motion, or other document; (ii) to the best of the attorney's or party's knowledge, information, and belief formed after reasonable inquiry, the pleading, motion or other document 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) the pleading, motion or other document 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 document will not be accepted for filing by the Clerk of the Commission if it is 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 authority, 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 subsection A or B of this section 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 or other responsive pleading 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 or other responsive pleading 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 or other responsive pleading 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 subsection B of this section 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 and the commission staff.

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 these rules. In the discharge of his 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 at the conclusion of the proceedings.

B. Objections and certification of issues. An objection to a ruling by the hearing examiner during a hearing shall be stated with the reasons therefor at the time of the ruling. Any objection to a hearing examiner's ruling 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 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 pleading or other 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.

Electronic filings may be submitted at any time and will be deemed filed on the date and at the time the electronic document is received by the commission's database; provided, that if a document is received when the clerk's office is not open for public business, the document shall be deemed filed on the next regular business day. A filer will receive an electronic notification identifying the date and time the document was received by the commission's database. An electronic document may be rejected if it is not submitted in compliance with these rules.

When a filing would otherwise be due on a day when the clerk's office is not open for public business during all or part of a business day, the filing will be timely if made on the next regular business day that the office is open to the public. Except as otherwise ordered by the commission, when a period of 15 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 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 or overnight express mail delivery service properly addressed and postage prepaid, or via hand-delivery, on or before the date of filing. Service on a party may be made by service on the party's counsel. Alternatively, electronic service shall be permitted on parties or staff in cases where all parties and staff have agreed to such service, or where the commission has provided for such service by order. 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. Notices, findings of fact, opinions, decisions, orders, or other documents 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 by the Clerk of the Commission 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, motions, responsive pleadings, briefs, and other documents filed by parties must be filed in an original and 15 copies unless otherwise directed by the commission. Except as otherwise stated in these rules, submissions filed electronically are exempt from the copy requirement. 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, 8-1/2 by 11 inches in dimension, must be capable of being reproduced in copies of archival quality, and only one side of the paper may be used. Submissions filed electronically shall be made in portable document format (PDF).

Each document shall be bound or attached on the left side and contain adequate margins. Each page following the first page shall be numbered. If necessary, a document may be filed in consecutively numbered volumes, each of which may not exceed three inches in thickness. Submissions filed electronically may not exceed 100 pages of printed text of 8-1/2 by 11 inches.

Each document 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. Submissions filed electronically that otherwise would incorporate large exhibits impractical for conversion to electronic format shall be identified in the filing and include a statement that the exhibit was filed in hardcopy and is available for viewing at the commission or that a copy may be obtained from the filing party. Such exhibit shall be filed in an original and 15 copies.

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 good faith in a formal proceeding that information to be filed with or delivered 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 deliver the information under seal to the commission staff, or both, as may be required. Items filed or delivered under seal shall be securely sealed in an opaque container that is clearly labeled "UNDER SEAL," and, if filed, shall meet the other requirements for filing contained in these rules. An original and 15 copies of all such information shall be filed with the clerk. One additional copy of all such information shall also be delivered 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.

When an application (including supporting documents and prefiled testimony) contains information that the applicant claims to be confidential, the filing shall be made under seal and accompanied by a motion for protective order or other confidential treatment. The provision to a party of information claimed to be trade secrets, privileged, or confidential commercial or financial information shall be governed by a protective order or other individual arrangements for confidential treatment.

On every document filed or delivered under seal, the producing party shall mark each individual page of the document that contains confidential information, and on each such page shall clearly indicate the specific information requested to be treated as confidential by use of highlighting, underscoring, bracketing or other appropriate marking. All remaining materials on each page of the document shall be treated as nonconfidential and available for public use and review. If an entire document is confidential, or if all information provided in electronic format under Part IV of these rules is confidential, a marking prominently displayed on the first page of such document or at the beginning of any information provided in electronic format, indicating that the entire document is confidential shall suffice.

Upon challenge, the information shall be treated as confidential pursuant to these rules only where the party requesting confidential treatment can demonstrate to the satisfaction of the commission that the risk of harm of publicly disclosing the information outweighs the presumption in favor of 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 original and one copy of 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. A document containing confidential information shall not be submitted electronically. An expurgated or redacted version of the document may be filed electronically. Documents containing confidential information must be filed in hardcopy and in accordance with all requirements of these rules. Upon a determination by the

commission or a hearing examiner that all or portions of any materials filed under seal are not entitled to confidential treatment, the filing party shall file one original and one copy of the expurgated or redacted version of the document reflecting the ruling.

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.

A party may request additional protection for extraordinarily sensitive information by motion filed pursuant to 5 VAC 5-20-110, and filing the information with the Clerk of the Commission under seal and delivering a copy of the information to commission staff counsel under seal as directed above. Whenever such treatment has been requested under Part IV of these rules, the commission may make such orders as necessary to permit parties to challenge the requested additional protection.

The commission, hearing examiners, any party and the commission staff may make use of confidential material in orders, filing pleadings, testimony, or other documents, as directed by order of the commission. When a party or commission staff uses confidential material in a filed pleading, testimony, or other document, the party or commission staff must file both confidential and nonconfidential versions of the pleading, testimony, or other document. Confidential versions of filed pleadings, testimony, or other documents shall clearly indicate the confidential material contained within by highlighting, underscoring, bracketing or other appropriate marking. When filing confidential pleadings, testimony, or other documents, parties must submit the confidential version to the Clerk of the Commission securely sealed in an opaque container that is clearly labeled "UNDER SEAL." Nonconfidential versions of filed pleadings, testimony, or other documents shall expurgate, redact, or otherwise omit all references to confidential material.

The commission may issue such order as it deems necessary to prevent the use of confidentiality claims for the purpose of delay or obstruction of the proceeding.

A person who proposes in good faith that information to be delivered to the commission staff outside of a formal proceeding be withheld from public disclosure on the ground that it contains trade secrets, privileged, or confidential commercial or financial information may deliver the information under seal to the commission staff, subject to the same protections afforded confidential information in formal proceedings.

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's office. If the transcript includes confidential information, an expurgated or redacted version of the transcript shall be made available for public inspection in the clerk's office. Only the parties who have executed an agreement to adhere to a protective order or other arrangement for access to confidential treatment in such proceeding and the commission staff shall be entitled to access to an unexpurgated or unredacted version of the transcript. 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 otherwise 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, or unless the testimony and exhibits are filed electronically and otherwise comply with these rules. 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 any 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. Document subpoenas. In a pending proceeding, 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. Witness subpoenas. In a pending proceeding, at the request of commission staff or any party, the Clerk of the Commission shall issue a subpoena.

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

The commission staff and any party in a formal proceeding before the commission, other than a proceeding under 5VAC5-20-100 A, 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 staff or requesting party information as is known. Interrogatories or requests for production of documents, including workpapers pursuant to 5VAC5-20-270, 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. Such otherwise untimely interrogatories or requests for production of documents, including workpapers pursuant to 5VAC5-20-270, may not be served until such leave is granted. Interrogatories or requests for production of documents may be served upon a member of the commission staff, or an expert or consultant filing testimony on behalf of the commission staff, in a proceeding under 5 VAC 5-20-80 to discover: (i) factual information that supports the workpapers submitted by the staff pursuant to 5VAC5-20-270, including electronic spreadsheets that include underlying formulas and assumptions; (ii) any other documents relied upon as a basis for recommendations or assertions in prefiled testimony, staff reports or exhibits filed by staff, or by an expert or consultant filing testimony on behalf of the staff; or (iii) the identity of other formal proceedings in which an expert or consultant filing testimony on behalf of the staff testified regarding the same or a substantially similar subject matter. The disclosure of communications within the commission shall not be required and, except for good cause shown, no interrogatories or requests for production of documents may be served upon a member of the commission staff, or an expert or consultant filing testimony on behalf of the staff, prior to the filing of staff's testimony. All interrogatories and requests for production of documents shall be filed with the Clerk of the Commission. Responses to interrogatories and requests for production of documents shall not 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. Any objection to an interrogatory or document request shall identify the interrogatory or document request to which the objection is raised, and shall state with specificity the basis and supporting legal theory for the objection. Objections shall be served with the list of responses or in such manner as the commission may designate by order. Responses and objections to interrogatories or requests for production of documents shall be served within 10 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 shall, upon the filing of its testimony, exhibits, or report, provide (in either paper or electronic format) a copy of any workpapers that support the recommendations made in its testimony or report to any party upon request and may additionally file a copy of such workpapers with the Clerk of the Commission. The Clerk of the Commission shall make any filed workpapers available for public inspection and copying during regular business hours.

5 VAC 5-20-280. Discovery applicable only to 5 VAC 5-20-90 proceedings.

This rule applies only to a proceeding in which a defendant is subject to a monetary penalty or injunction, or revocation, cancellation, or curtailment of a license, certificate of authority, registration, or similar authority previously issued by the commission to the defendant:

1. 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 (exclusive of investigative notes): (i) 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 (a) the defendant, or representatives or agents of the defendant if the defendant is other than an individual, or (b) any witness whom the commission staff intends, or does not intend, to call to testify at the hearing, to a commission staff member or law enforcement officer; (ii) designated books, tangible objects, papers, documents, or copies or portions thereof, that are within the custody, possession, or control of commission staff and that commission staff intends to introduce into evidence at the hearing or that the commission staff obtained for the purpose of the instant proceeding; and (iii) the list of the witnesses that commission staff intends to call to testify at the hearing. Upon good cause shown to protect the identity of persons not named as a defendant, the commission or hearing examiner may direct the commission staff to withhold disclosure of material requested under this rule. The term "statement" as used in relation to any witness (other than a defendant) described in clause (i) of this subdivision includes a written statement made by said witness and signed or otherwise adopted or approved by him, and verbatim transcriptions or recordings of a witness' statement that are made contemporaneously with the statement by the witness.

A motion by the defendant or staff under this rule shall be filed and served at least 30 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 interest of justice. An order or ruling granting relief under this rule 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.

Upon written motion of the commission staff, staff may also obtain the list of witnesses that the defendant intends to call to testify at the hearing, and inspect, copy, and photograph, at commission staff's expense, the evidence that the defendant intends to introduce into evidence at the hearing.

The commission staff and the defendant shall be required to produce the information described above as directed by the commission or hearing examiner, but not later than 10 days prior to the scheduled hearing; and the admission of any additional evidence not provided in accordance herewith shall not be denied solely on the basis that it was not produced timely, provided the additional evidence was produced to commission staff or the defendant as soon as practicable prior to the hearing, or prior to the introduction of such evidence at the hearing. The requirement to produce the information described in this section shall be in addition to any requirement by commission staff or the defendant to timely respond to an interrogatory or document request made pursuant to 5VAC5-20-260.

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

2. Depositions. After commencement of a proceeding to which this rule applies, the commission staff or a party may take the testimony of (i) a party, or (ii) a person not a party for good cause shown to the commission or hearing examiner, 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 person 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 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.

3. Requests for admissions. The commission staff or a party to a 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 proceeding.

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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
Revised: January 15, 2008 by Case No. CLK-2007-00005
Revised: February 24, 2009 by Case No. CLK-2008-00002
Revised: August 9, 2011 by Case No. CLK-2011-00001

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LEADING MATTERS DISPOSED OF BY FORMAL ORDERS
BUREAU OF FINANCIAL INSTITUTIONS

CASE NO. BAN20020835
JANUARY 22, 2018

APPLICATION OF
ADVANCE AMERICA, CASH ADVANCE CENTERS OF VIRGINIA, INC. D/B/A
ADVANCE AMERICA, CASH ADVANCE CENTERS

For a license to engage in business as a payday lender

CORRECTING AND LICENSE REISSUANCE ORDER

On September 24, 2002, the State Corporation Commission ("Commission") entered an Order Granting a License ("Granting Order") in this case granting Advance America, Cash Advance Centers of Virginia, Inc. d/b/a Advance America, Cash Advance Centers ("Licensee") authority to engage in business as a payday lender under Chapter 18 of Title 6.2 of the Code of Virginia (formerly Chapter 18 of Title 6.1 of the Code of Virginia). On October 22, 2002, the Commission entered a Correcting Order amending one of the office addresses contained in the Granting Order. Thereafter, the Bureau of Financial Institutions ("Bureau") reported to the Commission that: (1) one of the office addresses contained in the Granting Order is incorrect as a result of information supplied by the Licensee; (2) the office address amended in the Correcting Order is incorrect as a result of information supplied by the Licensee; and (3) the Licensee subsequently paid the fees required by Commission regulation for reissuance of its license certificates.

Accordingly, IT IS ORDERED THAT:

(1) The thirty-ninth office location in the Granting Order is hereby corrected to read "605 Newmarket Plaza, Suite 10, Newport News, Virginia 23605" rather than "605-10 Newmarket Drive, Newport News, Virginia 23605."

(2) The sixty-sixth office location in the Granting Order is hereby corrected to read "3929 Victory Boulevard, Suite E, Portsmouth, Virginia 23701" rather than "3929 Victory Boulevard, Unit 4, Portsmouth, Virginia 23701."

(3) All other provisions of the Granting Order shall remain in full force and effect.

(4) The Bureau shall issue and deliver to the Licensee corrected license certificates.

CASE NO. BAN20031028
JANUARY 22, 2018

APPLICATION BY
ADVANCE AMERICA, CASH ADVANCE CENTERS OF VIRGINIA, INC. D/B/A
ADVANCE AMERICA, CASH ADVANCE CENTERS

For authority to establish an additional office

CORRECTING AND LICENSE REISSUANCE ORDER

On May 22, 2003, the State Corporation Commission ("Commission") entered an Order Approving Additional Offices ("Approving Order") granting Advance America, Cash Advance Centers of Virginia, Inc. d/b/a Advance America, Cash Advance Centers ("Licensee") authority to establish additional offices pursuant to Chapter 18 of Title 6.2 of the Code of Virginia (formerly Chapter 18 of Title 6.1 of the Code of Virginia). Thereafter, the Bureau of Financial Institutions ("Bureau") reported to the Commission that one of the office addresses contained in the Approving Order is incorrect as a result of information supplied by the Licensee and that the Licensee subsequently paid the fee required by Commission regulation for reissuance of its license certificate.

Accordingly, IT IS ORDERED THAT:

(1) The reference to the first location in the Approving Order is hereby corrected to read "6506 Hull Street Road, Richmond, Virginia 23224" rather than "6506 Hull Street, Richmond, Virginia 23224."

(2) All other provisions of the Approving Order shall remain in full force and effect.

(3) The bureau shall issue and deliver to the Licensee a corrected license certificate.

CASE NO. BAN20130062
JANUARY 22, 2018

APPLICATION OF
ADVANCE AMERICA, CASH ADVANCE CENTERS OF VIRGINIA, INC. D/B/A
ADVANCE AMERICA, CASH ADVANCE CENTERS

For a license to engage in business as a motor vehicle title lender

CORRECTING AND LICENSE REISSUANCE ORDER

On July 3, 2013, the State Corporation Commission ("Commission") entered an Order Granting a License ("Granting Order") in this case granting Advance America, Cash Advance Centers of Virginia, Inc. d/b/a Advance America, Cash Advance Centers ("Licensee") authority to engage in business as a motor vehicle title lender under Chapter 22 of Title 6.2 of the Code of Virginia. Thereafter, the Bureau of Financial Institutions ("Bureau") reported to the Commission that one of the office addresses contained in the Granting Order is incorrect as a result of information supplied by the Licensee.

Accordingly, IT IS ORDERED THAT:

(1) The forty-eighth office location in the Granting Order is hereby corrected to read "589 North Madison Road, Orange, Virginia 22960" rather than "589 Madison Road, Orange, Virginia 22960."

(2) All other provisions of the Granting Order shall remain in full force and effect.

(3) The Bureau shall issue and deliver to the Licensee a corrected license certificate.

CASE NO. BAN20170112
MARCH 22, 2018

APPLICATION OF
FIRST VIRGINIA FINANCIAL SERVICES, LLC D/B/A FIRST VIRGINIA

For authority for an other business operator to conduct an open-end credit business from the licensee's motor vehicle title lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

First Virginia Financial Services, LLC d/b/a First Virginia, a licensed motor vehicle title lender ("Licensee"), has applied to the State Corporation Commission ("Commission"), pursuant to § 6.2-2215 (18) of the Code of Virginia and 10 VAC 5-210-70 of the Commission's rules governing Motor Vehicle Title Lending, 10 VAC 5-210-10 *et seq.* ("Rules"), for authority for an other business operator to conduct an open-end credit business from the Licensee's motor vehicle title lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

NOW THE COMMISSION, having considered the application and the Bureau's report, finds that the application meets the criteria in Rule 10 VAC 5-210-70 B.

Accordingly, IT IS ORDERED THAT the application is APPROVED subject to the following conditions:

1. The Licensee shall not make a motor vehicle title loan to a borrower to enable the borrower to purchase or pay any amount owed in connection with the (i) goods or services sold, or (ii) loans offered, facilitated, or made, by the other business operator at the Licensee's motor vehicle title lending offices.

2. The other business operator shall comply with all federal and state laws and regulations applicable to its other business, including any applicable licensing requirements.

3. The other business operator shall not use or cause to be published any advertisement or other information that contains any false, misleading, or deceptive statement or representation concerning its other business, including the rates, terms, or conditions of the products, services, or loans that it offers. The other business operator shall not make or cause to be made any misrepresentation as to (i) its being licensed to conduct the other business or (ii) the extent to which it is subject to supervision or regulation.

4. The Licensee shall not make a motor vehicle title loan or vary the terms of a motor vehicle title loan on the condition or requirement that a person also (i) purchase a good or service from, or (ii) obtain a loan from or through, the other business operator. The other business operator shall not (a) sell its goods or services, (b) offer, facilitate, or make loans, or (c) vary the terms of its goods, services, or loans, on the condition or requirement that a person also obtain a motor vehicle title loan from the Licensee.

5. The other business operator shall maintain books and records for its other business separate and apart from the Licensee's motor vehicle title lending business and in a different location within the Licensee's motor vehicle title lending offices. The Bureau shall be given access to all such books and records and be furnished with any information and records that it may require in order to determine compliance with all applicable conditions, laws, and regulations.

6. The other business operator shall not conduct an open-end credit business if it is licensed as a payday lender under Chapter 18 (§ 6.2-1800 *et seq*.) of Title 6.2 of the Code of Virginia.

7. The other business operator shall not conduct an open-end credit business at any office, suite, room, or place of business where a person licensed under Chapter 18 of Title 6.2 of the Code of Virginia conducts the business of making payday loans.

8. The other business operator shall not make an open-end loan that is secured by a non-purchase money security interest in a motor vehicle, as such term is defined in § 6.2-2200 of the Code of Virginia.

9. The Licensee shall not make a motor vehicle title loan to a person if (i) the person has an outstanding open-end loan from the other business operator or (ii) on the same day the person repaid or satisfied in full an open-end loan from the other business operator.

10. The other business operator shall not make an open-end loan to a person if (i) the person has an outstanding motor vehicle title loan from the Licensee or (ii) on the same day the person repaid or satisfied in full a motor vehicle title loan from the Licensee.

11. The other business operator and the Licensee shall not make an open-end loan and a motor vehicle title loan contemporaneously or in response to a single request for a loan or credit.

12. The Licensee and other business operator shall provide each person seeking a motor vehicle title loan or open-end loan with a separate disclosure, signed by such person, that clearly identifies all of the loan products available in the Licensee's motor vehicle title lending offices along with the corresponding Annual Percentage Rate, interest rate, and other costs associated with each loan product. The disclosure shall also identify the collateral, if any, that will be used to secure repayment of each loan product.

CASE NO. BAN20170113
MARCH 22, 2018

APPLICATION OF
FIRST VIRGINIA FINANCIAL SERVICES, LLC D/B/A FIRST VIRGINIA

For authority for an other business operator to conduct business as an authorized delegate or agent of a money order seller or money transmitter from the licensee's motor vehicle title lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

First Virginia Financial Services, LLC d/b/a First Virginia, a licensed motor vehicle title lender ("Licensee"), has applied to the State Corporation Commission ("Commission"), pursuant to § 6.2-2215 (18) of the Code of Virginia and 10 VAC 5-210-70 of the Commission's rules governing Motor Vehicle Title Lending, 10 VAC 5-210-10 *et seq*. ("Rules"), for authority for an other business operator to conduct business as an authorized delegate or agent of a money order seller or money transmitter from the Licensee's motor vehicle title lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

NOW THE COMMISSION, having considered the application and the Bureau's report, finds that the application meets the criteria in Rule 10 VAC 5-210-70 B.

Accordingly, IT IS ORDERED THAT the application is APPROVED subject to the following conditions:

1. The Licensee shall not make a motor vehicle title loan to a borrower to enable the borrower to purchase or pay any amount owed in connection with the (i) goods or services sold, or (ii) loans offered, facilitated, or made, by the other business operator at the Licensee's motor vehicle title lending offices.

2. The other business operator shall comply with all federal and state laws and regulations applicable to its other business, including any applicable licensing requirements.

3. The other business operator shall not use or cause to be published any advertisement or other information that contains any false, misleading, or deceptive statement or representation concerning its other business, including the rates, terms, or conditions of the products, services, or loans that it offers. The other business operator shall not make or cause to be made any misrepresentation as to (i) its being licensed to conduct the other business or (ii) the extent to which it is subject to supervision or regulation.

4. The Licensee shall not make a motor vehicle title loan or vary the terms of a motor vehicle title loan on the condition or requirement that a person also (i) purchase a good or service from, or (ii) obtain a loan from or through, the other business operator. The other business operator shall not (a) sell its goods or services, (b) offer, facilitate, or make loans, or (c) vary the terms of its goods, services, or loans, on the condition or requirement that a person also obtain a motor vehicle title loan from the Licensee.

5. The other business operator shall maintain books and records for its other business separate and apart from the Licensee's motor vehicle title lending business and in a different location within the Licensee's motor vehicle title lending offices. The Bureau shall be given access to all such books and records and be furnished with any information and records that it may require in order to determine compliance with all applicable conditions, laws, and regulations.

6. The other business operator shall be and remain a party to a written agreement to act as an authorized delegate or agent of a person licensed or exempt from licensing as a money order seller or money transmitter under Chapter 19 (§ 6.2-1900 *et seq*.) of Title 6.2 of the Code of Virginia. The other business operator shall not engage in money order sales or money transmission services on its own behalf or on behalf of any person other than a licensed or exempt money order seller or money transmitter with whom it has a written agreement.

CASE NO. BAN20170114
MARCH 22, 2018

APPLICATION OF
FIRST VIRGINIA FINANCIAL SERVICES, LLC D/B/A FIRST VIRGINIA

For a license to engage in business as a motor vehicle title lender

ORDER GRANTING A LICENSE

First Virginia Financial Services, LLC d/b/a First Virginia ("Applicant"), a Delaware limited liability company, has applied to the State Corporation Commission ("Commission"), pursuant to § 6.2-2203 of the Code of Virginia, for a license to engage in the business of making motor vehicle title loans at twenty-five (25) locations (see attachment). The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

NOW THE COMMISSION, having considered the application and the Bureau's report, finds that the application meets the criteria in Chapter 22 of Title 6.2 of the Code of Virginia.

Accordingly, IT IS ORDERED THAT the application is APPROVED provided that the Applicant begins business within one (1) year from the date of this Order and the Applicant gives written notice to the Bureau stating the date business was begun within ten (10) days thereafter.

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

CASE NO. BAN20170140
JANUARY 22, 2018

APPLICATION OF
ZOOM TITLE LOANS LLC

For authority for an other business operator to conduct business as an authorized delegate or agent of a money order seller or money transmitter from the licensee's motor vehicle title lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

Zoom Title Loans LLC, a licensed motor vehicle title lender ("Licensee"), has applied to the State Corporation Commission ("Commission"), pursuant to § 6.2-2215 (18) of the Code of Virginia and 10 VAC 5-210-70 of the Commission's rules governing Motor Vehicle Title Lending, 10 VAC 5-210-10 *et seq*. ("Rules"), for authority for an other business operator to conduct business as an authorized delegate or agent of a money order seller or money transmitter from the Licensee's motor vehicle title lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

NOW THE COMMISSION, having considered the application and the Bureau's report, finds that the application meets the criteria in Rule 10 VAC 5-210-70 B.

Accordingly, IT IS ORDERED THAT the application is APPROVED subject to the following conditions:

(1) The Licensee shall not make a motor vehicle title loan to a borrower to enable the borrower to purchase or pay any amount owed in connection with the (i) goods or services sold, or (ii) loans offered, facilitated, or made, by the other business operator at the Licensee's motor vehicle title lending offices.

(2) The other business operator shall comply with all federal and state laws and regulations applicable to its other business, including any applicable licensing requirements.

(3) The other business operator shall not use or cause to be published any advertisement or other information that contains any false, misleading, or deceptive statement or representation concerning its other business, including the rates, terms, or conditions of the products, services, or loans that it offers. The other business operator shall not make or cause to be made any misrepresentation as to (i) its being licensed to conduct the other business or (ii) the extent to which it is subject to supervision or regulation.

(4) The Licensee shall not make a motor vehicle title loan or vary the terms of a motor vehicle title loan on the condition or requirement that a person also (i) purchase a good or service from, or (ii) obtain a loan from or through, the other business operator. The other business operator shall not (a) sell its goods or services, (b) offer, facilitate, or make loans, or (c) vary the terms of its goods, services, or loans, on the condition or requirement that a person also obtain a motor vehicle title loan from the Licensee.

(5) The other business operator shall maintain books and records for its other business separate and apart from the Licensee's motor vehicle title lending business and in a different location within the Licensee's motor vehicle title lending offices. The Bureau shall be given access to all such books and records and be furnished with any information and records that it may require in order to determine compliance with all applicable conditions, laws, and regulations.

(6) The other business operator shall be and remain a party to a written agreement to act as an authorized delegate or agent of a person licensed or exempt from licensing as a money order seller or money transmitter under Chapter 19 (§ 6.2-1900 *et seq*.) of Title 6.2 of the Code of Virginia. The other business operator shall not engage in money order sales or money transmission services on its own behalf or on behalf of any person other than a licensed or exempt money order seller or money transmitter with whom it has a written agreement.

CASE NO. BAN20170141
MARCH 23, 2018

APPLICATION OF
INTERNACIONAL AMC CORPORATION

For a license to engage in business as a motor vehicle title lender

ORDER GRANTING A LICENSE

Internacional AMC Corporation ("Applicant"), a Delaware corporation, has applied to the State Corporation Commission ("Commission"), pursuant to § 6.2-2203 of the Code of Virginia, for a license to engage in the business of making motor vehicle title loans at 8628 Centreville Road, Suite 102, Manassas, Virginia 20110. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

NOW THE COMMISSION, having considered the application and the Bureau's report, finds that the application meets the criteria in Chapter 22 of Title 6.2 of the Code of Virginia.

Accordingly, IT IS ORDERED THAT the application is APPROVED provided that the Applicant begins business within one (1) year from the date of this Order and the Applicant gives written notice to the Bureau stating the date business was begun within ten (10) days thereafter.

CASE NO. BAN20170141
SEPTEMBER 27, 2018

APPLICATION OF
INTERNACIONAL AMC CORPORATION

For a license to engage in business as a motor vehicle title lender

CORRECTING AND LICENSE REISSUANCE ORDER

On March 23, 2018, the State Corporation Commission ("Commission") entered an Order Granting a License ("Granting Order") in this case granting Internacional AMC Corporation ("Licensee") authority to engage in business as a motor vehicle title lender under Chapter 22 of Title 6.2 of the Code of Virginia. Thereafter, the Bureau of Financial Institutions ("Bureau") reported to the Commission that the office address contained in the Granting Order is incorrect as a result of information supplied by the Licensee.

Accordingly, IT IS ORDERED THAT:

(1) The office location in the Granting Order is hereby corrected to read "8628 Centreville Road, Suite 201, Manassas, Virginia 20110" rather than "8628 Centreville Road, Suite 102, Manassas, Virginia 20110."

(2) All other provisions of the Granting Order shall remain in full force and effect.

(3) The Bureau shall issue and deliver to the Licensee a corrected license certificate.

CASE NO. BAN20170154
MARCH 22, 2018

APPLICATION OF
FIRST VIRGINIA FINANCIAL SERVICES, LLC D/B/A FIRST VIRGINIA

For authority for an other business operator to conduct the business of facilitating third party tax preparation and electronic tax filing services from the licensee's motor vehicle title lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

First Virginia Financial Services, LLC d/b/a First Virginia, a licensed motor vehicle title lender ("Licensee"), has applied to the State Corporation Commission ("Commission"), pursuant to § 6.2-2215 (18) of the Code of Virginia and 10 VAC 5-210-70 of the Commission's rules governing Motor Vehicle Title Lending, 10 VAC 5-210-10 *et seq*. ("Rules"), for authority for an other business operator to conduct the business of facilitating third party tax preparation and electronic tax filing services from the Licensee's motor vehicle title lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

NOW THE COMMISSION, having considered the application and the Bureau's report, finds that the application meets the criteria in Rule 10 VAC 5-210-70 B.

Accordingly, IT IS ORDERED THAT the application is APPROVED subject to the following conditions:

1. The Licensee shall not make a motor vehicle title loan to a borrower to enable the borrower to purchase or pay any amount owed in connection with the (i) goods or services sold, or (ii) loans offered, facilitated, or made, by the other business operator at the Licensee's motor vehicle title lending offices.

2. The other business operator shall comply with all federal and state laws and regulations applicable to its other business, including any applicable licensing requirements.

3. The other business operator shall not use or cause to be published any advertisement or other information that contains any false, misleading, or deceptive statement or representation concerning its other business, including the rates, terms, or conditions of the products, services, or loans that it offers. The other business operator shall not make or cause to be made any misrepresentation as to (i) its being licensed to conduct the other business or (ii) the extent to which it is subject to supervision or regulation.

4. The Licensee shall not make a motor vehicle title loan or vary the terms of a motor vehicle title loan on the condition or requirement that a person also (i) purchase a good or service from, or (ii) obtain a loan from or through, the other business operator. The other business operator shall not (a) sell its goods or services, (b) offer, facilitate, or make loans, or (c) vary the terms of its goods, services, or loans, on the condition or requirement that a person also obtain a motor vehicle title loan from the Licensee.

5. The other business operator shall maintain books and records for its other business separate and apart from the Licensee's motor vehicle title lending business and in a different location within the Licensee's motor vehicle title lending offices. The Bureau shall be given access to all such books and records and be furnished with any information and records that it may require in order to determine compliance with all applicable conditions, laws, and regulations.

6. The Licensee shall not make, arrange, or broker a motor vehicle title loan that is secured by (i) an interest in a borrower's tax refund, (ii) an assignment of income payable to a borrower, or (iii) an assignment of an interest in a borrower's account at a depository institution.

7. The other business operator shall not engage in the business of (i) accepting funds for transmission to the Internal Revenue Service or other government instrumentalities, or (ii) receiving tax refunds for delivery to individuals, unless licensed or exempt from licensing under Chapter 19 (§ 6.2-1900 *et seq.*) of Title 6.2 of the Code of Virginia.

CASE NO. BAN20170168
MARCH 23, 2018

APPLICATION OF
PCC CHECK CASHING, LLC

For authority for an other business operator to conduct a motor vehicle title lending business from the licensee's payday lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

PCC Check Cashing, LLC, a licensed payday lender ("Licensee"), has applied to the State Corporation Commission ("Commission"), pursuant to § 6.2-1820 of the Code of Virginia and 10 VAC 5-200-100 of the Commission's rules governing Payday Lending, 10 VAC 5-200-10 *et seq.* ("Rules"), for authority for an other business operator to conduct a motor vehicle title lending business from the Licensee's payday lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

NOW THE COMMISSION, having considered the application and the Bureau's report, finds that the application meets the criteria in Rule 10 VAC 5-200-100 B.

Accordingly, IT IS ORDERED THAT the application is APPROVED subject to the following conditions:

1. The Licensee shall not make a payday loan to a borrower to enable the borrower to purchase or pay any amount owed in connection with the (i) goods or services sold, or (ii) loans offered, facilitated, or made, by the other business operator at the Licensee's payday lending offices.

2. The other business operator shall comply with all federal and state laws and regulations applicable to its other business, including any applicable licensing requirements.

3. The other business operator shall not use or cause to be published any advertisement or other information that contains any false, misleading, or deceptive statement or representation concerning its other business, including the rates, terms, or conditions of the products, services, or loans that it offers. The other business operator shall not make or cause to be made any misrepresentation as to (i) its being licensed to conduct the other business, or (ii) the extent to which it is subject to supervision or regulation.

4. The Licensee shall not make a payday loan or vary the terms of a payday loan on the condition or requirement that a person also (i) purchase a good or service from, or (ii) obtain a loan from or through, the other business operator. The other business operator shall not (a) sell its goods or services, (b) offer, facilitate, or make loans, or (c) vary the terms of its goods, services, or loans, on the condition or requirement that a person also obtain a payday loan from the Licensee.

5. The other business operator shall maintain books and records for its other business separate and apart from the Licensee's payday lending business and in a different location within the Licensee's payday lending offices. The Bureau shall be given access to all such books and records and be furnished with any information and records that it may require in order to determine compliance with all applicable conditions, laws, and regulations.

6. The other business operator shall be licensed or exempt from licensing under Chapter 22 (§ 6.2-2200 *et seq*.) of Title 6.2 of the Code of Virginia.

7. The Licensee shall not make a payday loan to a person if (i) the person has an outstanding motor vehicle title loan from the other business operator, or (ii) on the same day the person repaid or satisfied in full a motor vehicle title loan from the other business operator.

8. The other business operator shall not make a motor vehicle title loan to a person if (i) the person has an outstanding payday loan from the Licensee, or (ii) on the same day the person repaid or satisfied in full a payday loan from the Licensee.

9. The other business operator and the Licensee shall not make a motor vehicle title loan and a payday loan contemporaneously or in response to a single request for a loan or credit.

10. The Licensee and other business operator shall provide each applicant for a payday loan or motor vehicle title loan with a separate disclosure, signed by the applicant, that clearly identifies all of the loan products available in the Licensee's payday lending offices along with the corresponding Annual Percentage Rate, interest rate, and other costs associated with each loan product. The disclosure shall also identify the collateral, if any, that will be used to secure repayment of each loan product.

CASE NO. BAN20170169
MARCH 23, 2018

APPLICATION OF
PCC CHECK CASHING, LLC

For authority for an other business operator to conduct business as an authorized delegate or agent of a money order seller or money transmitter from the licensee's payday lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

PCC Check Cashing, LLC, a licensed payday lender ("Licensee"), has applied to the State Corporation Commission ("Commission"), pursuant to § 6.2-1820 of the Code of Virginia and 10 VAC 5-200-100 of the Commission's rules governing Payday Lending, 10 VAC 5-200-10 *et seq*. ("Rules"), for authority for an other business operator to conduct business as an authorized delegate or agent of a money order seller or money transmitter from the Licensee's payday lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

NOW THE COMMISSION, having considered the application and the Bureau's report, finds that the application meets the criteria in Rule 10 VAC 5-200-100 B.

Accordingly, IT IS ORDERED THAT the application is APPROVED subject to the following conditions:

1. The Licensee shall not make a payday loan to a borrower to enable the borrower to purchase or pay any amount owed in connection with the (i) goods or services sold, or (ii) loans offered, facilitated, or made, by the other business operator at the Licensee's payday lending offices.

2. The other business operator shall comply with all federal and state laws and regulations applicable to its other business, including any applicable licensing requirements.

3. The other business operator shall not use or cause to be published any advertisement or other information that contains any false, misleading, or deceptive statement or representation concerning its other business, including the rates, terms, or conditions of the products, services, or loans that it offers. The other business operator shall not make or cause to be made any misrepresentation as to (i) its being licensed to conduct the other business, or (ii) the extent to which it is subject to supervision or regulation.

4. The Licensee shall not make a payday loan or vary the terms of a payday loan on the condition or requirement that a person also (i) purchase a good or service from, or (ii) obtain a loan from or through, the other business operator. The other business operator shall not (a) sell its goods or services, (b) offer, facilitate, or make loans, or (c) vary the terms of its goods, services, or loans, on the condition or requirement that a person also obtain a payday loan from the Licensee.

5. The other business operator shall maintain books and records for its other business separate and apart from the Licensee's payday lending business and in a different location within the Licensee's payday lending offices. The Bureau shall be given access to all such books and records and be furnished with any information and records that it may require in order to determine compliance with all applicable conditions, laws, and regulations.

6. The other business operator shall be and remain a party to a written agreement to act as an authorized delegate or agent of a person licensed or exempt from licensing as a money order seller or money transmitter under Chapter 19 (§ 6.2-1900 *et seq*.) of Title 6.2 of the Code of Virginia. The other business operator shall not engage in money order sales or money transmission services on its own behalf or on behalf of any person other than a licensed or exempt money order seller or money transmitter with whom it has a written agreement.

CASE NO. BAN20170171
FEBRUARY 28, 2018

APPLICATION OF
PCC CHECK CASHING, LLC

For a license to engage in business as a payday lender

ORDER GRANTING A LICENSE

PCC Check Cashing, LLC ("Applicant"), a Virginia limited liability company, has applied to the State Corporation Commission ("Commission"), pursuant to § 6.2-1803 of the Code of Virginia, for a license to engage in the business of making payday loans at 785-B East Market Street, Harrisonburg, Virginia 22801. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

NOW THE COMMISSION, having considered the application and the Bureau's report, finds that the application meets the criteria in Chapter 18 of Title 6.2 of the Code of Virginia.

Accordingly, IT IS ORDERED THAT the application is APPROVED provided that the Applicant begins business within one (1) year from the date of this Order and the Applicant gives written notice to the Bureau stating the date business was begun within ten (10) days thereafter.

CASE NO. BAN20170172
MARCH 23, 2018

APPLICATION OF
PAYNE'S AUTO TITLE LOANS, LLC

For authority for an other business operator to conduct a payday lending business from the licensee's motor vehicle title lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

Payne's Auto Title Loans, LLC, a licensed motor vehicle title lender ("Licensee"), has applied to the State Corporation Commission ("Commission"), pursuant to § 6.2-2215 (18) of the Code of Virginia and 10 VAC 5-210-70 of the Commission's rules governing Motor Vehicle Title Lending, 10 VAC 5-210-10 *et seq*. ("Rules"), for authority for an other business operator to conduct a payday lending business from the Licensee's motor vehicle title lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

NOW THE COMMISSION, having considered the application and the Bureau's report, finds that the application meets the criteria in Rule 10 VAC 5-210-70 B.

Accordingly, IT IS ORDERED THAT the application is APPROVED subject to the following conditions:

1. The Licensee shall not make a motor vehicle title loan to a borrower to enable the borrower to purchase or pay any amount owed in connection with the (i) goods or services sold, or (ii) loans offered, facilitated, or made, by the other business operator at the Licensee's motor vehicle title lending offices.

2. The other business operator shall comply with all federal and state laws and regulations applicable to its other business, including any applicable licensing requirements.

3. The other business operator shall not use or cause to be published any advertisement or other information that contains any false, misleading, or deceptive statement or representation concerning its other business, including the rates, terms, or conditions of the products, services, or loans that it offers. The other business operator shall not make or cause to be made any misrepresentation as to (i) its being licensed to conduct the other business, or (ii) the extent to which it is subject to supervision or regulation.

4. The Licensee shall not make a motor vehicle title loan or vary the terms of a motor vehicle title loan on the condition or requirement that a person also (i) purchase a good or service from, or (ii) obtain a loan from or through, the other business operator. The other business operator shall not (a) sell its goods or services, (b) offer, facilitate, or make loans, or (c) vary the terms of its goods, services, or loans, on the condition or requirement that a person also obtain a motor vehicle title loan from the Licensee.

5. The other business operator shall maintain books and records for its other business separate and apart from the Licensee's motor vehicle title lending business and in a different location within the Licensee's motor vehicle title lending offices. The Bureau shall be given access to all such books and records and be furnished with any information and records that it may require in order to determine compliance with all applicable conditions, laws, and regulations.

6. The Licensee shall not make a motor vehicle title loan to a person if (i) the person has an outstanding payday loan from the other business operator or (ii) on the same day the person repaid or satisfied in full a payday loan from the other business operator.

7. The other business operator shall not make a payday loan to a person if (i) the person has an outstanding motor vehicle title loan from the Licensee or (ii) on the same day the person repaid or satisfied in full a motor vehicle title loan from the Licensee.

8. The other business operator and the Licensee shall not make a payday loan and a motor vehicle title loan contemporaneously or in response to a single request for a loan or credit.

9. The Licensee and other business operator shall provide each applicant for a motor vehicle title loan or payday loan with a separate disclosure, signed by the applicant, that clearly identifies all of the loan products available in the Licensee's motor vehicle title lending offices along with the corresponding Annual Percentage Rate, interest rate, and other costs associated with each loan product. The disclosure shall also identify the collateral, if any, that will be used to secure repayment of each loan product.

CASE NO. BAN20170173
MARCH 23, 2018

APPLICATION OF
PAYNE'S AUTO TITLE LOANS, LLC

For authority for an other business operator to conduct business as an authorized delegate or agent of a money order seller or money transmitter from the licensee's motor vehicle title lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

Payne's Auto Title Loans, LLC, a licensed motor vehicle title lender ("Licensee"), has applied to the State Corporation Commission ("Commission"), pursuant to § 6.2-2215 (18) of the Code of Virginia and 10 VAC 5-210-70 of the Commission's rules governing Motor Vehicle Title Lending, 10 VAC 5-210-10 *et seq*. ("Rules"), for authority for an other business operator to conduct business as an authorized delegate or agent of a money order seller or money transmitter from the Licensee's motor vehicle title lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

NOW THE COMMISSION, having considered the application and the Bureau's report, finds that the application meets the criteria in Rule 10 VAC 5-210-70 B.

Accordingly, IT IS ORDERED THAT the application is APPROVED subject to the following conditions:

1. The Licensee shall not make a motor vehicle title loan to a borrower to enable the borrower to purchase or pay any amount owed in connection with the (i) goods or services sold, or (ii) loans offered, facilitated, or made, by the other business operator at the Licensee's motor vehicle title lending offices.

2. The other business operator shall comply with all federal and state laws and regulations applicable to its other business, including any applicable licensing requirements.

3. The other business operator shall not use or cause to be published any advertisement or other information that contains any false, misleading, or deceptive statement or representation concerning its other business, including the rates, terms, or conditions of the products, services, or loans that it offers. The other business operator shall not make or cause to be made any misrepresentation as to (i) its being licensed to conduct the other business, or (ii) the extent to which it is subject to supervision or regulation.

4. The Licensee shall not make a motor vehicle title loan or vary the terms of a motor vehicle title loan on the condition or requirement that a person also (i) purchase a good or service from, or (ii) obtain a loan from or through, the other business operator. The other business operator shall not (a) sell its goods or services, (b) offer, facilitate, or make loans, or (c) vary the terms of its goods, services, or loans, on the condition or requirement that a person also obtain a motor vehicle title loan from the Licensee.

5. The other business operator shall maintain books and records for its other business separate and apart from the Licensee's motor vehicle title lending business and in a different location within the Licensee's motor vehicle title lending offices. The Bureau shall be given access to all such books and records and be furnished with any information and records that it may require in order to determine compliance with all applicable conditions, laws, and regulations.

6. The other business operator shall be and remain a party to a written agreement to act as an authorized delegate or agent of a person licensed or exempt from licensing as a money order seller or money transmitter under Chapter 19 (§ 6.2-1900 *et seq*.) of Title 6.2 of the Code of Virginia. The other business operator shall not engage in money order sales or money transmission services on its own behalf or on behalf of any person other than a licensed or exempt money order seller or money transmitter with whom it has a written agreement.

CASE NO. BAN20170176
FEBRUARY 28, 2018

APPLICATION OF
PAYNE'S AUTO TITLE LOANS, LLC

For a license to engage in business as a motor vehicle title lender

ORDER GRANTING A LICENSE

Payne's Auto Title Loans, LLC ("Applicant"), a Virginia limited liability company, has applied to the State Corporation Commission ("Commission"), pursuant to § 6.2-2203 of the Code of Virginia, for a license to engage in the business of making motor vehicle title loans at 785-B East Market Street, Harrisonburg, Virginia 22801. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

NOW THE COMMISSION, having considered the application and the Bureau's report, finds that the application meets the criteria in Chapter 22 of Title 6.2 of the Code of Virginia.

Accordingly, IT IS ORDERED THAT the application is APPROVED provided that the Applicant begins business within one (1) year from the date of this Order and the Applicant gives written notice to the Bureau stating the date business was begun within ten (10) days thereafter.

CASE NO. BAN20170186
JANUARY 9, 2018

APPLICATION OF
BUCKEYE TITLE LOANS OF VIRGINIA, LLC D/B/A CHECKSMART CONSUMER LOANS

For authority for an other business operator to conduct the business of facilitating third party tax preparation and electronic tax filing services from the licensee's motor vehicle title lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

Buckeye Title Loans of Virginia, LLC d/b/a Checksmart Consumer Loans, a licensed motor vehicle title lender ("Licensee"), has applied to the State Corporation Commission ("Commission"), pursuant to § 6.2-2215 (18) of the Code of Virginia and 10 VAC 5-210-70 of the Commission's rules governing Motor Vehicle Title Lending, 10 VAC 5-210-10 *et seq*. ("Rules"), for authority for an other business operator to conduct the business of facilitating third party tax preparation and electronic tax filing services from the Licensee's motor vehicle title lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

NOW THE COMMISSION, having considered the application and the Bureau's report, finds that the application meets the criteria in Rule 10 VAC 5-210-70 B.

Accordingly, IT IS ORDERED THAT the application is APPROVED subject to the following conditions:

1. The Licensee shall not make a motor vehicle title loan to a borrower to enable the borrower to purchase or pay any amount owed in connection with the (i) goods or services sold, or (ii) loans offered, facilitated, or made, by the other business operator at the Licensee's motor vehicle title lending offices.

2. The other business operator shall comply with all federal and state laws and regulations applicable to its other business, including any applicable licensing requirements.

3. The other business operator shall not use or cause to be published any advertisement or other information that contains any false, misleading, or deceptive statement or representation concerning its other business, including the rates, terms, or conditions of the products, services, or loans that it offers. The other business operator shall not make or cause to be made any misrepresentation as to (i) its being licensed to conduct the other business or (ii) the extent to which it is subject to supervision or regulation.

4. The Licensee shall not make a motor vehicle title loan or vary the terms of a motor vehicle title loan on the condition or requirement that a person also (i) purchase a good or service from, or (ii) obtain a loan from or through, the other business operator. The other business operator shall not (a) sell its goods or services, (b) offer, facilitate, or make loans, or (c) vary the terms of its goods, services, or loans, on the condition or requirement that a person also obtain a motor vehicle title loan from the Licensee.

5. The other business operator shall maintain books and records for its other business separate and apart from the Licensee's motor vehicle title lending business and in a different location within the Licensee's motor vehicle title lending offices. The Bureau shall be given access to all such books and records and be furnished with any information and records that it may require in order to determine compliance with all applicable conditions, laws, and regulations.

6. The Licensee shall not make, arrange, or broker a motor vehicle title loan that is secured by (i) an interest in a borrower's tax refund, (ii) an assignment of income payable to a borrower, or (iii) an assignment of an interest in a borrower's account at a depository institution.

7. The other business operator shall not engage in the business of (i) accepting funds for transmission to the Internal Revenue Service or other government instrumentalities, or (ii) receiving tax refunds for delivery to individuals, unless licensed or exempt from licensing under Chapter 19 (§ 6.2-1900 *et seq.*) of Title 6.2 of the Code of Virginia

CASE NO. BAN20170189
MARCH 26, 2018

APPLICATION OF
BAYLANDS FAMILY CREDIT UNION, INC.

To merge with Spruance Cellophane Credit Union

ORDER APPROVING A MERGER

Baylands Family Credit Union, Inc. ("Applicant"), a Virginia state-chartered credit union, has applied to the State Corporation Commission ("Commission"), pursuant to § 6.2-1344 of the Code of Virginia, to merge with Spruance Cellophane Credit Union, a Virginia state-chartered credit union. The Applicant will be the survivor of the proposed merger. The application was investigated by the Bureau of Financial Institutions ("Bureau").

NOW THE COMMISSION, having considered the application and the Bureau's report, finds that: (1) pursuant to § 6.2-1344 B of the Code of Virginia, the application is exempt from the condition set forth in § 6.2-1344 A 1 of the Code of Virginia; (2) the plan of merger will promote the best interests of the members of the credit unions; and (3) the members of Spruance Cellophane Credit Union and the board of directors of the Applicant have approved the plan of merger in accordance with applicable law.

Accordingly, IT IS ORDERED THAT, provided the merging credit unions comply with the applicable provisions of the Virginia Nonstock Corporation Act, § 13.1-801 *et seq.* of the Code of Virginia, the proposed merger of Spruance Cellophane Credit Union into the Applicant is APPROVED, effective upon the issuance by the Clerk of the Commission of a certificate of merger. Following the merger, the Applicant shall be authorized to operate a service facility, in addition to its current service facilities, at what is now the office of Spruance Cellophane Credit Union at 7119 Jefferson Davis Highway, North Chesterfield, Virginia 23237. The Commission shall retain jurisdiction over this matter pending consummation of the transaction. The authority granted herein shall expire one (1) year from the date of this Order unless extended by order of the Commission prior to the expiration date.

CASE NO. BAN20170195
FEBRUARY 28, 2018

APPLICATION OF
ZOOM TITLE LOANS LLC

For authority for an other business operator to conduct an open-end credit business from the licensee's motor vehicle title lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

Zoom Title Loans LLC, a licensed motor vehicle title lender ("Licensee"), has applied to the State Corporation Commission ("Commission"), pursuant to § 6.2-2215 (18) of the Code of Virginia and 10 VAC 5-210-70 of the Commission's rules governing Motor Vehicle Title Lending, 10 VAC 5-210-10 et seq. ("Rules"), for authority for an other business operator to conduct an open-end credit business from the Licensee's motor vehicle title lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

NOW THE COMMISSION, having considered the application and the Bureau's report, finds that the application meets the criteria in Rule 10 VAC 5-210-70 B.

Accordingly, IT IS ORDERED THAT the application is APPROVED subject to the following conditions:

1. The Licensee shall not make a motor vehicle title loan to a borrower to enable the borrower to purchase or pay any amount owed in connection with the (i) goods or services sold, or (ii) loans offered, facilitated, or made, by the other business operator at the Licensee's motor vehicle title lending offices.

2. The other business operator shall comply with all federal and state laws and regulations applicable to its other business, including any applicable licensing requirements.

3. The other business operator shall not use or cause to be published any advertisement or other information that contains any false, misleading, or deceptive statement or representation concerning its other business, including the rates, terms, or conditions of the products, services, or loans that it offers. The other business operator shall not make or cause to be made any misrepresentation as to (i) its being licensed to conduct the other business or (ii) the extent to which it is subject to supervision or regulation.

4. The Licensee shall not make a motor vehicle title loan or vary the terms of a motor vehicle title loan on the condition or requirement that a person also (i) purchase a good or service from, or (ii) obtain a loan from or through, the other business operator. The other business operator shall not (a) sell its goods or services, (b) offer, facilitate, or make loans, or (c) vary the terms of its goods, services, or loans, on the condition or requirement that a person also obtain a motor vehicle title loan from the Licensee.

5. The other business operator shall maintain books and records for its other business separate and apart from the Licensee's motor vehicle title lending business and in a different location within the Licensee's motor vehicle title lending offices. The Bureau shall be given access to all such books and records and be furnished with any information and records that it may require in order to determine compliance with all applicable conditions, laws, and regulations.

6. The other business operator shall not conduct an open-end credit business if it is licensed as a payday lender under Chapter 18 (§ 6.2-1800 et seq.) of Title 6.2 of the Code of Virginia.

7. The other business operator shall not conduct an open-end credit business at any office, suite, room, or place of business where a person licensed under Chapter 18 of Title 6.2 of the Code of Virginia conducts the business of making payday loans.

8. The other business operator shall not make an open-end loan that is secured by a non-purchase money security interest in a motor vehicle, as such term is defined in § 6.2-2200 of the Code of Virginia.

9. The Licensee shall not make a motor vehicle title loan to a person if (i) the person has an outstanding open-end loan from the other business operator or (ii) on the same day the person repaid or satisfied in full an open-end loan from the other business operator.

10. The other business operator shall not make an open-end loan to a person if (i) the person has an outstanding motor vehicle title loan from the Licensee or (ii) on the same day the person repaid or satisfied in full a motor vehicle title loan from the Licensee.

11. The other business operator and the Licensee shall not make an open-end loan and a motor vehicle title loan contemporaneously or in response to a single request for a loan or credit.

12. The Licensee and other business operator shall provide each person seeking a motor vehicle title loan or open-end loan with a separate disclosure, signed by such person, that clearly identifies all of the loan products available in the Licensee's motor vehicle title lending offices along with the corresponding Annual Percentage Rate, interest rate, and other costs associated with each loan product. The disclosure shall also identify the collateral, if any, that will be used to secure repayment of each loan product.

CASE NO. BAN20170196
FEBRUARY 20, 2018

APPLICATION OF
ZOOM TITLE LOANS LLC

For authority to establish an additional office

ORDER APPROVING AN ADDITIONAL OFFICE

Zoom Title Loans LLC, a licensed motor vehicle title lender ("Licensee"), has applied to the State Corporation Commission ("Commission"), pursuant to Chapter 22 of Title 6.2 of the Code of Virginia, for authority to establish an additional office at 279 West Main Street, Covington, Virginia 24426. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

NOW THE COMMISSION, having considered the application and the report of the Bureau, finds that the application meets the criteria in § 6.2-2207 B of the Code of Virginia.

Accordingly, IT IS ORDERED THAT the application is APPROVED provided that the Licensee opens the office within one (1) year from the date of this Order and the Licensee gives written notice to the Bureau stating the date business was begun at the new office location within ten (10) days thereafter.

CASE NO. BAN20170197
JANUARY 22, 2018

REQUEST BY
ALTAVISTA AREA/CAMPBELL COUNTY HABITAT FOR HUMANITY, INC.

To be designated as a bona fide nonprofit organization

ORDER GRANTING DESIGNATION

Altavista Area/Campbell County Habitat for Humanity, Inc., a Virginia corporation, has requested that the State Corporation Commission ("Commission") designate it as a bona fide nonprofit organization pursuant to § 6.2-1701.1 of the Code of Virginia and 10 VAC 5-161-75 of the Commission's rules governing mortgage loan originators, 10 VAC 5-161-10 *et seq*. ("Rules"). The request was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

NOW THE COMMISSION, having considered the organization's request and the Bureau's report, finds that the request meets the criteria in Rule 10 VAC 5-161-75.

Accordingly, IT IS ORDERED THAT Altavista Area/Campbell County Habitat for Humanity, Inc. is designated as a bona fide nonprofit organization for purposes of Chapter 17 of Title 6.2 of the Code of Virginia and the Commission's Rules.

CASE NO. BAN20170200
FEBRUARY 8, 2018

APPLICATION OF
OLD POINT FINANCIAL CORPORATION

To acquire control of Citizens National Bank

ORDER OF APPROVAL

Old Point Financial Corporation, a Virginia financial institution holding company, has filed with the State Corporation Commission ("Commission") the application required by § 6.2-704 of the Code of Virginia to acquire control of Citizens National Bank, a Virginia financial institution. The Commission's Bureau of Financial Institutions ("Bureau") investigated the proposed acquisition.

NOW THE COMMISSION, having considered the application and the report of the Bureau, finds that the application meets the criteria in § 6.2-705 of the Code of Virginia.

Accordingly, IT IS ORDERED THAT the proposed acquisition of Citizens National Bank by Old Point Financial Corporation is APPROVED, provided that: (i) the authority granted herein shall expire one (1) year from the date of this Order unless extended by Commission order prior to the expiration date; and (ii) the applicant notifies the Bureau of the effective date of the transaction within ten (10) days thereof. The Commission shall retain jurisdiction over this matter pending consummation of the transaction.

CASE NO. BAN20180003
JANUARY 25, 2018

APPLICATION OF
CASH-2-U FINANCIAL SERVICES OF VIRGINIA, LLC D/B/A CASH-2-U TITLE LOANS

For authority to relocate an office

ORDER APPROVING RELOCATION OF AN OFFICE

Cash-2-U Financial Services of Virginia, LLC d/b/a Cash-2-U Title Loans, a licensed motor vehicle title lender ("Licensee"), has applied to the State Corporation Commission ("Commission"), pursuant to Chapter 22 of Title 6.2 of the Code of Virginia, for authority to relocate an office from 4118 West Broad Street, Richmond, Virginia 23230 to 4721 West Broad Street, Richmond, Virginia 23230. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

NOW THE COMMISSION, having considered the application and report of the Bureau, finds that the application meets the criteria in § 6.2-2207 B of the Code of Virginia.

Accordingly, IT IS ORDERED THAT the application is APPROVED provided that the Licensee relocates the office within one (1) year from the date of this Order and the Licensee gives written notice to the Bureau stating the date business was begun at the new office location within ten (10) days thereafter.

CASE NO. BAN20180088
MAY 23, 2018

APPLICATION OF
ZOOM TITLE LOANS LLC

For authority to establish an additional office

ORDER APPROVING AN ADDITIONAL OFFICE

Zoom Title Loans LLC, a licensed motor vehicle title lender ("Licensee"), has applied to the State Corporation Commission ("Commission"), pursuant to Chapter 22 of Title 6.2 of the Code of Virginia, for authority to establish an additional office at 1131 Rio Road East, Unit A, Charlottesville, Virginia 22901. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

NOW THE COMMISSION, having considered the application and the report of the Bureau, finds that the application meets the criteria in § 6.2-2207 B of the Code of Virginia.

Accordingly, IT IS ORDERED THAT the application is APPROVED provided that the Licensee opens the office within one (1) year from the date of this Order and the Licensee gives written notice to the Bureau stating the date business was begun at the new office location within ten (10) days thereafter.

CASE NO. BAN20180094
APRIL 5, 2018

REQUEST BY
HABITAT FOR HUMANITY PENINSULA AND GREATER WILLIAMSBURG

To be designated as a bona fide nonprofit organization

ORDER GRANTING DESIGNATION

Habitat for Humanity Peninsula and Greater Williamsburg, a Virginia corporation, has requested that the State Corporation Commission ("Commission") designate it as a bona fide nonprofit organization pursuant to § 6.2-1701.1 of the Code of Virginia and 10 VAC 5-161-75 of the Commission's rules governing mortgage loan originators, 10 VAC 5-161-10 *et seq*. ("Rules"). The request was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

NOW THE COMMISSION, having considered the organization's request and the Bureau's report, finds that the request meets the criteria in Rule 10 VAC 5-161-75.

Accordingly, IT IS ORDERED THAT Habitat for Humanity Peninsula and Greater Williamsburg is designated as a bona fide nonprofit organization for purposes of Chapter 17 of Title 6.2 of the Code of Virginia and the Commission's Rules.

CASE NO. BAN20180101
APRIL 17, 2018

REQUEST BY
AMHERST COUNTY HABITAT FOR HUMANITY, INC.

To be designated as a bona fide nonprofit organization

ORDER GRANTING DESIGNATION

Amherst County Habitat for Humanity, Inc., a Virginia corporation, has requested that the State Corporation Commission ("Commission") designate it as a bona fide nonprofit organization pursuant to § 6.2-1701.1 of the Code of Virginia and 10 VAC 5-161-75 of the Commission's rules governing mortgage loan originators, 10 VAC 5-161-10 *et seq*. ("Rules"). The request was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

NOW THE COMMISSION, having considered the organization's request and the Bureau's report, finds that the request meets the criteria in Rule 10 VAC 5-161-75.

Accordingly, IT IS ORDERED THAT Amherst County Habitat for Humanity, Inc. is designated as a bona fide nonprofit organization for purposes of Chapter 17 of Title 6.2 of the Code of Virginia and the Commission's Rules.

CASE NO. BAN20180102
JUNE 15, 2018

APPLICATION OF
PARKWAY ACQUISITION CORP.

To acquire Great State Bank

ORDER OF APPROVAL

Parkway Acquisition Corp., a Virginia bank holding company, has filed with the State Corporation Commission ("Commission") the notice required by § 6.2-715 of the Code of Virginia of its proposed acquisition of Great State Bank, a North Carolina state-chartered bank. The Bureau of Financial Institutions ("Bureau") investigated the proposed acquisition.

NOW THE COMMISSION, having considered the notice and the report of the Bureau, finds that the proposed acquisition will not have a detrimental effect on the safety or soundness of the Virginia bank subsidiary of Parkway Acquisition Corp.

Accordingly, IT IS ORDERED THAT the proposed acquisition of Great State Bank by Parkway Acquisition Corp. is APPROVED, provided that: (i) the authority granted herein shall expire one (1) year from the date of this Order unless extended by Commission order prior to the expiration date; and (ii) Parkway Acquisition Corp. notifies the Bureau of the effective date of the transaction within ten (10) days thereof. The Commission shall retain jurisdiction over this matter pending consummation of the transaction.

CASE NO. BAN20180103
AUGUST 30, 2018

REQUEST BY
BETTER HOUSING COALITION

To be designated as a bona fide nonprofit organization

ORDER GRANTING DESIGNATION

Better Housing Coalition, a Virginia corporation, has requested that the State Corporation Commission ("Commission") designate it as a bona fide nonprofit organization pursuant to § 6.2-1701.1 of the Code of Virginia and 10 VAC 5-161-75 of the Commission's rules governing mortgage loan originators, 10 VAC 5-161-10 *et seq*. ("Rules"). The request was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

NOW THE COMMISSION, having considered the organization's request and the Bureau's report, finds that the request meets the criteria in Rule 10 VAC 5-161-75.

Accordingly, IT IS ORDERED THAT Better Housing Coalition is designated as a bona fide nonprofit organization for purposes of Chapter 17 of Title 6.2 of the Code of Virginia and the Commission's Rules.

CASE NO. BAN20180118
JUNE 11, 2018

APPLICATION OF
FAST AUTO LOANS, INC.

For authority for an other business operator to conduct an open-end credit business from the licensee's motor vehicle title lending offices

ORDER GRANTING OTHER BUSINESS AUTHORITY

Fast Auto Loans, Inc., a licensed motor vehicle title lender ("Licensee"), has applied to the State Corporation Commission ("Commission"), pursuant to § 6.2-2215 (18) of the Code of Virginia and 10 VAC 5-210-70 of the Commission's rules governing Motor Vehicle Title Lending, 10 VAC 5-210-10 *et seq.* ("Rules"), for authority for an other business operator to conduct an open-end credit business from the Licensee's motor vehicle title lending offices. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

NOW THE COMMISSION, having considered the application and the Bureau's report, finds that the application meets the criteria in Rule 10 VAC 5-210-70 B.

Accordingly, IT IS ORDERED THAT the application is APPROVED subject to the following conditions:

1. The Licensee shall not make a motor vehicle title loan to a borrower to enable the borrower to purchase or pay any amount owed in connection with the (i) goods or services sold, or (ii) loans offered, facilitated, or made, by the other business operator at the Licensee's motor vehicle title lending offices.

2. The other business operator shall comply with all federal and state laws and regulations applicable to its other business, including any applicable licensing requirements.

3. The other business operator shall not use or cause to be published any advertisement or other information that contains any false, misleading, or deceptive statement or representation concerning its other business, including the rates, terms, or conditions of the products, services, or loans that it offers. The other business operator shall not make or cause to be made any misrepresentation as to (i) its being licensed to conduct the other business or (ii) the extent to which it is subject to supervision or regulation.

4. The Licensee shall not make a motor vehicle title loan or vary the terms of a motor vehicle title loan on the condition or requirement that a person also (i) purchase a good or service from, or (ii) obtain a loan from or through, the other business operator. The other business operator shall not (a) sell its goods or services, (b) offer, facilitate, or make loans, or (c) vary the terms of its goods, services, or loans, on the condition or requirement that a person also obtain a motor vehicle title loan from the Licensee.

5. The other business operator shall maintain books and records for its other business separate and apart from the Licensee's motor vehicle title lending business and in a different location within the Licensee's motor vehicle title lending offices. The Bureau shall be given access to all such books and records and be furnished with any information and records that it may require in order to determine compliance with all applicable conditions, laws, and regulations.

6. The other business operator shall not conduct an open-end credit business if it is licensed as a payday lender under Chapter 18 (§ 6.2-1800 *et seq.*) of Title 6.2 of the Code of Virginia.

7. The other business operator shall not conduct an open-end credit business at any office, suite, room, or place of business where a person licensed under Chapter 18 of Title 6.2 of the Code of Virginia conducts the business of making payday loans.

8. The other business operator shall not make an open-end loan that is secured by a non-purchase money security interest in a motor vehicle, as such term is defined in § 6.2-2200 of the Code of Virginia.

9. The Licensee shall not make a motor vehicle title loan to a person if (i) the person has an outstanding open-end loan from the other business operator or (ii) on the same day the person repaid or satisfied in full an open-end loan from the other business operator.

10. The other business operator shall not make an open-end loan to a person if (i) the person has an outstanding motor vehicle title loan from the Licensee or (ii) on the same day the person repaid or satisfied in full a motor vehicle title loan from the Licensee.

11. The other business operator and the Licensee shall not make an open-end loan and a motor vehicle title loan contemporaneously or in response to a single request for a loan or credit.

12. The Licensee and other business operator shall provide each person seeking a motor vehicle title loan or open-end loan with a separate disclosure, signed by such person, that clearly identifies all of the loan products available in the Licensee's motor vehicle title lending offices along with the corresponding Annual Percentage Rate, interest rate, and other costs associated with each loan product. The disclosure shall also identify the collateral, if any, that will be used to secure repayment of each loan product.

CASE NO. BAN20180121
JULY 20, 2018

APPLICATION OF
FIRST US BANCSHARES, INC.

To acquire control of The Peoples Bank

ORDER OF APPROVAL

First US Bancshares, Inc., a financial institution holding company with headquarters in Birmingham, Alabama, has filed with the State Corporation Commission ("Commission") the application required by § 6.2-704 of the Code of Virginia to acquire control of The Peoples Bank, a Virginia financial institution. The Bureau of Financial Institutions ("Bureau") investigated the proposed acquisition.

NOW THE COMMISSION, having considered the application and the report of the Bureau, finds that the application meets the criteria in § 6.2-705 of the Code of Virginia.

Accordingly, IT IS ORDERED THAT the proposed acquisition of The Peoples Bank by First US Bancshares, Inc. is APPROVED, provided that: (i) the authority granted herein shall expire one (1) year from the date of this Order unless extended by Commission order prior to the expiration date; and (ii) First US Bancshares, Inc. notifies the Bureau of the effective date of the transaction within ten (10) days thereof. The Commission shall retain jurisdiction over this matter pending consummation of the transaction.

CASE NO. BAN20180130
JULY 5, 2018

REQUEST BY
HANOVER HABITAT FOR HUMANITY, INC.

To be designated as a bona fide nonprofit organization

ORDER GRANTING DESIGNATION

Hanover Habitat for Humanity, Inc., a Virginia corporation, has requested that the State Corporation Commission ("Commission") designate it as a bona fide nonprofit organization pursuant to § 6.2-1701.1 of the Code of Virginia and 10 VAC 5-161-75 of the Commission's rules governing mortgage loan originators, 10 VAC 5-161-10 *et seq*. ("Rules"). The request was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

NOW THE COMMISSION, having considered the organization's request and the Bureau's report, finds that the request meets the criteria in Rule 10 VAC 5-161-75.

Accordingly, IT IS ORDERED THAT Hanover Habitat for Humanity, Inc. is designated as a bona fide nonprofit organization for purposes of Chapter 17 of Title 6.2 of the Code of Virginia and the Commission's Rules.

CASE NO. BAN20180131
JULY 5, 2018

REQUEST BY
RICHMOND METROPOLITAN HABITAT FOR HUMANITY, INC.

To be designated as a bona fide nonprofit organization

ORDER GRANTING DESIGNATION

Richmond Metropolitan Habitat for Humanity, Inc., a Virginia corporation, has requested that the State Corporation Commission ("Commission") designate it as a bona fide nonprofit organization pursuant to § 6.2-1701.1 of the Code of Virginia and 10 VAC 5-161-75 of the Commission's rules governing mortgage loan originators, 10 VAC 5-161-10 *et seq*. ("Rules"). The request was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

NOW THE COMMISSION, having considered the organization's request and the Bureau's report, finds that the request meets the criteria in Rule 10 VAC 5-161-75.

Accordingly, IT IS ORDERED THAT Richmond Metropolitan Habitat for Humanity, Inc. is designated as a bona fide nonprofit organization for purposes of Chapter 17 of Title 6.2 of the Code of Virginia and the Commission's Rules.

CASE NO. BAN20180145
JULY 3, 2018

APPLICATION OF
TIDEWATER LOANS LLC D/B/A AMERICAN TITLE LOANS

For authority to relocate an office

ORDER APPROVING RELOCATION OF AN OFFICE

Tidewater Loans LLC d/b/a American Title Loans, a licensed motor vehicle title lender ("Licensee"), has applied to the State Corporation Commission ("Commission"), pursuant to Chapter 22 of Title 6.2 of the Code of Virginia, for authority to relocate an office from 4830 Virginia Beach Boulevard, Virginia Beach, Virginia 23462 to 3519 High Street, #B, Portsmouth, Virginia 23707. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

NOW THE COMMISSION, having considered the application and report of the Bureau, finds that the application meets the criteria in § 6.2-2207 B of the Code of Virginia.

Accordingly, IT IS ORDERED THAT the application is APPROVED provided that the Licensee relocates the office within one (1) year from the date of this Order and the Licensee gives written notice to the Bureau stating the date business was begun at the new office location within ten (10) days thereafter.

CASE NO. BAN20180153
JULY 25, 2018

REQUEST BY
HABITAT FOR HUMANITY OF SOUTH HAMPTON ROADS, INC.

To be designated as a bona fide nonprofit organization

ORDER GRANTING DESIGNATION

Habitat for Humanity of South Hampton Roads, Inc., a Virginia corporation, has requested that the State Corporation Commission ("Commission") designate it as a bona fide nonprofit organization pursuant to § 6.2-1701.1 of the Code of Virginia and 10 VAC 5-161-75 of the Commission's rules governing mortgage loan originators, 10 VAC 5-161-10 *et seq*. ("Rules"). The request was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

NOW THE COMMISSION, having considered the organization's request and the Bureau's report, finds that the request meets the criteria in Rule 10 VAC 5-161-75.

Accordingly, IT IS ORDERED THAT Habitat for Humanity of South Hampton Roads, Inc. is designated as a bona fide nonprofit organization for purposes of Chapter 17 of Title 6.2 of the Code of Virginia and the Commission's Rules.

CASE NO. BAN20180159
SEPTEMBER 7, 2018

APPLICATION OF
FIRST COMMUNITY BANKSHARES, INC.

To acquire control of First Community Bank

ORDER OF APPROVAL

First Community Bankshares, Inc., a Virginia corporation, has filed with the State Corporation Commission ("Commission") the application required by § 6.2-704 of the Code of Virginia to acquire control of First Community Bank, a Virginia financial institution. The Bureau of Financial Institutions ("Bureau") investigated the proposed acquisition.

NOW THE COMMISSION, having considered the application and the report of the Bureau, finds that the application meets the criteria in § 6.2-705 of the Code of Virginia.

Accordingly, IT IS ORDERED THAT the proposed acquisition of First Community Bank by First Community Bankshares, Inc. is APPROVED, provided that: (i) the authority granted herein shall expire one (1) year from the date of this Order unless extended by Commission order prior to the expiration date; and (ii) First Community Bankshares, Inc. notifies the Bureau of the effective date of the transaction within ten (10) days thereof. The Commission shall retain jurisdiction over this matter pending consummation of the transaction.

CASE NOS. BAN20180164 & BAN20180165
AUGUST 23, 2018

APPLICATIONS OF
ADVANCE AMERICA, CASH ADVANCE CENTERS OF VIRGINIA, INC. D/B/A ADVANCE AMERICA, CASH ADVANCE CENTERS

For authority to relocate an office

ORDER APPROVING RELOCATION OF AN OFFICE

Advance America, Cash Advance Centers of Virginia, Inc. d/b/a Advance America, Cash Advance Centers, a licensed payday lender and motor vehicle title lender ("Licensee"), has applied to the State Corporation Commission ("Commission"), pursuant to Chapters 18 and 22 of Title 6.2 of the Code of Virginia, for authority to relocate an office from 7289 Commerce Street, Springfield, Virginia 22150 to 7700 Backlick Road, Suite A, Springfield, Virginia 22150. The applications were investigated by the Commission's Bureau of Financial Institutions ("Bureau").

NOW THE COMMISSION, having considered the applications and report of the Bureau, finds that the applications meet the criteria in §§ 6.2-1807 C and 6.2-2207 B of the Code of Virginia.

Accordingly, IT IS ORDERED THAT the applications are APPROVED provided that the Licensee relocates the office within one (1) year from the date of this Order and the Licensee gives written notice to the Bureau stating the date business was begun at the new office location within ten (10) days thereafter.

CASE NO. BAN20180166
SEPTEMBER 7, 2018

REQUEST BY
GREATER FREDERICKSBURG HABITAT FOR HUMANITY, INC.

To be designated as a bona fide nonprofit organization

ORDER GRANTING DESIGNATION

Greater Fredericksburg Habitat for Humanity, Inc., a Virginia corporation, has requested that the State Corporation Commission ("Commission") designate it as a bona fide nonprofit organization pursuant to § 6.2-1701.1 of the Code of Virginia and 10 VAC 5-161-75 of the Commission's rules governing mortgage loan originators, 10 VAC 5-161-10 *et seq*. ("Rules"). The request was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

NOW THE COMMISSION, having considered the organization's request and the Bureau's report, finds that the request meets the criteria in Rule 10 VAC 5-161-75.

Accordingly, IT IS ORDERED THAT Greater Fredericksburg Habitat for Humanity, Inc. is designated as a bona fide nonprofit organization for purposes of Chapter 17 of Title 6.2 of the Code of Virginia and the Commission's Rules.

CASE NO. BAN20180175
SEPTEMBER 18, 2018

APPLICATION OF
MOUNTAIN STATES CREDIT UNION

To conduct credit union business in Virginia

ORDER OF APPROVAL

Mountain States Credit Union, a Tennessee state-chartered credit union, has applied to the State Corporation Commission ("Commission"), pursuant to § 6.2-1379 A of the Code of Virginia, to conduct business as a credit union at 16000 Johnston Memorial Drive, Abingdon, Virginia 24211. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

NOW THE COMMISSION, having considered the application and the report of the Bureau, finds that the application meets the criteria in § 6.2-1379 A of the Code of Virginia.

Accordingly, IT IS ORDERED THAT the application of Mountain States Credit Union to conduct credit union business at 16000 Johnston Memorial Drive, Abingdon, Virginia 24211 is APPROVED.

CASE NO. BAN20180176
SEPTEMBER 7, 2018

REQUEST BY
HOLSTON HABITAT FOR HUMANITY, INC.

To be designated as a bona fide nonprofit organization

ORDER GRANTING DESIGNATION

Holston Habitat for Humanity, Inc., a Tennessee corporation, has requested that the State Corporation Commission ("Commission") designate it as a bona fide nonprofit organization pursuant to § 6.2-1701.1 of the Code of Virginia and 10 VAC 5-161-75 of the Commission's rules governing mortgage loan originators, 10 VAC 5-161-10 *et seq*. ("Rules"). The request was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

NOW THE COMMISSION, having considered the organization's request and the Bureau's report, finds that the request meets the criteria in Rule 10 VAC 5-161-75.

Accordingly, IT IS ORDERED THAT Holston Habitat for Humanity, Inc. is designated as a bona fide nonprofit organization for purposes of Chapter 17 of Title 6.2 of the Code of Virginia and the Commission's Rules.

CASE NOS. BAN20180220 & BAN20180221
SEPTEMBER 21, 2018

APPLICATIONS OF
ADVANCE AMERICA, CASH ADVANCE CENTERS OF VIRGINIA, INC. D/B/A ADVANCE AMERICA, CASH ADVANCE CENTERS

For authority to relocate an office

ORDER APPROVING RELOCATION OF AN OFFICE

Advance America, Cash Advance Centers of Virginia, Inc. d/b/a Advance America, Cash Advance Centers, a licensed payday lender and motor vehicle title lender ("Licensee"), has applied to the State Corporation Commission ("Commission"), pursuant to Chapters 18 and 22 of Title 6.2 of the Code of Virginia, for authority to relocate an office from 6506 Hull Street Road, Richmond, Virginia 23224 to 433 East Belt Boulevard, Richmond, Virginia 23224. The applications were investigated by the Commission's Bureau of Financial Institutions ("Bureau").

NOW THE COMMISSION, having considered the applications and report of the Bureau, finds that the applications meet the criteria in §§ 6.2-1807 C and 6.2-2207 B of the Code of Virginia.

Accordingly, IT IS ORDERED THAT the applications are APPROVED provided that the Licensee relocates the office within one (1) year from the date of this Order and the Licensee gives written notice to the Bureau stating the date business was begun at the new office location within ten (10) days thereafter.

CASE NO. BAN20180254
NOVEMBER 15, 2018

APPLICATION OF

PAYDAY ADVANCE, L.L.C.

For authority to relocate an office

ORDER APPROVING RELOCATION OF AN OFFICE

PayDay Advance, L.L.C., a licensed payday lender ("Licensee"), has applied to the State Corporation Commission ("Commission"), pursuant to Chapter 18 of Title 6.2 of the Code of Virginia, for authority to relocate an office from 625 Piney Forest Road, Suite 204A, Danville, Virginia 24540 to 625 Piney Forest Road, Suite 203A, Danville, Virginia 24540. The application was investigated by the Commission's Bureau of Financial Institutions ("Bureau").

NOW THE COMMISSION, having considered the application and report of the Bureau, finds that the application meets the criteria in § 6.2-1807 C of the Code of Virginia.

Accordingly, IT IS ORDERED THAT the application is APPROVED provided that the Licensee relocates the office within one (1) year from the date of this Order and the Licensee gives written notice to the Bureau stating the date business was begun at the new office location within ten (10) days thereafter.

CASE NO. BFI-2016-00061
FEBRUARY 2, 2018

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

FINAL ORDER

On September 14, 2017, the State Corporation Commission ("Commission") entered a Rule to Show Cause ("Rule") against Washington Home Mortgage, LLC ("Defendant") based upon allegations made by the Commission's Bureau of Financial Institutions ("Bureau"). Specifically, the Bureau alleged that the Defendant had violated §§ 12.1-33, 6.2-406, 6.2-1612, 6.2-1614 (1) of the Code of Virginia ("Code") and 10 VAC 5-160-20 (9),[1] 10 VAC 5-160-50 B, 10 VAC 5-160-60 A 1, 10 VAC 5-160-60 A 2, 10 VAC 5-160-90 B, and 10 VAC 5-160-90 D of the Commission's Rules Governing Mortgage Lenders and Brokers, 10 VAC 5-160-10 *et seq*. The Bureau requested revocation of the Defendant's mortgage broker license pursuant to §§ 6.2 1619 A 2 and 6.2-1619 A 12 of the Code and the imposition of a $10,000 civil penalty pursuant to §§ 6.2-1624 and 12.1-33 of the Code.

[1] Prior to May 15, 2017, Rule 10 VAC 5-160-20 (9) was 10 VAC 5-160-20 (11).

Among other things, the Rule directed the Defendant to file a responsive pleading, scheduled a hearing, and assigned the matter to a hearing examiner ("Hearing Examiner") to conduct further proceedings.

The Defendant failed to file an answer or other responsive pleading, and the hearing was convened as scheduled on November 15, 2017. The Defendant failed to appear at the hearing and was found by the Hearing Examiner to be in default. The Bureau moved for a default judgment, and the Bureau's motion was taken under advisement. The Bureau proceeded with its evidentiary case against the Defendant and presented the testimony of two witnesses, Olena V. Bilay, Senior Financial Analyst, and Susan E. Hancock, Deputy Commissioner for the Bureau.

On December 12, 2017, the Hearing Examiner issued his report ("Report"). In his Report, among other things, the Hearing Examiner found: (i) the Defendant in default; (ii) the Bureau's motion for judgment by default should be granted; (iii) the Defendant violated § 6.2-1614 (1) of the Code on one occasion; (iv) the Defendant violated § 6.2-406 of the Code on six occasions; (v) the Defendant violated § 6.2-1612 of the Code on two occasions; (vi) the Defendant violated Rule 10 VAC 5-160-90 B on four occasions; (vii) the Defendant violated Rule 10 VAC 5-160-60 A 1 on one occasion; (viii) the Defendant violated Rules 10 VAC 5-160-60 A 1 and 10 VAC 5-160-60 A 2 on two occasions; (ix) the Defendant violated Rule 10 VAC 5-160-50 B on one occasion; (x) the Defendant violated Rule 10 VAC 5-160-90 D on one occasion; (xi) the Defendant violated Rule 10 VAC 5 160 20 (9) and § 13.1-1051 of the Code on one occasion; and (xii) the Defendant violated § 12.1-33 of the Code on an ongoing basis by failing to comply with the Settlement Order entered by the Commission on May 24, 2017; in particular, by failing to pay in full its civil penalty, by continuing to violate Chapter 16 of Title 6.2 of the Code and associated Rules, and by failing to keep information current in its Nationwide Mortgage Licensing System record as agreed in the Settlement Order.

The Hearing Examiner recommended that the Commission enter a Judgment Order against the Defendant adopting the findings of his Report, granting the Bureau's motion for judgment by default, revoking the Defendant's license to transact the business of a mortgage broker, and penalizing the Defendant in the sum of $10,000.

The parties were granted 21 days to file comments to the Report. Comments were due January 2, 2018, which was a state holiday. The Defendant filed comments on January 3, 2018. In its comments, the Defendant requested a rehearing, alleging that its president, Diego Calderon, suffered an accident on April 5, 2017, and did not understand the Rule. The Bureau did not file comments.

NOW THE COMMISSION, upon consideration of the Rule, the record, the Hearing Examiner's Report, and the applicable statutes, is of the opinion and finds that the Hearing Examiner's findings and recommendations, as detailed in the Report, should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the December 12, 2017 Report are hereby ADOPTED.

(2) The Bureau's motion for judgment by default is GRANTED.

(3) The Bureau's request to revoke the mortgage broker license issued to Washington Home Mortgage, LLC is hereby GRANTED, and such license is hereby REVOKED.

(3) The Defendant is hereby PENALIZED in the sum of Ten Thousand Dollars ($10,000).

(4) This case is DISMISSED, and the papers herein shall be placed in the file for ended causes.

CASE NO. BFI-2016-00061
FEBRUARY 23, 2018

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

ORDER GRANTING RECONSIDERATION

By Final Order entered on February 2, 2018 ("Final Order"), the State Corporation Commission ("Commission") ordered, among other things, the revocation of the license of Washington Home Mortgage, LLC ("Defendant"), to engage in business as a mortgage broker in the Commonwealth of Virginia for violating §§ 12.1-33, 6.2-406, 6.2-1612, 6.2-1614 (1) of the Code of Virginia ("Code") and 10 VAC 5-160-20 (9),[1] 10 VAC 5-160-50 B, 10 VAC 5-160-60 A 1, 10 VAC 5-160-60 A 2, 10 VAC 5-160-90 B, and 10 VAC 5-160-90 D of the Commission's Rules Governing Mortgage Lenders and Brokers, 10 VAC 5-160-10 *et seq*.

On February 22, 2018, the Defendant, by its counsel, filed a Petition for Rehearing ("Petition") pursuant to 14 VAC 5-20-220 of the Commission's Rules of Practice and Procedure, 14 VAC 5-20-10 *et seq*. In its Petition, the Defendant requests that the Commission grant rehearing and reconsider the matter.

NOW THE COMMISSION, upon consideration of this matter, grants reconsideration for the purposes of continuing jurisdiction over this matter and considering the above-referenced request.

[1] Prior to May 15, 2017, Rule 10 VAC 5-160-20 (9) was 10 VAC 5-160-20 (11).

Accordingly, IT IS ORDERED THAT:

(1) Reconsideration is granted for the purpose of continuing jurisdiction over this matter and considering the above-reference request.

(2) Pending the Commission's reconsideration, the Final Order is suspended.

(3) This matter is continued generally pending further order of the Commission.

CASE NO. BFI-2016-00061
APRIL 18, 2018

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

ORDER ON RECONSIDERATION

By Final Order entered on February 2, 2018, the State Corporation Commission ("Commission") adopted the findings and recommendations of the December 12, 2017, Report of Michael D. Thomas, Hearing Examiner, granted the Bureau of Financial Institutions ("Bureau") motion for judgment by default, revoked Washington Home Mortgage, LLC's ("Defendant") mortgage broker license, penalized the Defendant in the sum of Ten Thousand Dollars ($10,000), and dismissed the case.

On February 22, 2018, the Defendant filed a request for rehearing or reconsideration ("Petition") pursuant to 5 VAC 5-20-220 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.*, requesting that the Commission reconsider the revocation of its mortgage broker license, the imposition of the civil penalty, and grant a rehearing.[1]

On February 23, 2018, the Commission issued an Order Granting Reconsideration by which it retained jurisdiction over this matter. On March 5, 2018, the Commission issued an Order Directing Additional Pleadings that required the Bureau to file a response to the Defendant's Petition, the Defendant to file a reply to the Bureau's response, and continued this matter generally. The Bureau filed its response on March 16, 2018, and the Defendant filed its reply on March 23, 2018.

In Response of the Bureau of Financial Institutions to Petition for Rehearing or Reconsideration, the Bureau argued that the Rule was properly served upon the Defendant,[2] and the hearing was convened as scheduled on November 15, 2017. At the hearing, the Bureau presented its evidentiary case against the Defendant. The Hearing Examiner found that the Rule was properly served and that the evidence supported the Bureau's allegations on all counts. In the Defendant's March 22, 2018 Reply to the Bureau of Financial Institutions' Response to the Petition for Rehearing or Reconsideration ("Reply"), the Defendant's president stated that he made an error by failing to read the Rule when he received it.[3]

NOW THE COMMISSION, having considered the record herein, is of the opinion that there is sufficient evidence that the Defendant was afforded ample due process in this matter and that the Defendant's failure to avail itself of the due process provided was the Defendant's error; therefore, the Defendant's Petition should be denied.

Accordingly, IT IS ORDERED THAT:

(1) The Defendant's Petition is DENIED.

(2) The Final Order entered February 2, 2018, is hereby AFFIRMED.

(3) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

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[1] According to the Petition, the Defendant's failure to file a responsive pleading to the Rule to Show Cause ("Rule") and its failure to appear at the hearing were due to the health of its president, Diego Calderon.

[2] Exhibit 1 in the record was the certified mail receipt for the Rule signed by the Defendant’s president, Diego Calderon.

[3] Reply at Exhibit 1, at 1.

CASE NO. BFI-2017-00139
AUGUST 1, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
COMMERCIAL FINANCE SERVICES 1107, LLC,
Defendant

SETTLEMENT ORDER

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that SIRVA Mortgage, Inc. ("Licensee") is licensed to engage in business as a mortgage lender under Chapter 16 of Title 6.2 of the Code of Virginia ("Code"); that the Bureau of Financial Institutions ("Bureau") completed an investigation and as a result of the investigation alleged that Commercial Finance Services 1107, LLC ("Defendant") acquired 25 percent or more of the ownership of the Licensee without obtaining prior Commission approval in violation of § 6.2-1608 of the Code; and that the Defendant has offered to settle this case by paying a fine in the sum of Five Thousand Dollars ($5,000), tendered said sum to the Commonwealth of Virginia, and waived its right to a hearing in this case. The Commissioner has recommended that the Commission accept the Defendant's offer of settlement pursuant to the authority granted under § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the Defendant's offer of settlement, and the recommendation of the Commissioner, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

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

(2) This case is dismissed.

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

NOTE: A copy of the Admission and Consent form 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. BFI-2017-00140
JANUARY 22, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

Ex Parte: In re: PHH Mortgage Corporation

ORDER APPROVING SETTLEMENT AGREEMENT

The Commissioner of Financial Institutions ("Commissioner") has requested that the State Corporation Commission ("Commission") approve and accept a multi-state Settlement Agreement and Consent Order ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between PHH Mortgage Corporation, a licensed mortgage lender and broker under Chapter 16 of Title 6.2 of the Code of Virginia, and various state regulatory agencies. The Commissioner has recommended that the Commission (i) approve and accept the Agreement, and (ii) authorize the Commissioner to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOW THE COMMISSION, having considered the terms of the Agreement and the recommendation of the Commissioner, is of the opinion and finds that the Agreement should be approved and accepted, and that the Commissioner should be authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

Accordingly, IT IS ORDERED THAT:

(1) The Agreement is approved and accepted.

(2) The Commissioner is authorized to execute any documents attendant to the Agreement necessary to evidence the Commission's approval and acceptance.

NOTE: A copy of the "Settlement Agreement, Consent Order, Exhibit A, Exhibit B and Exhibit C" 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. BFI-2017-00142
JANUARY 25, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
PARKE STANLEY,
Defendant

CEASE AND DESIST ORDER

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Parke Stanley ("Defendant") is engaging in business as a mortgage broker and a mortgage loan originator without the required licenses in violation of §§ 6.2-1601 and 6.2-1701 of the Code of Virginia ("Code"); that the Commissioner, pursuant to §§ 6.2-1622 and 6.2-1721 of the Code, gave written notice to the Defendant by certified mail on November 30, 2017, (i) of his intention to seek an order from the Commission requiring the Defendant to cease and desist from engaging in business as a mortgage broker and a mortgage loan originator without the required licenses, and to comply with the provisions of Chapters 16 and 17 of Title 6.2 of the Code, and (ii) that a written request for a hearing was required to be filed in the Office of the Clerk on or before December 29, 2017; and that no written request for a hearing was received or filed.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, finds that the Defendant is engaging in business as a mortgage broker and a mortgage loan originator without the required licenses in violation of §§ 6.2-1601 and 6.2-1701 of the Code.

Accordingly, IT IS ORDERED THAT:

(1) Parke Stanley shall immediately (i) cease and desist from engaging in business as a mortgage broker and a mortgage loan originator without the required licenses, and (ii) comply with Chapters 16 and 17 of Title 6.2 of the Code.

(2) This case is dismissed.

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

CASE NO. BFI-2018-00008
APRIL 4, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
ACTION MORTGAGE, LLC,
Defendant

ORDER REVOKING A LICENSE

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Action Mortgage, LLC ("Defendant") is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.2 of the Code of Virginia ("Code"); that the bond filed by the Defendant pursuant to § 6.2-1604 of the Code was cancelled on February 20, 2018; that the Defendant repeatedly failed to provide the Bureau of Financial Institutions ("Bureau") with a response to its November 10, 2017, examination report, in violation of 10 VAC 5-160-50 B of the Commission's Rules Governing Mortgage Lenders and Brokers, 10 VAC 5-160-10 *et seq.* ("Rules"); and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on February 26, 2018, (1) of his intention to recommend revocation of the Defendant's license; and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before March 26, 2018. As of April 3, 2018, the Defendant has not filed a new bond or responded to the Bureau's examination report and the Commission has not received a written request for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's license to engage in business as a mortgage broker.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendant has (i) failed to maintain its bond in force as required by law; and (ii) violated 10 VAC 5-160-50 B of the Rules by failing to respond to the Bureau's examination report.

Accordingly, IT IS ORDERED THAT:

(1) The license granted to the Defendant to engage in business as a mortgage broker is hereby revoked.

(2) This case is dismissed.

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

CASE NO. BFI-2018-00010
APRIL 6, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
YAPSTONE, INC. YAPSTONE HOLDINGS, INC.,
Defendants

SETTLEMENT ORDER

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that YapStone, Inc. and Yapstone Holdings, Inc. ("Defendants") engaged in the business of money transmission without obtaining a license in violation of § 6.2-1901 of the Code of Virginia ("Code"); and that the Defendants have offered to settle this case by paying a civil penalty in the sum of Twenty-five Thousand Dollars ($25,000), tendered said sum to the Commonwealth of Virginia, and waived their right to a hearing in this case. The Commissioner has recommended that the Commission accept the Defendants' offer of settlement pursuant to the authority granted under § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the Defendants' offer of settlement, and the recommendation of the Commissioner, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The Defendants' offer in settlement of this case is accepted.

(2) This case is dismissed.

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

NOTE: A copy of the Admission and Consent form 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. BFI-2018-00011
JUNE 7, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
FIRSTSOURCE GROUP USA, INC.,
Defendant

SETTLEMENT ORDER

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Firstsource Group USA, Inc. ("Defendant"), acquired 25% or more of the ownership of ISGN Solutions, Inc., a licensed mortgage broker under Chapter 16 of Title 6.2 of the Code of Virginia ("Code"), without prior Commission approval, in violation of § 6.2-1608 of the Code. The Defendant offered to settle this case by paying a fine in the sum of Five Thousand Dollars ($5,000), tendered said sum to the Commonwealth of Virginia, and waived its right to a hearing in this case. The Commissioner has recommended that the Commission accept the Defendant's offer of settlement pursuant to the authority granted under § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the Defendant's offer of settlement, and the recommendation of the Commissioner, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

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

(2) This case is dismissed.

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

NOTE: A copy of the Admission and Consent form 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. BFI-2018-00012
JULY 10, 2018

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

SETTLEMENT ORDER

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Interlaken Mortgage Corp. ("Defendant") acquired 25% or more of the ownership of Belem Servicing LLC d/b/a Patriot Home Mortgage, a licensed mortgage broker under Chapter 16 of Title 6.2 of the Code of Virginia ("Code"), without prior Commission approval in violation of § 6.2-1608 of the Code; and that the Defendant offered to settle this case by paying a fine in the sum of Five Thousand Dollars ($5,000), tendered said sum to the Commonwealth of Virginia, and waived its right to a hearing in this case. The Commissioner has recommended that the Commission accept the Defendant's offer of settlement pursuant to the authority granted under § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the Defendant's offer of settlement, and the recommendation of the Commissioner, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

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

(2) This case is dismissed.

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

NOTE: A copy of the Admission and Consent form 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. BFI-2018-00017
JUNE 4, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
BRIDGEWATER CAPITAL OF NORTH CAROLINA, INC. (USED IN VIRGINIA BY: BRIDGEWATER CAPITAL, INC.),
Defendant

SETTLEMENT ORDER

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Bridgewater Capital of North Carolina, Inc. (Used in Virginia by: Bridgewater Capital, Inc.) ("Defendant") is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.2 of the Code of Virginia ("Code"); that the Commission's Bureau of Financial Institutions alleged that the Defendant filed its quarterly mortgage call reports late in the Nationwide Mortgage Licensing System and Registry, in violation of 10 VAC 5-160-90 B of the Commission's Rules Governing Mortgage Lenders and Brokers, 10 VAC 5-160-10 *et seq*.; and that upon being informed that the Commissioner intended to recommend the imposition of a civil penalty, the Defendant offered to settle this case by paying a civil penalty in the sum of Five Thousand Dollars ($5,000) in three (3) installments, with the first installment of Two Thousand Dollars ($2,000) due June 1, 2018, the second installment of One Thousand Five Hundred Dollars ($1,500) due July 1, 2018, and the third and final installment of One Thousand Five Hundred Dollars ($1,500) due August 1, 2018, and waived its right to a hearing in this case. The Commissioner has recommended that the Commission accept the Defendant's offer of settlement pursuant to the authority granted under § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the Defendant's offer of settlement, and the recommendation of the Commissioner, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

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

(2) The Defendant shall fully comply with the aforesaid terms and undertakings of this settlement.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding or taking such other action it deems appropriate on account of the Defendant's failure to comply with the terms and undertakings of the settlement.

NOTE: A copy of the Admission and Consent form 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. BFI-2018-00025
SEPTEMBER 18, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
7 CORNERS FINANCIAL, INC.,
Defendant

ORDER REVOKING A LICENSE

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that 7 Corners Financial, Inc. ("Defendant"), is licensed to engage in business as a consumer finance company under Chapter 15 of Title 6.2 of the Code of Virginia ("Code"); that the Defendant failed to (i) file its annual report due April 1, 2018, as required by § 6.2-1534 of the Code; and (ii) pay its annual fee due June 1, 2018, as required by § 6.2-1532 of the Code; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on July 25, 2018, (1) of his intention to seek an order from the Commission revoking the Defendant's license; and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before August 16, 2018. As of the date of this Order, the Defendant has not filed its annual report or paid its annual fee and the Commission has not received a written request for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's license to engage in business as a consumer finance company.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendant has failed to file its annual report and pay its annual fee as required by law.

Accordingly, IT IS ORDERED THAT:

(1) The license granted to the Defendant to engage in business as a consumer finance company is hereby revoked.

(2) This case is dismissed.

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

CASE NO. BFI-2018-00027
OCTOBER 12, 2018

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

SETTLEMENT ORDER

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Sabina Mortgage, Inc. ("Defendant") is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.2 of the Code of Virginia ("Code"); that the Commission's Bureau of Financial Institutions alleged that the Defendant filed its quarterly mortgage call reports late in the Nationwide Mortgage Licensing System and Registry, in violation of 10 VAC 5-160-90 B of the Commission's Rules Governing Mortgage Lenders and Brokers, 10 VAC 5-160-10 *et seq*.; and that upon being informed that the Commissioner intended to recommend that the Defendant's license be revoked, the Defendant offered to settle this case by paying a civil penalty in the sum of Five Thousand Dollars ($5,000) in two (2) installments, with the first installment of Two Thousand Five Hundred Dollars ($2,500) due October 1, 2018, and second installment of Two Thousand Five Hundred Dollars ($2,500) due November 1, 2018, and waived its right to a hearing in this case. The Commissioner has recommended that the Commission accept the Defendant's offer of settlement pursuant to the authority granted under § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the Defendant's offer of settlement, and the recommendation of the Commissioner, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

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

(2) The Defendant shall fully comply with the aforesaid terms and undertakings of this settlement.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding or taking such other action it deems appropriate on account of the Defendant's failure to comply with the terms and undertakings of the settlement.

NOTE: A copy of the Admission and Consent form 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. BFI-2018-00029
SEPTEMBER 14, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
VICKEN KASSOUNY a/k/a MENIKIN EDWARD KOUNIAN,
Defendant

ORDER

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that on February 8, 2018, Vicken Kassouny a/k/a Menikin Edward Kounian ("Defendant") of Burbank, California, pled guilty in the United States District Court for the Central District of California, to the felony of conspiracy to commit bank fraud in violation of 18 U.S.C. § 1349; and that in the opinion of the Commissioner, the criminal plea involved an offense reasonably related to the qualifications, functions, or duties of a person employed by, or in a position of management or control of, a mortgage lender or mortgage broker licensed under Chapter 16 of Title 6.2 of the Code of Virginia ("Code"). On July 24, 2018, the Commissioner gave written notice to the Defendant by first class and certified mail (1) of his intention to seek an order from the Commission barring the Defendant from any position of employment, management, or control of any licensed mortgage lender or mortgage broker pursuant to § 6.2-1620 of the Code; and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before August 24, 2018. No written request for a hearing was received or filed.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, finds that the Defendant has pled guilty to a felony that involved an offense reasonably related to the qualifications, functions, or duties of a person employed by, or in a position of management or control of, a licensed mortgage lender or mortgage broker.

Accordingly, IT IS ORDERED THAT:

(1) The Defendant is barred from any position of employment, management, or control of any licensed mortgage lender or mortgage broker.

(2) This case is dismissed.

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

CASE NO. BFI-2018-00030
OCTOBER 26, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
ASSURITY FINANCIAL, LLC,
Defendant

ORDER REVOKING A LICENSE

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Assurity Financial, LLC ("Defendant") is licensed to engage in business as a consumer finance company under Chapter 15 of Title 6.2 of the Code of Virginia ("Code"); that the Defendant failed to pay its annual fee due June 1, 2018, as required by § 6.2-1532 of the Code; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on August 10, 2018, (1) of his intention to seek an order from the Commission revoking the Defendant's license; and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before September 10, 2018. As of the date of this Order, the Defendant has not paid its annual fee and the Commission has not received a written request for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's license to engage in business as a consumer finance company.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendant has failed to pay its annual fee as required by law.

Accordingly, IT IS ORDERED THAT:

(1) The license granted to the Defendant to engage in business as a consumer finance company is hereby revoked.

(2) This case is dismissed.

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

CASE NO. BFI-2018-00036
NOVEMBER 8, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
WANG PETADATA, INC.,
Defendant

SETTLEMENT ORDER

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Wang PetaData, Inc. ("Defendant") is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.2 (§ 6.2-1600 *et seq*.) of the Code of Virginia ("Chapter 16"); that the Commission's Bureau of Financial Institutions ("Bureau") alleged that the Defendant engaged in the pattern and practice of violating 10 VAC 5-160-90 B of the Commission's Rules Governing Mortgage Lenders and Brokers, 10 VAC 5-160-10 *et seq*. ("Rules") by (i) failing to file its mortgage call report in the Nationwide Mortgage Licensing System and Registry ("NMLS") for the second quarter of 2018, and (ii) failing to timely file its mortgage call reports in NMLS for the first quarter of 2018 and all four quarters of 2017; and that upon being informed that the Commissioner intended to recommend revocation of the Defendant's license, the Defendant offered to settle this case by abiding by the provisions of this Order and waived its right to a hearing in this case. The Commissioner has recommended that the Commission accept the Defendant's offer of settlement pursuant to the authority granted under § 12.1-15 of the Code of Virginia.

NOW THE COMMISSION, having considered the record herein, the Defendant's offer of settlement, and the recommendation of the Commissioner, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

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

(2) The license granted to the Defendant to engage in business as a mortgage broker is hereby suspended for a period of four (4) months from the date of this Order.

(3) The Defendant shall not engage in business as a mortgage broker while the Defendant's license is suspended.

(4) During the suspension period and thereafter, the Defendant shall be subject to and comply with all provisions in Chapter 16 and the Commission's Rules that are applicable to persons who are licensed or required to be licensed under Chapter 16.

(5) This case is dismissed.

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

NOTE: A copy of the Admission and Consent form 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. BFI-2018-00080
DECEMBER 27, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
SUNSHINE, INC.,
Defendant

ORDER REVOKING A LICENSE

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Sunshine, Inc. ("Defendant") is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.2 of the Code of Virginia ("Code"); that the Defendant failed to file its mortgage call report pertaining to its financial condition in the Nationwide Mortgage Licensing System and Registry, in violation of 10 VAC 5-160-90 B of the Commission's Rules Governing Mortgage Lenders and Brokers, 10 VAC 5-160-10 *et seq*. ("Rules"); and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on October 22, 2018, (1) of his intention to recommend revocation of the Defendant's license, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before November 26, 2018. As of the date of this Order, the Defendant has not filed its mortgage call report, and the Commission has not received a written request for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's license to engage in business as a mortgage broker.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendant has violated 10 VAC 5-160-90 B of the Commission's Rules.

Accordingly, IT IS ORDERED THAT:

(1) The license granted to the Defendant to engage in business as a mortgage broker is hereby revoked.

(2) This case is dismissed.

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

CASE NO. BFI-2018-00089
DECEMBER 27, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.

FOURTH LUCKY, INC. D/B/A LUCKY CONVENIENCE STORES	CASE NO. BFI-2018-00089
HASAN ABUEZNAID D/B/A MA HOLLINS	CASE NO. BFI-2018-00090
COLONIAL MART, INC.	CASE NO. BFI-2018-00096
RUBEN RAMOS TORRES D/B/A LA JALPITA # 1	CASE NO. BFI-2018-00097
OASIS FOOD MART, INC. D/B/A OASIS FOOD MART	CASE NO. BFI-2018-00100
GUADALUPE SANCHEZ VENTURA D/B/A VENTURA GROCERY	CASE NO. BFI-2018-00101
FFS OF ARLINGTON LLC	CASE NO. BFI-2018-00103
EL TORITO INC.	CASE NO. BFI-2018-00104
CRYSTAL JEWELRY, INC. D/B/A CRYSTAL JEWELRY	CASE NO. BFI-2018-00105
ACE FOODS, INC.	CASE NO. BFI-2018-00107
GNC SERVICES, INC.	CASE NO. BFI-2018-00108
RUBINS CHECKS CASHED INC.	CASE NO. BFI-2018-00110
FLOOSE CORPORATION	CASE NO. BFI-2018-00111
MOLINA AND REYES, LLC D/B/A LA TABASQUENA HISPANIC STORE	CASE NO. BFI-2018-00112
MAYFLOWER VENTURES, LLC D/B/A OMG CONVENIENCE STORE	CASE NO. BFI-2018-00114
PINEDA'S MONEY MART INC.	CASE NO. BFI-2018-00116
JEWELRY AND COIN EXCHANGE, INC.	CASE NO. BFI-2018-00118
HISPANO EXPRESS LLC D/B/A EL HISPANITO	CASE NO. BFI-2018-00120
SABATINOS INC. D/B/A WINGS OVER RICHMOND	CASE NO. BFI-2018-00122
ZOILA SEGURA VICENTE D/B/A LOS ANGELES	CASE NO. BFI-2018-00123
DINERO EXPRESS LLC	CASE NO. BFI-2018-00124
CASH FROM US LLC	CASE NO. BFI-2018-00126
DONA FER GROCERY STORE LLC	CASE NO. BFI-2018-00127
HERCULES FOOD INCORPORATED D/B/A RUTA 360 LA DISCOTECA BAR AND RESTAURANT	CASE NO. BFI-2018-00129
FAST PRESTAMOS, INC.,	CASE NO. BFI-2018-00132

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on October 11, 2018, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before November 11, 2018. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2018-00090
DECEMBER 27, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

FOURTH LUCKY, INC. D/B/A LUCKY CONVENIENCE STORES	CASE NO. BFI-2018-00089
HASAN ABUEZNAID D/B/A MA HOLLINS	CASE NO. BFI-2018-00090
COLONIAL MART, INC.	CASE NO. BFI-2018-00096
RUBEN RAMOS TORRES D/B/A LA JALPITA # 1	CASE NO. BFI-2018-00097
OASIS FOOD MART, INC. D/B/A OASIS FOOD MART	CASE NO. BFI-2018-00100
GUADALUPE SANCHEZ VENTURA D/B/A VENTURA GROCERY	CASE NO. BFI-2018-00101
FFS OF ARLINGTON LLC	CASE NO. BFI-2018-00103
EL TORITO INC.	CASE NO. BFI-2018-00104
CRYSTAL JEWELRY, INC. D/B/A CRYSTAL JEWELRY	CASE NO. BFI-2018-00105
ACE FOODS, INC.	CASE NO. BFI-2018-00107
GNC SERVICES, INC.	CASE NO. BFI-2018-00108
RUBINS CHECKS CASHED INC.	CASE NO. BFI-2018-00110
FLOOSE CORPORATION	CASE NO. BFI-2018-00111
MOLINA AND REYES, LLC D/B/A LA TABASQUENA HISPANIC STORE	CASE NO. BFI-2018-00112
MAYFLOWER VENTURES, LLC D/B/A OMG CONVENIENCE STORE	CASE NO. BFI-2018-00114
PINEDA'S MONEY MART INC.	CASE NO. BFI-2018-00116
JEWELRY AND COIN EXCHANGE, INC.	CASE NO. BFI-2018-00118
HISPANO EXPRESS LLC D/B/A EL HISPANITO	CASE NO. BFI-2018-00120
SABATINOS INC. D/B/A WINGS OVER RICHMOND	CASE NO. BFI-2018-00122
ZOILA SEGURA VICENTE D/B/A LOS ANGELES	CASE NO. BFI-2018-00123
DINERO EXPRESS LLC	CASE NO. BFI-2018-00124
CASH FROM US LLC	CASE NO. BFI-2018-00126
DONA FER GROCERY STORE LLC	CASE NO. BFI-2018-00127
HERCULES FOOD INCORPORATED D/B/A RUTA 360 LA DISCOTECA BAR AND RESTAURANT	CASE NO. BFI-2018-00129
FAST PRESTAMOS, INC.,	CASE NO. BFI-2018-00132

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on October 11, 2018, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before November 11, 2018. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2018-00096
DECEMBER 27, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

FOURTH LUCKY, INC. D/B/A LUCKY CONVENIENCE STORES	CASE NO. BFI-2018-00089
HASAN ABUEZNAID D/B/A MA HOLLINS	CASE NO. BFI-2018-00090
COLONIAL MART, INC.	CASE NO. BFI-2018-00096
RUBEN RAMOS TORRES D/B/A LA JALPITA # 1	CASE NO. BFI-2018-00097
OASIS FOOD MART, INC. D/B/A OASIS FOOD MART	CASE NO. BFI-2018-00100
GUADALUPE SANCHEZ VENTURA D/B/A VENTURA GROCERY	CASE NO. BFI-2018-00101
FFS OF ARLINGTON LLC	CASE NO. BFI-2018-00103
EL TORITO INC.	CASE NO. BFI-2018-00104
CRYSTAL JEWELRY, INC. D/B/A CRYSTAL JEWELRY	CASE NO. BFI-2018-00105
ACE FOODS, INC.	CASE NO. BFI-2018-00107
GNC SERVICES, INC.	CASE NO. BFI-2018-00108
RUBINS CHECKS CASHED INC.	CASE NO. BFI-2018-00110
FLOOSE CORPORATION	CASE NO. BFI-2018-00111
MOLINA AND REYES, LLC D/B/A LA TABASQUENA HISPANIC STORE	CASE NO. BFI-2018-00112
MAYFLOWER VENTURES, LLC D/B/A OMG CONVENIENCE STORE	CASE NO. BFI-2018-00114
PINEDA'S MONEY MART INC.	CASE NO. BFI-2018-00116
JEWELRY AND COIN EXCHANGE, INC.	CASE NO. BFI-2018-00118
HISPANO EXPRESS LLC D/B/A EL HISPANITO	CASE NO. BFI-2018-00120
SABATINOS INC. D/B/A WINGS OVER RICHMOND	CASE NO. BFI-2018-00122
ZOILA SEGURA VICENTE D/B/A LOS ANGELES	CASE NO. BFI-2018-00123
DINERO EXPRESS LLC	CASE NO. BFI-2018-00124
CASH FROM US LLC	CASE NO. BFI-2018-00126
DONA FER GROCERY STORE LLC	CASE NO. BFI-2018-00127
HERCULES FOOD INCORPORATED D/B/A RUTA 360 LA DISCOTECA BAR AND RESTAURANT	CASE NO. BFI-2018-00129
FAST PRESTAMOS, INC.,	CASE NO. BFI-2018-00132

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on October 11, 2018, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before November 11, 2018. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2018-00097
DECEMBER 27, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

FOURTH LUCKY, INC. D/B/A LUCKY CONVENIENCE STORES	CASE NO. BFI-2018-00089
HASAN ABUEZNAID D/B/A MA HOLLINS	CASE NO. BFI-2018-00090
COLONIAL MART, INC.	CASE NO. BFI-2018-00096
RUBEN RAMOS TORRES D/B/A LA JALPITA # 1	CASE NO. BFI-2018-00097
OASIS FOOD MART, INC. D/B/A OASIS FOOD MART	CASE NO. BFI-2018-00100
GUADALUPE SANCHEZ VENTURA D/B/A VENTURA GROCERY	CASE NO. BFI-2018-00101
FFS OF ARLINGTON LLC	CASE NO. BFI-2018-00103
EL TORITO INC.	CASE NO. BFI-2018-00104
CRYSTAL JEWELRY, INC. D/B/A CRYSTAL JEWELRY	CASE NO. BFI-2018-00105
ACE FOODS, INC.	CASE NO. BFI-2018-00107
GNC SERVICES, INC.	CASE NO. BFI-2018-00108
RUBINS CHECKS CASHED INC.	CASE NO. BFI-2018-00110
FLOOSE CORPORATION	CASE NO. BFI-2018-00111
MOLINA AND REYES, LLC D/B/A LA TABASQUENA HISPANIC STORE	CASE NO. BFI-2018-00112
MAYFLOWER VENTURES, LLC D/B/A OMG CONVENIENCE STORE	CASE NO. BFI-2018-00114
PINEDA'S MONEY MART INC.	CASE NO. BFI-2018-00116
JEWELRY AND COIN EXCHANGE, INC.	CASE NO. BFI-2018-00118
HISPANO EXPRESS LLC D/B/A EL HISPANITO	CASE NO. BFI-2018-00120
SABATINOS INC. D/B/A WINGS OVER RICHMOND	CASE NO. BFI-2018-00122
ZOILA SEGURA VICENTE D/B/A LOS ANGELES	CASE NO. BFI-2018-00123
DINERO EXPRESS LLC	CASE NO. BFI-2018-00124
CASH FROM US LLC	CASE NO. BFI-2018-00126
DONA FER GROCERY STORE LLC	CASE NO. BFI-2018-00127
HERCULES FOOD INCORPORATED D/B/A RUTA 360 LA DISCOTECA BAR AND RESTAURANT	CASE NO. BFI-2018-00129
FAST PRESTAMOS, INC.,	CASE NO. BFI-2018-00132

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on October 11, 2018, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before November 11, 2018. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2018-00100
DECEMBER 27, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

FOURTH LUCKY, INC. D/B/A LUCKY CONVENIENCE STORES	CASE NO. BFI-2018-00089
HASAN ABUEZNAID D/B/A MA HOLLINS	CASE NO. BFI-2018-00090
COLONIAL MART, INC.	CASE NO. BFI-2018-00096
RUBEN RAMOS TORRES D/B/A LA JALPITA # 1	CASE NO. BFI-2018-00097
OASIS FOOD MART, INC. D/B/A OASIS FOOD MART	CASE NO. BFI-2018-00100
GUADALUPE SANCHEZ VENTURA D/B/A VENTURA GROCERY	CASE NO. BFI-2018-00101
FFS OF ARLINGTON LLC	CASE NO. BFI-2018-00103
EL TORITO INC.	CASE NO. BFI-2018-00104
CRYSTAL JEWELRY, INC. D/B/A CRYSTAL JEWELRY	CASE NO. BFI-2018-00105
ACE FOODS, INC.	CASE NO. BFI-2018-00107
GNC SERVICES, INC.	CASE NO. BFI-2018-00108
RUBINS CHECKS CASHED INC.	CASE NO. BFI-2018-00110
FLOOSE CORPORATION	CASE NO. BFI-2018-00111
MOLINA AND REYES, LLC D/B/A LA TABASQUENA HISPANIC STORE	CASE NO. BFI-2018-00112
MAYFLOWER VENTURES, LLC D/B/A OMG CONVENIENCE STORE	CASE NO. BFI-2018-00114
PINEDA'S MONEY MART INC.	CASE NO. BFI-2018-00116
JEWELRY AND COIN EXCHANGE, INC.	CASE NO. BFI-2018-00118
HISPANO EXPRESS LLC D/B/A EL HISPANITO	CASE NO. BFI-2018-00120
SABATINOS INC. D/B/A WINGS OVER RICHMOND	CASE NO. BFI-2018-00122
ZOILA SEGURA VICENTE D/B/A LOS ANGELES	CASE NO. BFI-2018-00123
DINERO EXPRESS LLC	CASE NO. BFI-2018-00124
CASH FROM US LLC	CASE NO. BFI-2018-00126
DONA FER GROCERY STORE LLC	CASE NO. BFI-2018-00127
HERCULES FOOD INCORPORATED D/B/A RUTA 360 LA DISCOTECA BAR AND RESTAURANT	CASE NO. BFI-2018-00129
FAST PRESTAMOS, INC.,	CASE NO. BFI-2018-00132

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on October 11, 2018, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before November 11, 2018. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2018-00101
DECEMBER 27, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

FOURTH LUCKY, INC. D/B/A LUCKY CONVENIENCE STORES	CASE NO. BFI-2018-00089
HASAN ABUEZNAID D/B/A MA HOLLINS	CASE NO. BFI-2018-00090
COLONIAL MART, INC.	CASE NO. BFI-2018-00096
RUBEN RAMOS TORRES D/B/A LA JALPITA # 1	CASE NO. BFI-2018-00097
OASIS FOOD MART, INC. D/B/A OASIS FOOD MART	CASE NO. BFI-2018-00100
GUADALUPE SANCHEZ VENTURA D/B/A VENTURA GROCERY	CASE NO. BFI-2018-00101
FFS OF ARLINGTON LLC	CASE NO. BFI-2018-00103
EL TORITO INC.	CASE NO. BFI-2018-00104
CRYSTAL JEWELRY, INC. D/B/A CRYSTAL JEWELRY	CASE NO. BFI-2018-00105
ACE FOODS, INC.	CASE NO. BFI-2018-00107
GNC SERVICES, INC.	CASE NO. BFI-2018-00108
RUBINS CHECKS CASHED INC.	CASE NO. BFI-2018-00110
FLOOSE CORPORATION	CASE NO. BFI-2018-00111
MOLINA AND REYES, LLC D/B/A LA TABASQUENA HISPANIC STORE	CASE NO. BFI-2018-00112
MAYFLOWER VENTURES, LLC D/B/A OMG CONVENIENCE STORE	CASE NO. BFI-2018-00114
PINEDA'S MONEY MART INC.	CASE NO. BFI-2018-00116
JEWELRY AND COIN EXCHANGE, INC.	CASE NO. BFI-2018-00118
HISPANO EXPRESS LLC D/B/A EL HISPANITO	CASE NO. BFI-2018-00120
SABATINOS INC. D/B/A WINGS OVER RICHMOND	CASE NO. BFI-2018-00122
ZOILA SEGURA VICENTE D/B/A LOS ANGELES	CASE NO. BFI-2018-00123
DINERO EXPRESS LLC	CASE NO. BFI-2018-00124
CASH FROM US LLC	CASE NO. BFI-2018-00126
DONA FER GROCERY STORE LLC	CASE NO. BFI-2018-00127
HERCULES FOOD INCORPORATED D/B/A RUTA 360 LA DISCOTECA BAR AND RESTAURANT	CASE NO. BFI-2018-00129
FAST PRESTAMOS, INC.,	CASE NO. BFI-2018-00132

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on October 11, 2018, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before November 11, 2018. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2018-00103
DECEMBER 27, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

FOURTH LUCKY, INC. D/B/A LUCKY CONVENIENCE STORES	CASE NO. BFI-2018-00089
HASAN ABUEZNAID D/B/A MA HOLLINS	CASE NO. BFI-2018-00090
COLONIAL MART, INC.	CASE NO. BFI-2018-00096
RUBEN RAMOS TORRES D/B/A LA JALPITA # 1	CASE NO. BFI-2018-00097
OASIS FOOD MART, INC. D/B/A OASIS FOOD MART	CASE NO. BFI-2018-00100
GUADALUPE SANCHEZ VENTURA D/B/A VENTURA GROCERY	CASE NO. BFI-2018-00101
FFS OF ARLINGTON LLC	CASE NO. BFI-2018-00103
EL TORITO INC.	CASE NO. BFI-2018-00104
CRYSTAL JEWELRY, INC. D/B/A CRYSTAL JEWELRY	CASE NO. BFI-2018-00105
ACE FOODS, INC.	CASE NO. BFI-2018-00107
GNC SERVICES, INC.	CASE NO. BFI-2018-00108
RUBINS CHECKS CASHED INC.	CASE NO. BFI-2018-00110
FLOOSE CORPORATION	CASE NO. BFI-2018-00111
MOLINA AND REYES, LLC D/B/A LA TABASQUENA HISPANIC STORE	CASE NO. BFI-2018-00112
MAYFLOWER VENTURES, LLC D/B/A OMG CONVENIENCE STORE	CASE NO. BFI-2018-00114
PINEDA'S MONEY MART INC.	CASE NO. BFI-2018-00116
JEWELRY AND COIN EXCHANGE, INC.	CASE NO. BFI-2018-00118
HISPANO EXPRESS LLC D/B/A EL HISPANITO	CASE NO. BFI-2018-00120
SABATINOS INC. D/B/A WINGS OVER RICHMOND	CASE NO. BFI-2018-00122
ZOILA SEGURA VICENTE D/B/A LOS ANGELES	CASE NO. BFI-2018-00123
DINERO EXPRESS LLC	CASE NO. BFI-2018-00124
CASH FROM US LLC	CASE NO. BFI-2018-00126
DONA FER GROCERY STORE LLC	CASE NO. BFI-2018-00127
HERCULES FOOD INCORPORATED D/B/A RUTA 360 LA DISCOTECA BAR AND RESTAURANT	CASE NO. BFI-2018-00129
FAST PRESTAMOS, INC.,	CASE NO. BFI-2018-00132

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on October 11, 2018, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before November 11, 2018. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2018-00104
DECEMBER 27, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

FOURTH LUCKY, INC. D/B/A LUCKY CONVENIENCE STORES	CASE NO. BFI-2018-00089
HASAN ABUEZNAID D/B/A MA HOLLINS	CASE NO. BFI-2018-00090
COLONIAL MART, INC.	CASE NO. BFI-2018-00096
RUBEN RAMOS TORRES D/B/A LA JALPITA # 1	CASE NO. BFI-2018-00097
OASIS FOOD MART, INC. D/B/A OASIS FOOD MART	CASE NO. BFI-2018-00100
GUADALUPE SANCHEZ VENTURA D/B/A VENTURA GROCERY	CASE NO. BFI-2018-00101
FFS OF ARLINGTON LLC	CASE NO. BFI-2018-00103
EL TORITO INC.	CASE NO. BFI-2018-00104
CRYSTAL JEWELRY, INC. D/B/A CRYSTAL JEWELRY	CASE NO. BFI-2018-00105
ACE FOODS, INC.	CASE NO. BFI-2018-00107
GNC SERVICES, INC.	CASE NO. BFI-2018-00108
RUBINS CHECKS CASHED INC.	CASE NO. BFI-2018-00110
FLOOSE CORPORATION	CASE NO. BFI-2018-00111
MOLINA AND REYES, LLC D/B/A LA TABASQUENA HISPANIC STORE	CASE NO. BFI-2018-00112
MAYFLOWER VENTURES, LLC D/B/A OMG CONVENIENCE STORE	CASE NO. BFI-2018-00114
PINEDA'S MONEY MART INC.	CASE NO. BFI-2018-00116
JEWELRY AND COIN EXCHANGE, INC.	CASE NO. BFI-2018-00118
HISPANO EXPRESS LLC D/B/A EL HISPANITO	CASE NO. BFI-2018-00120
SABATINOS INC. D/B/A WINGS OVER RICHMOND	CASE NO. BFI-2018-00122
ZOILA SEGURA VICENTE D/B/A LOS ANGELES	CASE NO. BFI-2018-00123
DINERO EXPRESS LLC	CASE NO. BFI-2018-00124
CASH FROM US LLC	CASE NO. BFI-2018-00126
DONA FER GROCERY STORE LLC	CASE NO. BFI-2018-00127
HERCULES FOOD INCORPORATED D/B/A RUTA 360 LA DISCOTECA BAR AND RESTAURANT	CASE NO. BFI-2018-00129
FAST PRESTAMOS, INC.,	CASE NO. BFI-2018-00132

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on October 11, 2018, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before November 11, 2018. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2018-00105
DECEMBER 27, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

FOURTH LUCKY, INC. D/B/A LUCKY CONVENIENCE STORES	CASE NO. BFI-2018-00089
HASAN ABUEZNAID D/B/A MA HOLLINS	CASE NO. BFI-2018-00090
COLONIAL MART, INC.	CASE NO. BFI-2018-00096
RUBEN RAMOS TORRES D/B/A LA JALPITA # 1	CASE NO. BFI-2018-00097
OASIS FOOD MART, INC. D/B/A OASIS FOOD MART	CASE NO. BFI-2018-00100
GUADALUPE SANCHEZ VENTURA D/B/A VENTURA GROCERY	CASE NO. BFI-2018-00101
FFS OF ARLINGTON LLC	CASE NO. BFI-2018-00103
EL TORITO INC.	CASE NO. BFI-2018-00104
CRYSTAL JEWELRY, INC. D/B/A CRYSTAL JEWELRY	CASE NO. BFI-2018-00105
ACE FOODS, INC.	CASE NO. BFI-2018-00107
GNC SERVICES, INC.	CASE NO. BFI-2018-00108
RUBINS CHECKS CASHED INC.	CASE NO. BFI-2018-00110
FLOOSE CORPORATION	CASE NO. BFI-2018-00111
MOLINA AND REYES, LLC D/B/A LA TABASQUENA HISPANIC STORE	CASE NO. BFI-2018-00112
MAYFLOWER VENTURES, LLC D/B/A OMG CONVENIENCE STORE	CASE NO. BFI-2018-00114
PINEDA'S MONEY MART INC.	CASE NO. BFI-2018-00116
JEWELRY AND COIN EXCHANGE, INC.	CASE NO. BFI-2018-00118
HISPANO EXPRESS LLC D/B/A EL HISPANITO	CASE NO. BFI-2018-00120
SABATINOS INC. D/B/A WINGS OVER RICHMOND	CASE NO. BFI-2018-00122
ZOILA SEGURA VICENTE D/B/A LOS ANGELES	CASE NO. BFI-2018-00123
DINERO EXPRESS LLC	CASE NO. BFI-2018-00124
CASH FROM US LLC	CASE NO. BFI-2018-00126
DONA FER GROCERY STORE LLC	CASE NO. BFI-2018-00127
HERCULES FOOD INCORPORATED D/B/A RUTA 360 LA DISCOTECA BAR AND RESTAURANT	CASE NO. BFI-2018-00129
FAST PRESTAMOS, INC.,	CASE NO. BFI-2018-00132

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on October 11, 2018, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before November 11, 2018. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2018-00107
DECEMBER 27, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

FOURTH LUCKY, INC. D/B/A LUCKY CONVENIENCE STORES	CASE NO. BFI-2018-00089
HASAN ABUEZNAID D/B/A MA HOLLINS	CASE NO. BFI-2018-00090
COLONIAL MART, INC.	CASE NO. BFI-2018-00096
RUBEN RAMOS TORRES D/B/A LA JALPITA # 1	CASE NO. BFI-2018-00097
OASIS FOOD MART, INC. D/B/A OASIS FOOD MART	CASE NO. BFI-2018-00100
GUADALUPE SANCHEZ VENTURA D/B/A VENTURA GROCERY	CASE NO. BFI-2018-00101
FFS OF ARLINGTON LLC	CASE NO. BFI-2018-00103
EL TORITO INC.	CASE NO. BFI-2018-00104
CRYSTAL JEWELRY, INC. D/B/A CRYSTAL JEWELRY	CASE NO. BFI-2018-00105
ACE FOODS, INC.	CASE NO. BFI-2018-00107
GNC SERVICES, INC.	CASE NO. BFI-2018-00108
RUBINS CHECKS CASHED INC.	CASE NO. BFI-2018-00110
FLOOSE CORPORATION	CASE NO. BFI-2018-00111
MOLINA AND REYES, LLC D/B/A LA TABASQUENA HISPANIC STORE	CASE NO. BFI-2018-00112
MAYFLOWER VENTURES, LLC D/B/A OMG CONVENIENCE STORE	CASE NO. BFI-2018-00114
PINEDA'S MONEY MART INC.	CASE NO. BFI-2018-00116
JEWELRY AND COIN EXCHANGE, INC.	CASE NO. BFI-2018-00118
HISPANO EXPRESS LLC D/B/A EL HISPANITO	CASE NO. BFI-2018-00120
SABATINOS INC. D/B/A WINGS OVER RICHMOND	CASE NO. BFI-2018-00122
ZOILA SEGURA VICENTE D/B/A LOS ANGELES	CASE NO. BFI-2018-00123
DINERO EXPRESS LLC	CASE NO. BFI-2018-00124
CASH FROM US LLC	CASE NO. BFI-2018-00126
DONA FER GROCERY STORE LLC	CASE NO. BFI-2018-00127
HERCULES FOOD INCORPORATED D/B/A RUTA 360 LA DISCOTECA BAR AND RESTAURANT	CASE NO. BFI-2018-00129
FAST PRESTAMOS, INC.,	CASE NO. BFI-2018-00132

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on October 11, 2018, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before November 11, 2018. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2018-00108
DECEMBER 27, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

FOURTH LUCKY, INC. D/B/A LUCKY CONVENIENCE STORES	CASE NO. BFI-2018-00089
HASAN ABUEZNAID D/B/A MA HOLLINS	CASE NO. BFI-2018-00090
COLONIAL MART, INC.	CASE NO. BFI-2018-00096
RUBEN RAMOS TORRES D/B/A LA JALPITA # 1	CASE NO. BFI-2018-00097
OASIS FOOD MART, INC. D/B/A OASIS FOOD MART	CASE NO. BFI-2018-00100
GUADALUPE SANCHEZ VENTURA D/B/A VENTURA GROCERY	CASE NO. BFI-2018-00101
FFS OF ARLINGTON LLC	CASE NO. BFI-2018-00103
EL TORITO INC.	CASE NO. BFI-2018-00104
CRYSTAL JEWELRY, INC. D/B/A CRYSTAL JEWELRY	CASE NO. BFI-2018-00105
ACE FOODS, INC.	CASE NO. BFI-2018-00107
GNC SERVICES, INC.	CASE NO. BFI-2018-00108
RUBINS CHECKS CASHED INC.	CASE NO. BFI-2018-00110
FLOOSE CORPORATION	CASE NO. BFI-2018-00111
MOLINA AND REYES, LLC D/B/A LA TABASQUENA HISPANIC STORE	CASE NO. BFI-2018-00112
MAYFLOWER VENTURES, LLC D/B/A OMG CONVENIENCE STORE	CASE NO. BFI-2018-00114
PINEDA'S MONEY MART INC.	CASE NO. BFI-2018-00116
JEWELRY AND COIN EXCHANGE, INC.	CASE NO. BFI-2018-00118
HISPANO EXPRESS LLC D/B/A EL HISPANITO	CASE NO. BFI-2018-00120
SABATINOS INC. D/B/A WINGS OVER RICHMOND	CASE NO. BFI-2018-00122
ZOILA SEGURA VICENTE D/B/A LOS ANGELES	CASE NO. BFI-2018-00123
DINERO EXPRESS LLC	CASE NO. BFI-2018-00124
CASH FROM US LLC	CASE NO. BFI-2018-00126
DONA FER GROCERY STORE LLC	CASE NO. BFI-2018-00127
HERCULES FOOD INCORPORATED D/B/A RUTA 360 LA DISCOTECA BAR AND RESTAURANT	CASE NO. BFI-2018-00129
FAST PRESTAMOS, INC.,	CASE NO. BFI-2018-00132
Defendants	

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on October 11, 2018, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before November 11, 2018. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2018-00110
DECEMBER 27, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

FOURTH LUCKY, INC. D/B/A LUCKY CONVENIENCE STORES	CASE NO. BFI-2018-00089
HASAN ABUEZNAID D/B/A MA HOLLINS	CASE NO. BFI-2018-00090
COLONIAL MART, INC.	CASE NO. BFI-2018-00096
RUBEN RAMOS TORRES D/B/A LA JALPITA # 1	CASE NO. BFI-2018-00097
OASIS FOOD MART, INC. D/B/A OASIS FOOD MART	CASE NO. BFI-2018-00100
GUADALUPE SANCHEZ VENTURA D/B/A VENTURA GROCERY	CASE NO. BFI-2018-00101
FFS OF ARLINGTON LLC	CASE NO. BFI-2018-00103
EL TORITO INC.	CASE NO. BFI-2018-00104
CRYSTAL JEWELRY, INC. D/B/A CRYSTAL JEWELRY	CASE NO. BFI-2018-00105
ACE FOODS, INC.	CASE NO. BFI-2018-00107
GNC SERVICES, INC.	CASE NO. BFI-2018-00108
RUBINS CHECKS CASHED INC.	CASE NO. BFI-2018-00110
FLOOSE CORPORATION	CASE NO. BFI-2018-00111
MOLINA AND REYES, LLC D/B/A LA TABASQUENA HISPANIC STORE	CASE NO. BFI-2018-00112
MAYFLOWER VENTURES, LLC D/B/A OMG CONVENIENCE STORE	CASE NO. BFI-2018-00114
PINEDA'S MONEY MART INC.	CASE NO. BFI-2018-00116
JEWELRY AND COIN EXCHANGE, INC.	CASE NO. BFI-2018-00118
HISPANO EXPRESS LLC D/B/A EL HISPANITO	CASE NO. BFI-2018-00120
SABATINOS INC. D/B/A WINGS OVER RICHMOND	CASE NO. BFI-2018-00122
ZOILA SEGURA VICENTE D/B/A LOS ANGELES	CASE NO. BFI-2018-00123
DINERO EXPRESS LLC	CASE NO. BFI-2018-00124
CASH FROM US LLC	CASE NO. BFI-2018-00126
DONA FER GROCERY STORE LLC	CASE NO. BFI-2018-00127
HERCULES FOOD INCORPORATED D/B/A RUTA 360 LA DISCOTECA BAR AND RESTAURANT	CASE NO. BFI-2018-00129
FAST PRESTAMOS, INC.,	CASE NO. BFI-2018-00132

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on October 11, 2018, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before November 11, 2018. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2018-00111
DECEMBER 27, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

FOURTH LUCKY, INC. D/B/A LUCKY CONVENIENCE STORES	CASE NO. BFI-2018-00089
HASAN ABUEZNAID D/B/A MA HOLLINS	CASE NO. BFI-2018-00090
COLONIAL MART, INC.	CASE NO. BFI-2018-00096
RUBEN RAMOS TORRES D/B/A LA JALPITA # 1	CASE NO. BFI-2018-00097
OASIS FOOD MART, INC. D/B/A OASIS FOOD MART	CASE NO. BFI-2018-00100
GUADALUPE SANCHEZ VENTURA D/B/A VENTURA GROCERY	CASE NO. BFI-2018-00101
FFS OF ARLINGTON LLC	CASE NO. BFI-2018-00103
EL TORITO INC.	CASE NO. BFI-2018-00104
CRYSTAL JEWELRY, INC. D/B/A CRYSTAL JEWELRY	CASE NO. BFI-2018-00105
ACE FOODS, INC.	CASE NO. BFI-2018-00107
GNC SERVICES, INC.	CASE NO. BFI-2018-00108
RUBINS CHECKS CASHED INC.	CASE NO. BFI-2018-00110
FLOOSE CORPORATION	CASE NO. BFI-2018-00111
MOLINA AND REYES, LLC D/B/A LA TABASQUENA HISPANIC STORE	CASE NO. BFI-2018-00112
MAYFLOWER VENTURES, LLC D/B/A OMG CONVENIENCE STORE	CASE NO. BFI-2018-00114
PINEDA'S MONEY MART INC.	CASE NO. BFI-2018-00116
JEWELRY AND COIN EXCHANGE, INC.	CASE NO. BFI-2018-00118
HISPANO EXPRESS LLC D/B/A EL HISPANITO	CASE NO. BFI-2018-00120
SABATINOS INC. D/B/A WINGS OVER RICHMOND	CASE NO. BFI-2018-00122
ZOILA SEGURA VICENTE D/B/A LOS ANGELES	CASE NO. BFI-2018-00123
DINERO EXPRESS LLC	CASE NO. BFI-2018-00124
CASH FROM US LLC	CASE NO. BFI-2018-00126
DONA FER GROCERY STORE LLC	CASE NO. BFI-2018-00127
HERCULES FOOD INCORPORATED D/B/A RUTA 360 LA DISCOTECA BAR AND RESTAURANT	CASE NO. BFI-2018-00129
FAST PRESTAMOS, INC.,	CASE NO. BFI-2018-00132

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on October 11, 2018, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before November 11, 2018. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2018-00112
DECEMBER 27, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

FOURTH LUCKY, INC. D/B/A LUCKY CONVENIENCE STORES	CASE NO. BFI-2018-00089
HASAN ABUEZNAID D/B/A MA HOLLINS	CASE NO. BFI-2018-00090
COLONIAL MART, INC.	CASE NO. BFI-2018-00096
RUBEN RAMOS TORRES D/B/A LA JALPITA # 1	CASE NO. BFI-2018-00097
OASIS FOOD MART, INC. D/B/A OASIS FOOD MART	CASE NO. BFI-2018-00100
GUADALUPE SANCHEZ VENTURA D/B/A VENTURA GROCERY	CASE NO. BFI-2018-00101
FFS OF ARLINGTON LLC	CASE NO. BFI-2018-00103
EL TORITO INC.	CASE NO. BFI-2018-00104
CRYSTAL JEWELRY, INC. D/B/A CRYSTAL JEWELRY	CASE NO. BFI-2018-00105
ACE FOODS, INC.	CASE NO. BFI-2018-00107
GNC SERVICES, INC.	CASE NO. BFI-2018-00108
RUBINS CHECKS CASHED INC.	CASE NO. BFI-2018-00110
FLOOSE CORPORATION	CASE NO. BFI-2018-00111
MOLINA AND REYES, LLC D/B/A LA TABASQUENA HISPANIC STORE	CASE NO. BFI-2018-00112
MAYFLOWER VENTURES, LLC D/B/A OMG CONVENIENCE STORE	CASE NO. BFI-2018-00114
PINEDA'S MONEY MART INC.	CASE NO. BFI-2018-00116
JEWELRY AND COIN EXCHANGE, INC.	CASE NO. BFI-2018-00118
HISPANO EXPRESS LLC D/B/A EL HISPANITO	CASE NO. BFI-2018-00120
SABATINOS INC. D/B/A WINGS OVER RICHMOND	CASE NO. BFI-2018-00122
ZOILA SEGURA VICENTE D/B/A LOS ANGELES	CASE NO. BFI-2018-00123
DINERO EXPRESS LLC	CASE NO. BFI-2018-00124
CASH FROM US LLC	CASE NO. BFI-2018-00126
DONA FER GROCERY STORE LLC	CASE NO. BFI-2018-00127
HERCULES FOOD INCORPORATED D/B/A RUTA 360 LA DISCOTECA BAR AND RESTAURANT	CASE NO. BFI-2018-00129
FAST PRESTAMOS, INC.,	CASE NO. BFI-2018-00132

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on October 11, 2018, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before November 11, 2018. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2018-00114
DECEMBER 27, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

v.

FOURTH LUCKY, INC. D/B/A LUCKY CONVENIENCE STORES	CASE NO. BFI-2018-00089
HASAN ABUEZNAID D/B/A MA HOLLINS	CASE NO. BFI-2018-00090
COLONIAL MART, INC.	CASE NO. BFI-2018-00096
RUBEN RAMOS TORRES D/B/A LA JALPITA # 1	CASE NO. BFI-2018-00097
OASIS FOOD MART, INC. D/B/A OASIS FOOD MART	CASE NO. BFI-2018-00100
GUADALUPE SANCHEZ VENTURA D/B/A VENTURA GROCERY	CASE NO. BFI-2018-00101
FFS OF ARLINGTON LLC	CASE NO. BFI-2018-00103
EL TORITO INC.	CASE NO. BFI-2018-00104
CRYSTAL JEWELRY, INC. D/B/A CRYSTAL JEWELRY	CASE NO. BFI-2018-00105
ACE FOODS, INC.	CASE NO. BFI-2018-00107
GNC SERVICES, INC.	CASE NO. BFI-2018-00108
RUBINS CHECKS CASHED INC.	CASE NO. BFI-2018-00110
FLOOSE CORPORATION	CASE NO. BFI-2018-00111
MOLINA AND REYES, LLC D/B/A LA TABASQUENA HISPANIC STORE	CASE NO. BFI-2018-00112
MAYFLOWER VENTURES, LLC D/B/A OMG CONVENIENCE STORE	CASE NO. BFI-2018-00114
PINEDA'S MONEY MART INC.	CASE NO. BFI-2018-00116
JEWELRY AND COIN EXCHANGE, INC.	CASE NO. BFI-2018-00118
HISPANO EXPRESS LLC D/B/A EL HISPANITO	CASE NO. BFI-2018-00120
SABATINOS INC. D/B/A WINGS OVER RICHMOND	CASE NO. BFI-2018-00122
ZOILA SEGURA VICENTE D/B/A LOS ANGELES	CASE NO. BFI-2018-00123
DINERO EXPRESS LLC	CASE NO. BFI-2018-00124
CASH FROM US LLC	CASE NO. BFI-2018-00126
DONA FER GROCERY STORE LLC	CASE NO. BFI-2018-00127
HERCULES FOOD INCORPORATED D/B/A RUTA 360 LA DISCOTECA BAR AND RESTAURANT	CASE NO. BFI-2018-00129
FAST PRESTAMOS, INC.,	CASE NO. BFI-2018-00132

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on October 11, 2018, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before November 11, 2018. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2018-00116
DECEMBER 27, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

FOURTH LUCKY, INC. D/B/A LUCKY CONVENIENCE STORES	CASE NO. BFI-2018-00089
HASAN ABUEZNAID D/B/A MA HOLLINS	CASE NO. BFI-2018-00090
COLONIAL MART, INC.	CASE NO. BFI-2018-00096
RUBEN RAMOS TORRES D/B/A LA JALPITA # 1	CASE NO. BFI-2018-00097
OASIS FOOD MART, INC. D/B/A OASIS FOOD MART	CASE NO. BFI-2018-00100
GUADALUPE SANCHEZ VENTURA D/B/A VENTURA GROCERY	CASE NO. BFI-2018-00101
FFS OF ARLINGTON LLC	CASE NO. BFI-2018-00103
EL TORITO INC.	CASE NO. BFI-2018-00104
CRYSTAL JEWELRY, INC. D/B/A CRYSTAL JEWELRY	CASE NO. BFI-2018-00105
ACE FOODS, INC.	CASE NO. BFI-2018-00107
GNC SERVICES, INC.	CASE NO. BFI-2018-00108
RUBINS CHECKS CASHED INC.	CASE NO. BFI-2018-00110
FLOOSE CORPORATION	CASE NO. BFI-2018-00111
MOLINA AND REYES, LLC D/B/A LA TABASQUENA HISPANIC STORE	CASE NO. BFI-2018-00112
MAYFLOWER VENTURES, LLC D/B/A OMG CONVENIENCE STORE	CASE NO. BFI-2018-00114
PINEDA'S MONEY MART INC.	CASE NO. BFI-2018-00116
JEWELRY AND COIN EXCHANGE, INC.	CASE NO. BFI-2018-00118
HISPANO EXPRESS LLC D/B/A EL HISPANITO	CASE NO. BFI-2018-00120
SABATINOS INC. D/B/A WINGS OVER RICHMOND	CASE NO. BFI-2018-00122
ZOILA SEGURA VICENTE D/B/A LOS ANGELES	CASE NO. BFI-2018-00123
DINERO EXPRESS LLC	CASE NO. BFI-2018-00124
CASH FROM US LLC	CASE NO. BFI-2018-00126
DONA FER GROCERY STORE LLC	CASE NO. BFI-2018-00127
HERCULES FOOD INCORPORATED D/B/A RUTA 360 LA DISCOTECA BAR AND RESTAURANT	CASE NO. BFI-2018-00129
FAST PRESTAMOS, INC.,	CASE NO. BFI-2018-00132

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on October 11, 2018, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before November 11, 2018. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2018-00118
DECEMBER 27, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

FOURTH LUCKY, INC. D/B/A LUCKY CONVENIENCE STORES	CASE NO. BFI-2018-00089
HASAN ABUEZNAID D/B/A MA HOLLINS	CASE NO. BFI-2018-00090
COLONIAL MART, INC.	CASE NO. BFI-2018-00096
RUBEN RAMOS TORRES D/B/A LA JALPITA # 1	CASE NO. BFI-2018-00097
OASIS FOOD MART, INC. D/B/A OASIS FOOD MART	CASE NO. BFI-2018-00100
GUADALUPE SANCHEZ VENTURA D/B/A VENTURA GROCERY	CASE NO. BFI-2018-00101
FFS OF ARLINGTON LLC	CASE NO. BFI-2018-00103
EL TORITO INC.	CASE NO. BFI-2018-00104
CRYSTAL JEWELRY, INC. D/B/A CRYSTAL JEWELRY	CASE NO. BFI-2018-00105
ACE FOODS, INC.	CASE NO. BFI-2018-00107
GNC SERVICES, INC.	CASE NO. BFI-2018-00108
RUBINS CHECKS CASHED INC.	CASE NO. BFI-2018-00110
FLOOSE CORPORATION	CASE NO. BFI-2018-00111
MOLINA AND REYES, LLC D/B/A LA TABASQUENA HISPANIC STORE	CASE NO. BFI-2018-00112
MAYFLOWER VENTURES, LLC D/B/A OMG CONVENIENCE STORE	CASE NO. BFI-2018-00114
PINEDA'S MONEY MART INC.	CASE NO. BFI-2018-00116
JEWELRY AND COIN EXCHANGE, INC.	CASE NO. BFI-2018-00118
HISPANO EXPRESS LLC D/B/A EL HISPANITO	CASE NO. BFI-2018-00120
SABATINOS INC. D/B/A WINGS OVER RICHMOND	CASE NO. BFI-2018-00122
ZOILA SEGURA VICENTE D/B/A LOS ANGELES	CASE NO. BFI-2018-00123
DINERO EXPRESS LLC	CASE NO. BFI-2018-00124
CASH FROM US LLC	CASE NO. BFI-2018-00126
DONA FER GROCERY STORE LLC	CASE NO. BFI-2018-00127
HERCULES FOOD INCORPORATED D/B/A RUTA 360 LA DISCOTECA BAR AND RESTAURANT	CASE NO. BFI-2018-00129
FAST PRESTAMOS, INC.,	CASE NO. BFI-2018-00132

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on October 11, 2018, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before November 11, 2018. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2018-00120
DECEMBER 27, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

FOURTH LUCKY, INC. D/B/A LUCKY CONVENIENCE STORES	CASE NO. BFI-2018-00089
HASAN ABUEZNAID D/B/A MA HOLLINS	CASE NO. BFI-2018-00090
COLONIAL MART, INC.	CASE NO. BFI-2018-00096
RUBEN RAMOS TORRES D/B/A LA JALPITA # 1	CASE NO. BFI-2018-00097
OASIS FOOD MART, INC. D/B/A OASIS FOOD MART	CASE NO. BFI-2018-00100
GUADALUPE SANCHEZ VENTURA D/B/A VENTURA GROCERY	CASE NO. BFI-2018-00101
FFS OF ARLINGTON LLC	CASE NO. BFI-2018-00103
EL TORITO INC.	CASE NO. BFI-2018-00104
CRYSTAL JEWELRY, INC. D/B/A CRYSTAL JEWELRY	CASE NO. BFI-2018-00105
ACE FOODS, INC.	CASE NO. BFI-2018-00107
GNC SERVICES, INC.	CASE NO. BFI-2018-00108
RUBINS CHECKS CASHED INC.	CASE NO. BFI-2018-00110
FLOOSE CORPORATION	CASE NO. BFI-2018-00111
MOLINA AND REYES, LLC D/B/A LA TABASQUENA HISPANIC STORE	CASE NO. BFI-2018-00112
MAYFLOWER VENTURES, LLC D/B/A OMG CONVENIENCE STORE	CASE NO. BFI-2018-00114
PINEDA'S MONEY MART INC.	CASE NO. BFI-2018-00116
JEWELRY AND COIN EXCHANGE, INC.	CASE NO. BFI-2018-00118
HISPANO EXPRESS LLC D/B/A EL HISPANITO	CASE NO. BFI-2018-00120
SABATINOS INC. D/B/A WINGS OVER RICHMOND	CASE NO. BFI-2018-00122
ZOILA SEGURA VICENTE D/B/A LOS ANGELES	CASE NO. BFI-2018-00123
DINERO EXPRESS LLC	CASE NO. BFI-2018-00124
CASH FROM US LLC	CASE NO. BFI-2018-00126
DONA FER GROCERY STORE LLC	CASE NO. BFI-2018-00127
HERCULES FOOD INCORPORATED D/B/A RUTA 360 LA DISCOTECA BAR AND RESTAURANT	CASE NO. BFI-2018-00129
FAST PRESTAMOS, INC.,	CASE NO. BFI-2018-00132

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on October 11, 2018, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before November 11, 2018. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2018-00122
DECEMBER 27, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

FOURTH LUCKY, INC. D/B/A LUCKY CONVENIENCE STORES	CASE NO. BFI-2018-00089
HASAN ABUEZNAID D/B/A MA HOLLINS	CASE NO. BFI-2018-00090
COLONIAL MART, INC.	CASE NO. BFI-2018-00096
RUBEN RAMOS TORRES D/B/A LA JALPITA # 1	CASE NO. BFI-2018-00097
OASIS FOOD MART, INC. D/B/A OASIS FOOD MART	CASE NO. BFI-2018-00100
GUADALUPE SANCHEZ VENTURA D/B/A VENTURA GROCERY	CASE NO. BFI-2018-00101
FFS OF ARLINGTON LLC	CASE NO. BFI-2018-00103
EL TORITO INC.	CASE NO. BFI-2018-00104
CRYSTAL JEWELRY, INC. D/B/A CRYSTAL JEWELRY	CASE NO. BFI-2018-00105
ACE FOODS, INC.	CASE NO. BFI-2018-00107
GNC SERVICES, INC.	CASE NO. BFI-2018-00108
RUBINS CHECKS CASHED INC.	CASE NO. BFI-2018-00110
FLOOSE CORPORATION	CASE NO. BFI-2018-00111
MOLINA AND REYES, LLC D/B/A LA TABASQUENA HISPANIC STORE	CASE NO. BFI-2018-00112
MAYFLOWER VENTURES, LLC D/B/A OMG CONVENIENCE STORE	CASE NO. BFI-2018-00114
PINEDA'S MONEY MART INC.	CASE NO. BFI-2018-00116
JEWELRY AND COIN EXCHANGE, INC.	CASE NO. BFI-2018-00118
HISPANO EXPRESS LLC D/B/A EL HISPANITO	CASE NO. BFI-2018-00120
SABATINOS INC. D/B/A WINGS OVER RICHMOND	CASE NO. BFI-2018-00122
ZOILA SEGURA VICENTE D/B/A LOS ANGELES	CASE NO. BFI-2018-00123
DINERO EXPRESS LLC	CASE NO. BFI-2018-00124
CASH FROM US LLC	CASE NO. BFI-2018-00126
DONA FER GROCERY STORE LLC	CASE NO. BFI-2018-00127
HERCULES FOOD INCORPORATED D/B/A RUTA 360 LA DISCOTECA BAR AND RESTAURANT	CASE NO. BFI-2018-00129
FAST PRESTAMOS, INC.,	CASE NO. BFI-2018-00132
Defendants	

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on October 11, 2018, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before November 11, 2018. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2018-00123
DECEMBER 27, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

FOURTH LUCKY, INC. D/B/A LUCKY CONVENIENCE STORES	CASE NO. BFI-2018-00089
HASAN ABUEZNAID D/B/A MA HOLLINS	CASE NO. BFI-2018-00090
COLONIAL MART, INC.	CASE NO. BFI-2018-00096
RUBEN RAMOS TORRES D/B/A LA JALPITA # 1	CASE NO. BFI-2018-00097
OASIS FOOD MART, INC. D/B/A OASIS FOOD MART	CASE NO. BFI-2018-00100
GUADALUPE SANCHEZ VENTURA D/B/A VENTURA GROCERY	CASE NO. BFI-2018-00101
FFS OF ARLINGTON LLC	CASE NO. BFI-2018-00103
EL TORITO INC.	CASE NO. BFI-2018-00104
CRYSTAL JEWELRY, INC. D/B/A CRYSTAL JEWELRY	CASE NO. BFI-2018-00105
ACE FOODS, INC.	CASE NO. BFI-2018-00107
GNC SERVICES, INC.	CASE NO. BFI-2018-00108
RUBINS CHECKS CASHED INC.	CASE NO. BFI-2018-00110
FLOOSE CORPORATION	CASE NO. BFI-2018-00111
MOLINA AND REYES, LLC D/B/A LA TABASQUENA HISPANIC STORE	CASE NO. BFI-2018-00112
MAYFLOWER VENTURES, LLC D/B/A OMG CONVENIENCE STORE	CASE NO. BFI-2018-00114
PINEDA'S MONEY MART INC.	CASE NO. BFI-2018-00116
JEWELRY AND COIN EXCHANGE, INC.	CASE NO. BFI-2018-00118
HISPANO EXPRESS LLC D/B/A EL HISPANITO	CASE NO. BFI-2018-00120
SABATINOS INC. D/B/A WINGS OVER RICHMOND	CASE NO. BFI-2018-00122
ZOILA SEGURA VICENTE D/B/A LOS ANGELES	CASE NO. BFI-2018-00123
DINERO EXPRESS LLC	CASE NO. BFI-2018-00124
CASH FROM US LLC	CASE NO. BFI-2018-00126
DONA FER GROCERY STORE LLC	CASE NO. BFI-2018-00127
HERCULES FOOD INCORPORATED D/B/A RUTA 360 LA DISCOTECA BAR AND RESTAURANT	CASE NO. BFI-2018-00129
FAST PRESTAMOS, INC.,	CASE NO. BFI-2018-00132

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on October 11, 2018, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before November 11, 2018. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2018-00124
DECEMBER 27, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

FOURTH LUCKY, INC. D/B/A LUCKY CONVENIENCE STORES	CASE NO. BFI-2018-00089
HASAN ABUEZNAID D/B/A MA HOLLINS	CASE NO. BFI-2018-00090
COLONIAL MART, INC.	CASE NO. BFI-2018-00096
RUBEN RAMOS TORRES D/B/A LA JALPITA # 1	CASE NO. BFI-2018-00097
OASIS FOOD MART, INC. D/B/A OASIS FOOD MART	CASE NO. BFI-2018-00100
GUADALUPE SANCHEZ VENTURA D/B/A VENTURA GROCERY	CASE NO. BFI-2018-00101
FFS OF ARLINGTON LLC	CASE NO. BFI-2018-00103
EL TORITO INC.	CASE NO. BFI-2018-00104
CRYSTAL JEWELRY, INC. D/B/A CRYSTAL JEWELRY	CASE NO. BFI-2018-00105
ACE FOODS, INC.	CASE NO. BFI-2018-00107
GNC SERVICES, INC.	CASE NO. BFI-2018-00108
RUBINS CHECKS CASHED INC.	CASE NO. BFI-2018-00110
FLOOSE CORPORATION	CASE NO. BFI-2018-00111
MOLINA AND REYES, LLC D/B/A LA TABASQUENA HISPANIC STORE	CASE NO. BFI-2018-00112
MAYFLOWER VENTURES, LLC D/B/A OMG CONVENIENCE STORE	CASE NO. BFI-2018-00114
PINEDA'S MONEY MART INC.	CASE NO. BFI-2018-00116
JEWELRY AND COIN EXCHANGE, INC.	CASE NO. BFI-2018-00118
HISPANO EXPRESS LLC D/B/A EL HISPANITO	CASE NO. BFI-2018-00120
SABATINOS INC. D/B/A WINGS OVER RICHMOND	CASE NO. BFI-2018-00122
ZOILA SEGURA VICENTE D/B/A LOS ANGELES	CASE NO. BFI-2018-00123
DINERO EXPRESS LLC	CASE NO. BFI-2018-00124
CASH FROM US LLC	CASE NO. BFI-2018-00126
DONA FER GROCERY STORE LLC	CASE NO. BFI-2018-00127
HERCULES FOOD INCORPORATED D/B/A RUTA 360 LA DISCOTECA BAR AND RESTAURANT	CASE NO. BFI-2018-00129
FAST PRESTAMOS, INC.,	CASE NO. BFI-2018-00132

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on October 11, 2018, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before November 11, 2018. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2018-00126
DECEMBER 27, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

FOURTH LUCKY, INC. D/B/A LUCKY CONVENIENCE STORES	CASE NO. BFI-2018-00089
HASAN ABUEZNAID D/B/A MA HOLLINS	CASE NO. BFI-2018-00090
COLONIAL MART, INC.	CASE NO. BFI-2018-00096
RUBEN RAMOS TORRES D/B/A LA JALPITA # 1	CASE NO. BFI-2018-00097
OASIS FOOD MART, INC. D/B/A OASIS FOOD MART	CASE NO. BFI-2018-00100
GUADALUPE SANCHEZ VENTURA D/B/A VENTURA GROCERY	CASE NO. BFI-2018-00101
FFS OF ARLINGTON LLC	CASE NO. BFI-2018-00103
EL TORITO INC.	CASE NO. BFI-2018-00104
CRYSTAL JEWELRY, INC. D/B/A CRYSTAL JEWELRY	CASE NO. BFI-2018-00105
ACE FOODS, INC.	CASE NO. BFI-2018-00107
GNC SERVICES, INC.	CASE NO. BFI-2018-00108
RUBINS CHECKS CASHED INC.	CASE NO. BFI-2018-00110
FLOOSE CORPORATION	CASE NO. BFI-2018-00111
MOLINA AND REYES, LLC D/B/A LA TABASQUENA HISPANIC STORE	CASE NO. BFI-2018-00112
MAYFLOWER VENTURES, LLC D/B/A OMG CONVENIENCE STORE	CASE NO. BFI-2018-00114
PINEDA'S MONEY MART INC.	CASE NO. BFI-2018-00116
JEWELRY AND COIN EXCHANGE, INC.	CASE NO. BFI-2018-00118
HISPANO EXPRESS LLC D/B/A EL HISPANITO	CASE NO. BFI-2018-00120
SABATINOS INC. D/B/A WINGS OVER RICHMOND	CASE NO. BFI-2018-00122
ZOILA SEGURA VICENTE D/B/A LOS ANGELES	CASE NO. BFI-2018-00123
DINERO EXPRESS LLC	CASE NO. BFI-2018-00124
CASH FROM US LLC	CASE NO. BFI-2018-00126
DONA FER GROCERY STORE LLC	CASE NO. BFI-2018-00127
HERCULES FOOD INCORPORATED D/B/A RUTA 360 LA DISCOTECA BAR AND RESTAURANT	CASE NO. BFI-2018-00129
FAST PRESTAMOS, INC.,	CASE NO. BFI-2018-00132

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on October 11, 2018, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before November 11, 2018. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2018-00127
DECEMBER 27, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

FOURTH LUCKY, INC. D/B/A LUCKY CONVENIENCE STORES	CASE NO. BFI-2018-00089
HASAN ABUEZNAID D/B/A MA HOLLINS	CASE NO. BFI-2018-00090
COLONIAL MART, INC.	CASE NO. BFI-2018-00096
RUBEN RAMOS TORRES D/B/A LA JALPITA # 1	CASE NO. BFI-2018-00097
OASIS FOOD MART, INC. D/B/A OASIS FOOD MART	CASE NO. BFI-2018-00100
GUADALUPE SANCHEZ VENTURA D/B/A VENTURA GROCERY	CASE NO. BFI-2018-00101
FFS OF ARLINGTON LLC	CASE NO. BFI-2018-00103
EL TORITO INC.	CASE NO. BFI-2018-00104
CRYSTAL JEWELRY, INC. D/B/A CRYSTAL JEWELRY	CASE NO. BFI-2018-00105
ACE FOODS, INC.	CASE NO. BFI-2018-00107
GNC SERVICES, INC.	CASE NO. BFI-2018-00108
RUBINS CHECKS CASHED INC.	CASE NO. BFI-2018-00110
FLOOSE CORPORATION	CASE NO. BFI-2018-00111
MOLINA AND REYES, LLC D/B/A LA TABASQUENA HISPANIC STORE	CASE NO. BFI-2018-00112
MAYFLOWER VENTURES, LLC D/B/A OMG CONVENIENCE STORE	CASE NO. BFI-2018-00114
PINEDA'S MONEY MART INC.	CASE NO. BFI-2018-00116
JEWELRY AND COIN EXCHANGE, INC.	CASE NO. BFI-2018-00118
HISPANO EXPRESS LLC D/B/A EL HISPANITO	CASE NO. BFI-2018-00120
SABATINOS INC. D/B/A WINGS OVER RICHMOND	CASE NO. BFI-2018-00122
ZOILA SEGURA VICENTE D/B/A LOS ANGELES	CASE NO. BFI-2018-00123
DINERO EXPRESS LLC	CASE NO. BFI-2018-00124
CASH FROM US LLC	CASE NO. BFI-2018-00126
DONA FER GROCERY STORE LLC	CASE NO. BFI-2018-00127
HERCULES FOOD INCORPORATED D/B/A RUTA 360 LA DISCOTECA BAR AND RESTAURANT	CASE NO. BFI-2018-00129
FAST PRESTAMOS, INC.,	CASE NO. BFI-2018-00132

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on October 11, 2018, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before November 11, 2018. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2018-00129
DECEMBER 27, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

FOURTH LUCKY, INC. D/B/A LUCKY CONVENIENCE STORES	CASE NO. BFI-2018-00089
HASAN ABUEZNAID D/B/A MA HOLLINS	CASE NO. BFI-2018-00090
COLONIAL MART, INC.	CASE NO. BFI-2018-00096
RUBEN RAMOS TORRES D/B/A LA JALPITA # 1	CASE NO. BFI-2018-00097
OASIS FOOD MART, INC. D/B/A OASIS FOOD MART	CASE NO. BFI-2018-00100
GUADALUPE SANCHEZ VENTURA D/B/A VENTURA GROCERY	CASE NO. BFI-2018-00101
FFS OF ARLINGTON LLC	CASE NO. BFI-2018-00103
EL TORITO INC.	CASE NO. BFI-2018-00104
CRYSTAL JEWELRY, INC. D/B/A CRYSTAL JEWELRY	CASE NO. BFI-2018-00105
ACE FOODS, INC.	CASE NO. BFI-2018-00107
GNC SERVICES, INC.	CASE NO. BFI-2018-00108
RUBINS CHECKS CASHED INC.	CASE NO. BFI-2018-00110
FLOOSE CORPORATION	CASE NO. BFI-2018-00111
MOLINA AND REYES, LLC D/B/A LA TABASQUENA HISPANIC STORE	CASE NO. BFI-2018-00112
MAYFLOWER VENTURES, LLC D/B/A OMG CONVENIENCE STORE	CASE NO. BFI-2018-00114
PINEDA'S MONEY MART INC.	CASE NO. BFI-2018-00116
JEWELRY AND COIN EXCHANGE, INC.	CASE NO. BFI-2018-00118
HISPANO EXPRESS LLC D/B/A EL HISPANITO	CASE NO. BFI-2018-00120
SABATINOS INC. D/B/A WINGS OVER RICHMOND	CASE NO. BFI-2018-00122
ZOILA SEGURA VICENTE D/B/A LOS ANGELES	CASE NO. BFI-2018-00123
DINERO EXPRESS LLC	CASE NO. BFI-2018-00124
CASH FROM US LLC	CASE NO. BFI-2018-00126
DONA FER GROCERY STORE LLC	CASE NO. BFI-2018-00127
HERCULES FOOD INCORPORATED D/B/A RUTA 360 LA DISCOTECA BAR AND RESTAURANT	CASE NO. BFI-2018-00129
FAST PRESTAMOS, INC.,	CASE NO. BFI-2018-00132

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on October 11, 2018, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before November 11, 2018. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2018-00132
DECEMBER 27, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.

FOURTH LUCKY, INC. D/B/A LUCKY CONVENIENCE STORES	CASE NO. BFI-2018-00089
HASAN ABUEZNAID D/B/A MA HOLLINS	CASE NO. BFI-2018-00090
COLONIAL MART, INC.	CASE NO. BFI-2018-00096
RUBEN RAMOS TORRES D/B/A LA JALPITA # 1	CASE NO. BFI-2018-00097
OASIS FOOD MART, INC. D/B/A OASIS FOOD MART	CASE NO. BFI-2018-00100
GUADALUPE SANCHEZ VENTURA D/B/A VENTURA GROCERY	CASE NO. BFI-2018-00101
FFS OF ARLINGTON LLC	CASE NO. BFI-2018-00103
EL TORITO INC.	CASE NO. BFI-2018-00104
CRYSTAL JEWELRY, INC. D/B/A CRYSTAL JEWELRY	CASE NO. BFI-2018-00105
ACE FOODS, INC.	CASE NO. BFI-2018-00107
GNC SERVICES, INC.	CASE NO. BFI-2018-00108
RUBINS CHECKS CASHED INC.	CASE NO. BFI-2018-00110
FLOOSE CORPORATION	CASE NO. BFI-2018-00111
MOLINA AND REYES, LLC D/B/A LA TABASQUENA HISPANIC STORE	CASE NO. BFI-2018-00112
MAYFLOWER VENTURES, LLC D/B/A OMG CONVENIENCE STORE	CASE NO. BFI-2018-00114
PINEDA'S MONEY MART INC.	CASE NO. BFI-2018-00116
JEWELRY AND COIN EXCHANGE, INC.	CASE NO. BFI-2018-00118
HISPANO EXPRESS LLC D/B/A EL HISPANITO	CASE NO. BFI-2018-00120
SABATINOS INC. D/B/A WINGS OVER RICHMOND	CASE NO. BFI-2018-00122
ZOILA SEGURA VICENTE D/B/A LOS ANGELES	CASE NO. BFI-2018-00123
DINERO EXPRESS LLC	CASE NO. BFI-2018-00124
CASH FROM US LLC	CASE NO. BFI-2018-00126
DONA FER GROCERY STORE LLC	CASE NO. BFI-2018-00127
HERCULES FOOD INCORPORATED D/B/A RUTA 360 LA DISCOTECA BAR AND RESTAURANT	CASE NO. BFI-2018-00129
FAST PRESTAMOS, INC.,	CASE NO. BFI-2018-00132

Defendants

ORDER REVOKING REGISTRATIONS

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that the Defendants are registered to engage in business as check cashers under Chapter 21 of Title 6.2 of the Code of Virginia; that the Defendants failed to pay their annual registration fees, as required by § 6.2-2103 of the Code of Virginia; and that the Commissioner, pursuant to delegated authority, gave written notice to each of the Defendants on October 11, 2018, (1) of his intention to recommend revocation of their registrations for failure to pay their annual registration fees, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before November 11, 2018. As of the date of this Order, the Commission has not received any written requests for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendants' registrations to engage in business as check cashers.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendants have failed to pay their annual registration fees as required by law.

Accordingly, IT IS ORDERED THAT the Defendants' registrations to engage in business as check cashers are hereby revoked.

CASE NO. BFI-2018-00134
DECEMBER 11, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
HOME AMERICA LENDING CORP.,
Defendant

ORDER REVOKING A LICENSE

The Commissioner of Financial Institutions ("Commissioner") has reported to the State Corporation Commission ("Commission") that Home America Lending Corp. ("Defendant") is licensed to engage in business as a mortgage lender and mortgage broker under Chapter 16 of Title 6.2 of the Code of Virginia ("Code"); that on June 13, 2018, the Bureau of Financial Institutions ("Bureau") examined the Defendant and found that it violated §§ 6.2-406 A (2) and 6.2-1614 (1) of the Code and 10 VAC 5-160-30 B of the Commission's Rules Governing Mortgage Lenders and Brokers, 10 VAC 5-160-10 *et seq*. ("Rules"); that the Defendant repeatedly failed to provide the Bureau with a response to its June 13, 2018 examination report, in violation of 10 VAC 5-160-50 B of the Commission's Rules; and that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on October 16, 2018, (1) of his intention to recommend revocation of the Defendant's license, and (2) that a written request for a hearing was required to be filed in the Office of the Clerk on or before November 16, 2018. As of the date of this Order, the Defendant has not responded to the Bureau's examination report, and the Commission has not received a written request for a hearing. Therefore, the Commissioner has recommended that the Commission enter an order revoking the Defendant's license to engage in business as a mortgage lender and mortgage broker.

NOW THE COMMISSION, having considered the record herein and the recommendation of the Commissioner, is of the opinion and finds that the Defendant has violated (i) §§ 6.2-406 A (2) and 6.2-1614 (1) of the Code, and (ii) 10 VAC 5-160-30 B and 10 VAC 5-160-50 B of the Commission's Rules.

Accordingly, IT IS ORDERED THAT:

(1) The license granted to the Defendant to engage in business as a mortgage lender and mortgage broker is hereby revoked.

(2) This case is dismissed.

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

CLERK'S OFFICE

CASE NO. CLK-2018-00007
OCTOBER 5, 2018

IN RE:
PETITION OF ALLISON C. PIENTA

ORDER

On June 11, 2018, Allison C. Pienta ("Petitioner"), a Virginia resident and an attorney admitted to practice in the Commonwealth of Virginia, filed with the State Corporation Commission ("Commission" or "SCC"), on her own behalf, a Petition of Disclosure for Records of Business Entity ("Petition") pursuant to Rule 5 VAC 5-20-100 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*. The Petitioner requests that the Commission publicly disclose, pursuant to Code § 12.1-19 C (3), certain information held by the office of the Clerk of the Commission ("Clerk") purportedly related to business entities.

Specifically, the Petition "seeks records held by the clerk of the Commission related to the name and address of the authorized business representative of the BH Group, LLC (SCC ID: S6344156)."[1] The Petitioner asserts that "[a]ccording to the SCC's online 'Clerk's Information System,' the BH Group, LLC changed its registered agent and registered office on June 2, 2017. The change was not made on paper but was made online through the SCC's 'eFile' system."[2] The Petitioner further states that the "Commission has not made public the online records for the BH Group's June 2, 2017 change of registered agent and registered office other than an 'LLC Activity Summary' that shows a change occurred on that date."[3]

The Petitioner concludes with the following request for relief: "[T]he Petitioner respectfully submits that the SCC is obligated by [Code] § 12.1-19.C.3 to produce the requested information about the name and address of the authorized business representative of the BH Group, LLC."[4]

On June 13, 2018, the Petitioner was offered the opportunity to be heard by the Commission on this matter, without further pleadings, on June 21, 2018. The Petitioner declined in favor of an extended schedule to permit additional pleadings prior to oral argument.

On June 15, 2018, the Commission issued a Scheduling Order. On June 20, 2018, the Petitioner filed a Supplement to Record for Petition of Disclosure for Records of Business Entity ("Supplement"). On July 3, 2018, the Clerk filed a Response to the Petition ("Clerk's Response"). On July 17, 2018, the Petitioner filed a Reply.

On July 26, 2018, the Commission received oral argument from the Petitioner and the Clerk. On September 4, 2018, the Clerk filed a Motion for Leave to Supplement the Record ("Motion for Leave"). On September 12, 2018, the Petitioner filed an Opposition to the Motion for Leave ("Opposition"). On September 26, 2018, the Clerk filed a Reply to the Opposition.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

As noted above, the Petitioner specifically "seeks records held by the clerk of the Commission related to the name and address of the *authorized business representative* of the BH Group, LLC (SCC ID: S6344156)."[5] The term "authorized business representative" was created by the Clerk as part of the eFile system for individuals choosing to receive email notifications regarding online filings and payments for a particular company.[6] The Motion for Leave contains an affidavit from the Clerk stating that "the Clerk has discovered that no one with an eFile account has identified themselves as an 'authorized business representative' of BH Group to receive email notifications about online filings and payments for that company."[7]

The Petitioner objects to the Clerk's Motion for Leave. The Petitioner, however, relies on cases where the record was reopened for the purpose of ruling on contested *factual* matters. That is not the situation here. The question before the Commission in the instant case is legal; *i.e.*, whether the Clerk is required under law to provide certain user information from the Commission's eFile system. As a result, the Clerk's affidavit does not speak to a contested factual matter but, rather, to whether there is an actual case or controversy warranting a legal judgment by the Commission.

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[1] Petition at 1.

[2] *Id*. at 4.

[3] *Id*.

[4] *Id*. at 11.

[5] *Id*. at 1 (emphasis added).

[6] *See, e.g.,* Clerk's Response at 8.

[7] Motion for Leave, Attachment A at 4.

The Clerk's affidavit, prepared in his role and within the scope of his duties at the Commission, shows that there is no actual controversy upon which the Petitioner can obtain the information she seeks, because that information does not exist. Consequently, what Petitioner seeks is effectively an advisory opinion. The Commission declines to issue purely advisory opinions. As a result, the Commission will not ignore the Clerk's affidavit, knowing that doing so would require the Commission to issue an advisory judgment.[8] Accordingly, in this particular instance, the Commission finds that the Motion for Leave shall be granted.[9]

Next, the Petitioner asserts that "the BH Group, LLC changed its registered agent and registered office on June 2, 2017 through the SCC's 'efile' system. But the Clerk of the Commission has not made public the records showing the manager, member, or other authorized business representative who made these changes."[10] The Clerk, however, has provided this information to the Petitioner. As explained by the Clerk: (a) the June 2, 2017 filing was not made electronically; and (b) the Clerk has provided the Petitioner with a copy of the June 2, 2017 paper submission, which filing included a cover letter identifying the individual making the changes.[11]

Finally, the Petitioner's Opposition also asks for "the name and address of the person who made [credit card] payments for the BH Group as an 'authorized business representative.'"[12] As noted above, the term "authorized business representative" was created, and is used, by the Clerk as part of the eFile system for individuals choosing to receive email notifications regarding online filings and payments for a particular company. A person making a credit card payment need not also be self-designated as an "authorized business representative" for that company, which is the case here. The Petition seeks the "authorized business representative," and there is none for BH Group, LLC.

Accordingly, IT IS ORDERED THAT the Motion for Leave is granted, and this matter is dismissed.

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[8] *See, e.g., Commonwealth v. Harley*, 256 Va. 216, 219–20 (1998) ("[C]ourts are not constituted to render advisory opinions, to decide moot questions, or to answer inquiries which are merely speculative.") (alteration omitted) (quoting *City of Fairfax v. Shanklin*, 205 Va. 227, 229–30 (1964)).

[9] Petitioner acknowledges that this decision is a matter within the Commission's discretion. *See* Objection at 2. *See also, e.g., Fink v. Higgins Gas and Oil Col, Inc.*, 203 Va. 86, 89 (1961) ("The trial court has a wide discretion in passing on a motion to reopen, and such discretion is to be liberally exercised in behalf of allowing the whole case to be presented, for the best advancement of the ends of justice.") (citations and internal quotation marks omitted).

[10] Supplement at 2.

[11] *See, e.g.,* Clerk's Response at 9-10.

[12] Opposition at 6.

CASE NO. CLK-2018-00007
OCTOBER 25, 2018

IN RE:
PETITION OF ALLISON C. PIENTA

ORDER GRANTING RECONSIDERATION

On October 5, 2018, the State Corporation Commission ("Commission") issued an Order which granted the Motion for Leave to Supplement the Record filed by the Commission's Clerk's Office and dismissed this matter from the Commission's docket ("October 5 Order"). On October 24, 2018, Allison C. Pienta ("Petitioner") filed a Petition for Reconsideration of the October 5 Order ("Petition for Reconsideration").

NOW THE COMMISSION, upon consideration hereof, grants reconsideration for the purpose of continuing jurisdiction over this matter and considering the Petition for Reconsideration. The October 5 Order is hereby suspended pending the Commission's reconsideration.

Accordingly, IT IS ORDERED THAT

(1) Reconsideration is granted for the purpose of continuing jurisdiction of this matter and considering the Petition for Reconsideration.

(2) The October 5 Order is suspended.

(3) This matter is continued.

BUREAU OF INSURANCE

CASE NO. INS-1992-00413
JUNE 29, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
PHILADELPHIA REINSURANCE CORPORATION,
Defendant

FINAL ORDER

Philadelphia Reinsurance Corporation ("Defendant"), a foreign corporation domiciled in the State of Pennsylvania, is licensed to transact the business of insurance in the Commonwealth of Virginia ("Virginia").

By Order Suspending License ("Order") entered herein November 2, 1992, the Defendant's license was voluntarily suspended due to the Defendant's failure to maintain the minimum surplus amount required. [1]

The Defendant has requested that the suspension of its license be lifted and that its license to transact the business of insurance in Virginia be reinstated. The State Corporation Commission's ("Commission") Bureau of Insurance ("Bureau") has reviewed the request and the Defendant's current financial condition and recommends that the Order be vacated and the Defendant's license be reinstated.

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

Accordingly, IT IS ORDERED THAT:

(1) The Order entered by the Commission is hereby VACATED;

(2) This case is hereby CLOSED;

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

[1] 1992 S.C.C. Ann. Rept. 117.

CASE NO. INS-1994-00218
JANUARY 5, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION,
Applicant
v.
HOME WARRANTY CORPORATION, HOME OWNERS WARRANTY CORPORATION, and
HOW INSURANCE COMPANY, A RISK RETENTION GROUP,
Respondents

ORDER APPOINTING SCOTT A. WHITE AS DEPUTY RECEIVER FOR REHABILITATION OR LIQUIDATION

By Order of the Circuit Court of the City of Richmond dated October 14, 1994 ("Order"), upon application of the State Corporation Commission ("Commission"), the Commission was appointed Receiver of HOW Insurance Company, a Risk Retention Group, Home Owners Warranty Corporation, and Home Warranty Corporation (collectively the "Companies"), and Steven T. Foster, Commissioner of Insurance, was appointed as Deputy Receiver for the Companies. The Circuit Court vested in the Receiver and Deputy Receiver certain powers as set forth more particularly in its Order.

On April 24, 1996, the Commission entered an Order in Aid of Receivership in which it appointed Alfred W. Gross, Acting Commissioner of Insurance, as Acting Deputy Receiver for the Companies.

By order dated January 11, 2011, the Commission appointed Jacqueline K. Cunningham, Commissioner of Insurance, as Deputy Receiver for the Companies.

IT IS ORDERED that, effective January 1, 2018, Scott A. White, Commissioner of Insurance, be, and he is hereby, appointed Deputy Receiver for the Companies.

IT IS FURTHER ORDERED that Commissioner White, in addition to the powers and authority set forth in the Order and all subsequent orders entered herein, be, and he is hereby, vested with all of the powers and authority expressed and implied under the provisions of §§ 38.2-1500 through 38.2-1521 of the Code of Virginia and that Commissioner White may do all acts necessary or appropriate with respect to the receivership of the Companies.

CASE NO. INS-2011-00239
JANUARY 5, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION,
Applicant
v.
SOUTHERN TITLE INSURANCE CORPORATION,
Respondent

ORDER APPOINTING SCOTT A. WHITE AS DEPUTY RECEIVER FOR REHABILITATION OR LIQUIDATION

By Order of the Circuit Court of the City of Richmond dated December 20, 2011, upon application of the State Corporation Commission ("Commission"), the Commission was appointed Receiver of Southern Title Insurance Corporation ("Southern Title"). Also on December 20, 2011, the Commission, by Order Appointing Deputy Receiver for Conservation and Rehabilitation ("Order"), appointed Jacqueline K. Cunningham, Commissioner of Insurance, as Deputy Receiver for Southern Title, and vested in the Deputy Receiver certain powers as set forth more particularly in the Order.

IT IS ORDERED that, effective January 1, 2018, Scott A. White, Commissioner of Insurance, be, and he is hereby, appointed Deputy Receiver for Southern Title.

IT IS FURTHER ORDERED that Commissioner White, in addition to the powers and authority set forth in the Order, and all subsequent orders entered herein, be, and he is hereby, vested with all of the powers and authority expressed and implied under the provisions of §§ 38.2-1500 through 38.2-1521 of the Code of Virginia and that Commissioner White may do all acts necessary or appropriate with respect to the receivership of Southern Title.

CASE NO. INS-2016-00222
DECEMBER 18, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ADVANCED TITLE & SETTLEMENTS, LLC
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Advanced Title & Settlements, LLC ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 55-525.24 (A) (1) of the Code of Virginia ("Code") by failing to handle funds deposited with the settlement agent in connection with an escrow, settlement, or closing in a fiduciary capacity, 14 VAC 5-395-50 (D) of the Commission's Rules Governing Settlement Agents, 14 VAC 5-395-10 *et seq*. ("Rules"), by failing to implement a process to comply with the annual escheatment requirement of unclaimed property, and 14 VAC 5-395-75 (4) of the Rules by charging duplicative or padded fees for escrow, closing or settlement services.

The Commission is authorized by §§ 38.2-218, 38.2-219 and 55-525.31 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to provide verification of proper disbursement and escheatment of unclaimed funds associated with 119 identified Virginia files, has tendered to Virginia the sum of Five Thousand Dollars ($5,000), and waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2017-00024
MARCH 27, 2018

PETITION OF
GRAY REED & MCGRAW f/k/a LOOPER REED & MCGRAW

For review of Southern Title Insurance Corporation Deputy Receiver's Determination of Appeal

FINAL ORDER

On December 20, 2011, the Circuit Court of the City of Richmond entered an order in Case No. CLI 1-5660-RDT appointing the State Corporation Commission ("Commission") as Receiver of Southern Title Insurance Corporation ("Southern Title"). On the same date, the Commission, by Order Appointing Deputy Receiver for Conservation and Rehabilitation, appointed Jacqueline K. Cunningham, Commissioner of Insurance for the Commission's Bureau of Insurance, as Deputy Receiver ("Deputy Receiver"), in accordance with Title 38.2, Chapter 15, of the Code of Virginia.[1] Pursuant to her grant of authority, the Deputy Receiver, in her Second Directive Adopting Receivership Appeal Procedure ("Receivership Appeal Procedure"),[2] established appeal procedures for appeals or challenges of any decision made by the Deputy Receiver with respect to claims against Southern Title.

On February 10, 2017, Gray Reed & McGraw f/k/a Looper Reed & McGraw ("Petitioner"), pursuant to the Supplemental Rules of Practice and Procedure in Aid of Receivership Proceedings and Order in Aid of Receivership[3] entered by the Commission, filed with the Clerk of the Commission a Petition for Review of Deputy Receiver's Determination of Appeal ("Petition"). The Petitioner is appealing the Deputy Receiver's determination that the Petitioner's claim for legal fees incurred on behalf of Southern Title is partially an administrative expense entitled to priority payment and partially that of a general creditor not entitled to priority payment, depending on whether such fees were incurred before or after Southern Title was placed in receivership.

By Order entered February 23, 2017, the Commission directed the Deputy Receiver to file an answer or other responsive pleading to the Petition with the Clerk of the Commission on or before March 10, 2017, and assigned this matter to a Hearing Examiner to conduct all further proceedings.

On March 3, 2017, the Deputy Receiver filed a Motion to Dismiss ("Motion to Dismiss") and Memorandum in Support of Motion to Dismiss. The Deputy Receiver moved to dismiss the Petition on the grounds that the Petition was not filed by an attorney admitted to the Virginia State Bar or by an attorney licensed in another jurisdiction admitted to practice *pro hac vice* before the Commission, in violation of Rule 5 VAC 5-20-30 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*. ("Rules"). The Deputy Receiver further argued that as a matter of law the Petition failed to state a claim upon which relief may be granted.

On March 10, 2017, the Deputy Receiver filed her Answer to the Petition ("Answer"). In her Answer the Deputy Receiver raised three defenses to the Petition. The Deputy Receiver argued that the Petition provides no factual or legal basis for the application of unjust enrichment, *quantum meruit*, or "fundamental justice." The Deputy Receiver also renewed her two arguments made in the Motion to Dismiss.

No response was filed to the Deputy Receiver's Motion.

On May 26, 2017, the Hearing Examiner issued his Report ("May 26, 2017 Report") which summarized the procedural history of this case, as well as the arguments presented in the Deputy Receiver's Motion to Dismiss. The Hearing Examiner found that pursuant to Rule 5 VAC 5-20-30 of the Rules, the Petition was not properly filed and should be dismissed without prejudice. The May 26, 2017 Report allowed the parties 21 days to provide comments.

On June 16, 2017, the Petitioner filed its Motion for Leave to File Amended Petition ("Motion for Leave to Amend") and its Amended Petition. In its Motion for Leave to Amend, the Petitioner argued Rule 5 VAC 5-20-130 of the Rules provides that leave to amend a pleading shall be liberally granted and that because the Petitioner had now associated with a member of the Virginia State Bar, the Motion for Leave to Amend should be granted.

On June 27, 2017, the Deputy Receiver filed her Response in Opposition to Motion for Leave to File Amended Petition ("Response") in which she argued, among other things, that the Motion for Leave to Amend should be denied because the Amended Petition would be untimely. The Deputy Receiver stated that pursuant to the Receivership Appeal Procedure the deadline for filing a Petition for Review of Deputy Receiver's Determination of Appeal ("Commission Appeal Deadline") is thirty (30) days following the date reflected on the Deputy Receiver's Determination of Appeal. In this instance, that deadline expired on February 10, 2017, thirty (30) days from the January 11, 2017 Determination of Appeal. The Deputy Receiver argued that the improperly filed Petition was filed on February 10, 2017, but that an improperly filed Petition does not toll the Commission Appeal Deadline. Therefore the Amended Petition was untimely.

On October 20, 2017, the Commission entered an Order in which it granted the Petitioner's Motion for Leave to Amend and remanded the Amended Petition to the Hearing Examiner for further proceedings. By Hearing Examiner's Ruling entered November 14, 2017, the Deputy Receiver was directed to file an Answer or other responsive pleading on or before December 12, 2017.

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[1] *Commonwealth of Virginia, ex rel., State Corporation Commission v. Southern Title Insurance Corporation,* Case No. INS-2011-00239, 2011 S.C.C. Ann. Rpt. 200, Order Appointing Deputy Receiver for Conservation and Rehabilitation (Dec. 20, 2011).

[2] This and other receivership-related documents may be found at: www.southerntitle.com/Documents.htm

[3] *Commonwealth of Virginia, ex rel., State Corporation Commission v. Southern Title Insurance Corporation, in Receivership*, Case No. INS-2011-00239, Doc. Con. Cen. No. 120430039, Order in Aid of Receivership (Apr. 19, 2012).

Following the entry of the November 14, 2017 Hearing Examiner's Ruling, the Deputy Receiver and the Petitioner each made multiple filings including: the Deputy Receiver's Answer to Amended Petition, Motion to Dismiss ("Second Motion to Dismiss"), and Memorandum in Support of Motion to Dismiss on November 21, 2017; the Petitioner's Response to the Deputy Receiver's Motion to dismiss on December 5, 2017; the Deputy Receiver's Reply in Support of Motion to Dismiss, Motion to Strike, and Memorandum in Support of Motion to Strike on December 15, 2017; the Petitioner's Response to Motion to Strike, Memorandum in Support of Response to Motion to Strike, and a Verified Application to Practice *Pro Hac Vice* on December 22, 2017; and the Deputy Receiver's Reply in Support of Motion to Strike on January 5, 2018.

The Deputy Receiver argued that the Amended Petition should be dismissed because it was not filed in accordance with Virginia law and Rule 5 VAC 5-20-30 of the Rules. The Deputy Receiver also argued that the Petitioner's other pleadings, with the exception of the Response to Motion to Strike and Memorandum in Support of Response to Motion to Strike, should be struck on the grounds that they were not signed as required by Rule 5 VAC 5-20-20 of the Rules and were not filed by an attorney licensed in Virginia or a foreign attorney admitted *pro hac vice* as required by Rule 5 VAC 5-20-30 of the Rules.

The Deputy Receiver further argued that the Amended Petition should be dismissed because the Petitioner's claims for legal fees were properly determined to be those of a general creditor. In support, the Deputy Receiver states that §§ 38.2-1509 and 38.2-4613 of the Code establish that only liabilities incurred after Southern Title was placed into receivership can be properly determined to be administrative claims of the receivership estate. The Deputy Receiver contends that because the Petitioner's claim is for legal fees incurred prior to Southern Title being placed in receivership, it cannot be considered an administrative claim.

The Petitioner argued that the Commission's Order of October 20, 2017, found that its Amended Petition shall be considered timely filed for purposes of this proceeding. As to the substance of its claim, the Petitioner argued that the portion of its claim that was determined to be a general creditor claim relates to legal services provided after Southern Title's license was suspended, during which time the Petitioner averred that the Bureau of Insurance was administratively overseeing the affairs of Southern Title. The Petitioner took the position that these fees were incurred in connection with providing legal services to the Deputy Receiver and should be considered administrative claims. Finally, the Petitioner argued that the doctrines of equitable estoppel, unjust enrichment and *quantum meruit* prevent the Deputy Receiver from avoiding the obligation to pay for legal services benefiting the receivership estate.

On January 22, 2018, the Hearing Examiner issued his report ("Report"), which summarized the procedural and factual history of the case. In his Report the Hearing Examiner found that (i) the Petitioner's Amended Petition, Response to Deputy Receiver's Motion to Dismiss Amended Petition, and Memorandum in Support of Response to Deputy Receiver's Motion to Dismiss Amended Petition were not filed in accordance with the Rules and were therefore invalid and had no legal effect; and (ii) the Petitioner's claim for legal fees incurred prior to the date that Southern Title was placed in receivership are no higher than a claim of "other creditors" under Virginia's distribution statute. The Hearing Examiner found the Petitioner failed to state a claim for which relief may be granted by the Commission. He recommended that, in the event the Commission finds the Amended Petition was filed in accordance with Virginia law and the Rules, then the Commission should grant the Deputy Receiver's Second Motion to Dismiss based on the Hearing Examiner's finding as to the priority of claims.[4]

Based upon his findings, the Hearing Examiner recommended that the Commission enter an Order adopting the findings in the Report, granting the Deputy Receiver's Second Motion to Dismiss and the Motion to Strike, and passing the papers herein to the file for ended causes.[5]

The Report provided a comment period of 21 days. No comments to the Report were filed.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the findings of the Hearing Examiner should be adopted, and the Deputy Receiver's Second Motion to Dismiss and Motion to Strike should be granted.

Accordingly, IT IS ORDERED THAT:

(1) The Deputy Receiver's Second Motion to Dismiss and the Motion to Strike are GRANTED.

(2) The Petition of Gray Reed & McGraw is DENIED.

(3) This case is dismissed and the papers herein shall be passed to the file for ended causes.

[4] Report at 9.

[5] *Id.*

CASE NO. INS-2017-00108
OCTOBER 16, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
STEVEN CRAIG REED,
Defendant

JUDGMENT ORDER

On August 4, 2017, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Steven Craig Reed ("Reed" or "Defendant") based upon allegations presented by the Commission's Bureau of Insurance ("Bureau"). In the Rule, the Bureau alleged that Reed, a licensed insurance agent, violated Virginia's insurance laws by, among other things: (a) selling life insurance to consumers who were not in an insurable condition and misrepresenting the health of these consumers to the applicable insurers; (b) forging signatures on insurance applications for consumers with whom he did not meet; and (c) mishandling premiums by accepting cash premiums from at least one consumer and then failing to remit the premiums to the insurer.[1]

Accordingly, the Bureau alleged that Reed violated: (i) § 38.2-3103 of the Code of Virginia ("Code") by knowingly attempting to secure a life insurance policy on any person who is not in an insurable condition by means of misrepresentation; (ii) § 38.2-512 A of the Code by making false statements on insurance applications for a benefit; (iii) § 38.2-512 B of the Code by signing another person's name to an insurance application without his or her prior written authorization; (iv) § 38.2-1813 of the Code by mishandling insurance premiums; and (v) § 38.2-1831 (10) of the Code by engaging in dishonest and untrustworthy business conduct. The Bureau requested that the Commission permanently revoke Reed's insurance license and assess a monetary penalty against him in the amount of $30,000.

In the Rule, the Commission, among other things, directed the Defendant to file a response to the Rule, scheduled a hearing on this matter, and assigned this case to a Hearing Examiner. On August 31, 2017, the Defendant, through counsel, filed Defendant's Response to Rule to Show Cause, in which he denied the Bureau's allegations.[2]

The hearing in this matter was ultimately convened on April 10, 2018. At the hearing, Nelson H.C. Fisher, Esquire, appeared on behalf of Reed. William W. Stanton, Esquire, appeared on behalf of the Bureau. During the hearing, the Bureau presented the direct testimony of seven witnesses, including four consumers, two representatives of Transamerica Premier Life Insurance Company, and Sheryl Hines, Principal Investigator with the Bureau. The Bureau also entered 23 exhibits in support of the allegations in the Rule. The Defendant did not present any testimony or evidence.[3] After the close of the hearing, the Hearing Examiner directed the parties to file post-hearing briefs summarizing their respective positions on or before May 23, 2018.[4] The Bureau filed its post-hearing brief as directed. The Defendant did not file any post-hearing brief or other filing.[5]

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[1] A full recitation of the procedural history in this case is summarized in the Hearing Examiner's July 26, 2018 Report ("Report") (Doc. Con. Cen. No. 180740090).

[2] Response to Rule to Show Cause, Doc. Con. Cen. No. 170840155.

[3] Tr. at 181.

[4] Hearing Examiner's Ruling dated May 11, 2018 (Doc. Con. Cen. No. 180530142).

[5] On May 11, 2018, the Defendant filed a Motion to Stay Civil Proceeding ("Motion to Stay"), arguing that felony and misdemeanor indictments newly served on him in Chesterfield County regarding facts and issues similar to those at issue in this case warranted a stay of these proceedings until the criminal charges were resolved. The Bureau opposed the Motion to Stay ("Opposition to Motion to Stay"). Though provided the opportunity to do so, the Defendant did not file a reply to the Bureau's Opposition to Motion to Stay. The Defendant's Motion to Stay was denied in the Hearing Examiner's Ruling dated May 31, 2018.

On July 26, 2018, the Hearing Examiner issued his Report, which summarized the procedural background as well as the substantive evidence in the case. After analyzing the evidence and testimony of the witnesses, the Hearing Examiner found that the Bureau proved by clear and convincing evidence that the Defendant committed: (i) five violations of § 38.2-3103 of the Code by knowingly securing or attempting to secure a life insurance policy on any person who is not in an insurable condition by means of misrepresentation or false or fraudulent statements;[6] (ii) six violations of § 38.2-512 A of the Code by making false or fraudulent statements or representations on insurance applications to obtain commissions;[7] (iii) three violations of § 38.2-512 B of the Code by signing, causing, or allowing someone to sign another person's name to a life insurance application without his or her prior written authorization;[8] (iv) one violation of § 38.2-1813 of the Code by accepting cash insurance premiums and failing to remit the money to the insurer;[9] and (v) three violations of § 38.2-1831 (10) of the Code by engaging in dishonest business conduct.[10] The Hearing Examiner recommended that the Commission enter an order adopting the findings of the Report, assessing monetary penalties against the Defendant in the amount of $30,000, and permanently revoking the Defendant's insurance license.[11]

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that the Hearing Examiner's findings and recommendations are reasonable, supported by the evidentiary record, and should be adopted. Further, the Commission finds that the Hearing Examiner's denial of the Motion to Stay was appropriate. The Commission finds that the Defendant has been provided the opportunity to participate fully in this matter in accordance with the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.*, and that the Defendant has not been prejudiced herein. Thus, no additional actions or proceedings are necessary in this proceeding.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the July 26, 2018 Hearing Examiner's Report are hereby adopted.

(2) Pursuant to § 38.2-218 of the Code, the Defendant is assessed a monetary penalty in the amount of $30,000.

(3) Pursuant to § 38.2-1831 of the Code, the Defendant's license to transact the business of insurance in Virginia is hereby permanently revoked.

(4) The case is dismissed.

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[6] Report at 12.

[7] Report at 14.

[8] Report at 15.

[9] Report at 15.

[10] Report at 16.

[11] Report at 17. On August 15, 2018, the Defendant, through counsel, filed Defendant's Objection to Skirpan, Jr. Report and Recommendations ("Objection to the Report") (a) claiming—but without citing to anything specific in the record or Report—that the Bureau failed to produce evidence sufficient to support any violations, and (b) reiterating his argument that this regulatory case should be stayed pending resolution of the Defendants' criminal proceedings. In addition, the Defendant requested an opportunity to present oral arguments on his Objection to the Report (Doc. Con. Cen. No. 180830118).

CASE NO. INS-2017-00160
AUGUST 29, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
RICHARD IRVING HICKEY,
Defendant

SETTLEMENT ORDER

Based on an investigation performed by the Bureau of Insurance ("Bureau"), it is alleged that Richard Irving Hickey ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1845.2 of the Code of Virginia ("Code") by engaging in the business of public adjusting without first obtaining a license in a manner as prescribed by the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to cease and desist from violating § 38.2-1845.2 of the Code and waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) The Defendant shall immediately cease and desist from violating § 38.2-1845.2 of the Code.

(3) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2017-00202
MARCH 13, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Amending the Rules Governing Claims-Made Liability Insurance Policies

ORDER ADOPTING AMENDMENTS TO RULES

By Order to Take Notice ("Order") entered October 2, 2017, insurers and interested persons were ordered to take notice that subsequent to November 30, 2017, the State Corporation Commission ("Commission") would consider the entry of an order adopting amendments to rules set forth in Chapter 335 of Title 14 of the Virginia Administrative Code, entitled "Rules Governing Claims-Made Liability Insurance Policies" ("Rules"), which amend the Rules at 14 VAC 5-335-10 through 14 VAC 5-335-60 and add new Rules at 14 VAC 5-335-23, 14 VAC 5-335-27 and 14 VAC 5-335-45, unless on or before November 30, 2017, any person objecting to the adoption of the amendments to the Rules filed a request for a hearing with the Clerk of the Commission ("Clerk").

The Order also required insurers and interested persons to file their comments in support of or in opposition to the proposed amendments to the Rules with the Clerk on or before November 30, 2017.

The Bureau of Insurance ("Bureau") held a meeting on November 2, 2017 to allow for insurers and interested persons to discuss and address questions about the proposed Rules with Bureau staff. In addition to comments and questions that the Bureau received during this meeting, the Commission received timely filed comments from the American Insurance Association, Insurance Services Office, Inc., Markel Corporation, National Risk Retention Association and the Physician Insurers Association of America. No request for a hearing was filed.

The Bureau considered the comments received and responded to them in its Statement of Position in Response to Comments ("Response to Comments"), which the Bureau filed with the Clerk on March 1, 2018. In its Response to Comments, the Bureau recommended numerous revisions to the proposed amendments that address many of the comments received.

The amendments to Chapter 335 are necessary to update the Rules to reflect current positions and practices for filing and approval, establish greater clarity for ease of application and modernize the Rules to create more consistency with the regulatory requirements of other states. The proposed amendments and revisions as a result of the comments clarify and further define that the Rules do not apply to non-admitted insurers or to incidental claims-made liability insurance, make a distinction between a basic extended reporting period and a supplemental reporting period and identify clear standards for each, clarify and simplify provisions to offer a supplemental extended reporting period and the effective date for such period, add requirements for the insurer to provide loss information to the insured, and clarify certain prohibitions and minimum standards.

NOW THE COMMISSION, having considered the proposed amendments, the comments filed, the Bureau's Response to Comments and all the amendments to the Rules, is of the opinion that the attached amendments to the Rules should be adopted as amended, effective October 1, 2018.

Accordingly, IT IS ORDERED THAT:

(1) The amendments to the Rules Governing Claims-Made Liability Insurance Policies at Chapter 335 of Title 14 of the Virginia Administrative Code, which amend the Rules at 14 VAC 5-335-10 through 14 VAC 5-335-60 and add new Rules at 14 VAC 5-335-23, 14 VAC 5-335-27 and 14 VAC 5-335-45, which are attached hereto and made a part hereof, are hereby ADOPTED effective October 1, 2018.

(2) The Bureau shall provide notice of the adoption of the amendments to the Rules to all insurers licensed by the Commission to write insurance as defined in §§ 38.2-117, 38.2-118 and 38.2-111 B of the Code, as well as all interested persons.

(3) The Commission's Division of Information Resources shall cause a copy of this Order, together with the final amended Rules, to be forwarded to the Virginia Registrar of Regulations for appropriate publication in the *Virginia Register of Regulations*.

(4) The Commission's Division of Information Resources shall make available this Order and the attached amendments to the Rules on the Commission's website: http://www.scc.virginia.gov/case.

(5) The Bureau shall file with the Clerk of the Commission an affidavit of compliance with the notice requirements of Ordering Paragraph (2) above.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

NOTE: A copy of the Rules Governing Claims-Made Liability Insurance 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. INS-2017-00218
APRIL 18, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ALL-AMERICAN TITLE & ESCROW COMPANY, L.C.
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that All-American Title & Escrow Company, L.C. ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance as an insurance agent in the Commonwealth of Virginia ("Virginia"), violated §§ 55-525.20 A, 55-525.24 A, 55-525.24 B, and 55-525.27 of the Code by failing to hold escrow funds in a fiduciary capacity and to deposit such funds no later than the close of the second business day, by failing to disburse escrow funds pursuant to a written instruction, and by failing to maintain sufficient records of its affairs; and 14 VAC 5-395-50 D and 14 VAC 5-395-75 (3) of the Commission's Rules Governing Settlement Agents, 14 VAC 5-395-10 *et seq*., by failing to disburse funds in the Defendant's possession and return funds to their rightful owner and by providing false, misleading, or deceptive information to the Bureau.

The Commission is authorized by §§ 55-525.31, 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of its right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has tendered to Virginia the sum of Five Thousand Dollars ($5,000) and waived its right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

NOTE: A copy of the Admission and Consent form 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. INS-2017-00219
JANUARY 26, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
PREMIER TITLE AND ESCROW, LLC
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Premier Title and Escrow, LLC ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance as an insurance agent in the Commonwealth of Virginia ("Virginia"), violated §§ 55-525.20 A, 55-525.24 A, and 55.525.27 of the Code of Virginia ("Code") by failing to exercise reasonable care and comply with all applicable requirements regarding financial responsibility, by failing to handle escrow funds in a fiduciary capacity, and by failing to maintain sufficient records of its affairs, and 14 VAC 5-395-70 A of the Commission's Rules Governing Settlement Agents, 14 VAC 5-395-10 *et seq*., by failing to make all escrow, closing, or settlement records available promptly upon request for examination by the Bureau.

The Commission is authorized by §§ 55-525.31, 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of its right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has tendered to Virginia the sum of Five Thousand Dollars ($5,000), waived its right to a hearing, and agreed to escheat all unclaimed escrow funds to the Virginia Department of Treasury within 90 days of the date of this Order.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) The Defendant shall fully comply with the aforesaid terms and undertakings of this settlement.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate, on account of the Defendant's failure to comply with the terms and undertakings of the settlement.

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

CASE NO. INS-2017-00220
JANUARY 31, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
DUC TAN NGUYEN, GLOBAL FINANCIAL BROKERAGE INC., GLOBAL FINANCIAL PARTNERS INC., and GLOBAL INSURANCE PARTNERS INC.,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Duc Tan Nguyen ("Nguyen"), Global Financial Brokerage Inc. ("Global Brokerage"), Global Financial Partners Inc. ("Global Partners"), and Global Insurance Partners Inc. ("Global Insurance," collectively, "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated §§ 38.2-512 A and 38.2-1831 (10) of the Code of Virginia ("Code") by making false representations on insurance applications to obtain commissions and engaging in dishonest and untrustworthy business conduct in Virginia.

Nguyen is a Virginia resident licensed with the following lines of authority: Life & Annuities and Property & Casualty. Nguyen is the Officer, Director, and Owner of Global Brokerage, Global Partners, and Global Insurance, Virginia resident agencies that offer life and health insurance to consumers in and around northern Virginia.

The Bureau alleges that between 2015 and 2017 the Defendants submitted fraudulent life insurance applications to National Life Insurance Company to wrongfully obtain commissions. When presented with the Bureau's allegations, the Defendants elected to voluntarily surrender their Virginia insurance licenses.

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

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have waived the right to a hearing and voluntarily surrendered their authority to act as an insurance agent in Virginia, effective October 24, 2017.

The Bureau has recommended that the Commission accept the Defendants' offer of settlement pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the Defendants' offer of settlement, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2017-00221
JANUARY 30, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
KIM-HOAN VU and GLOBAL FINANCIAL GROUP, INC.,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Kim-Hoan Vu ("Vu") and Global Financial Group, Inc. ("Global Financial," collectively, "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated §§ 38.2-512 (A) and 38.2-1831 (10) of the Code of Virginia ("Code") by making false representations on insurance applications to obtain commissions and engaging in dishonest and untrustworthy business conduct in Virginia.

Vu is a Virginia resident licensed with the following lines of authority: Life & Annuities, Health, and Variable Contracts. Vu is the Officer, Director, and Owner of Global Financial, a Virginia resident agency that offers life and health insurance to consumers in and around northern Virginia.

The Bureau alleges that between 2015 and 2017, the Defendants submitted fraudulent life insurance applications to National Life Insurance Company to wrongfully obtain commissions. When presented with the Bureau's allegations, the Defendants elected to voluntarily surrender their Virginia insurance licenses.

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

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have waived the right to a hearing and voluntarily surrendered the authority to act as an insurance agent in Virginia for a period of five years. Vu surrendered her licenses effective October 24, 2017. Global Financial surrendered its license effective November 6, 2017.

The Bureau has recommended that the Commission accept the Defendants' offer of settlement pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the Defendants' offer of settlement, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2017-00225
JANUARY 26, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
DANIELLE CHERIE BYRNE
Defendant

SETTLEMENT ORDER

Based on an investigation performed by the Bureau of Insurance ("Bureau"), it is alleged that Danielle Cherie Byrne ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: § 38.2-502 (6) of the Code of Virginia ("Code") by misrepresenting material fact for the purpose of inducing or tending to induce the replacement of any insurance policy; §§ 38.2-512 A and 38.2-512 B of the Code by making false representation relating to the business of insurance for the purpose of obtaining a commission from any individual, and by affixing or causing or allowing to be affixed the signature of any other person to such insurance document without the written authorization of the person whose signature appears on such document; and 14 VAC 5-30-40 A, 14 VAC 5-30-40 B, 14 VAC 5-30-40 C, and 14 VAC 5-30-40 E of the Commission's Rules Governing Life Insurance and Annuity Replacements, 14 VAC 5-30-10 *et seq*., by failing to submit to the insurer a statement signed by both the applicant and the agent as to whether the applicant has existing policies; by failing to present and read to insurance applicants the proper notice regarding replacements of policies; by failing to include a statement as to whether each policy will be replaced; and by failing to submit a copy of the replacement forms to the insurer.

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

The Defendant has been advised of her right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has tendered to Virginia the sum of Five Thousand Dollars ($5,000) and waived her right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2017-00226
JANUARY 24, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
TAYLOR J. GILLETTE,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Taylor J. Gillette ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete, or untrue information in the license application filed with the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of his right to a hearing before the Commission in this matter by certified letter dated December 12, 2017, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of his right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete, or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2017-00227
JANUARY 24, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
DARLA MICHELLE HARRISON,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Darla Michelle Harrison ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete, or untrue information in the license application filed with the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of her right to a hearing before the Commission in this matter by certified letter dated December 12, 2017, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of her right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete, or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2017-00228
JANUARY 24, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
RAY L. LEATHERWOOD,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Ray L. Leatherwood ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete, or untrue information in the license application filed with the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of his right to a hearing before the Commission in this matter by certified letter dated December 12, 2017, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of his right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete, or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2017-00229
JANUARY 24, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
PAUL DEAN MANCHESTER,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Paul Dean Manchester ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete, or untrue information in the license application filed with the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of his right to a hearing before the Commission in this matter by certified letter dated December 13, 2017, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of his right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete, or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2017-00232
MARCH 6, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
LESLIE DIANE SCOFIELD-HILLIKER
Defendant

SETTLEMENT ORDER

Based on an investigation performed by the Bureau of Insurance ("Bureau"), it is alleged that Leslie Diane Scofield-Hilliker ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: § 38.2-502 (6) of the Code of Virginia ("Code") by misrepresenting material facts for the purpose of inducing or tending to induce the replacement or surrender of any insurance policy; § 38.2-512 A of the Code by making false representations relating to the business of insurance for the purpose of obtaining a fee, commission, money or other benefit from any individual; § 38.2-1831 (10) of the Code by using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, or untrustworthiness in the conduct of business in this Commonwealth or elsewhere, or demonstrating financial irresponsibility in the handling of applicant, policyholder, agency, or insurance company funds; and 14 VAC 5-30-40 of the Commission's Rules Governing Life Insurance and Annuity Replacements, 14 VAC 5-30-10 *et seq*., by failing to provide a statement signed by both the applicant and the agent as to whether the applicant has exiting policies.

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

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has tendered to Virginia the sum of Five Thousand Dollars ($5,000) and waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2017-00236
JANUARY 22, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
TRANSAMERICA PREMIER LIFE INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on an investigation performed by the Bureau of Insurance ("Bureau"), it is alleged that Transamerica Premier Life Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated 14 VAC 5-400-50 A of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq*., by failing to properly acknowledge notification of claim receipt.

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

The Defendant has been advised of its right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has tendered to Virginia the sum of Two Thousand Five Hundred Dollars ($2,500), waived its right to a hearing, and agreed to comply with the Corrective Action Plan contained in the Bureau's letter dated November 29, 2017.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein hereby is accepted.

(2) The case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2017-00240
OCTOBER 4, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
GUARANTEE INSURANCE COMPANY,
Defendant

FINAL ORDER

On December 12, 2017, the State Corporation Commission ("Commission") entered an Order Suspending License ("Order") suspending the license issued to Guarantee Insurance Company ("Defendant") to transact the business of insurance in the Commonwealth of Virginia ("Virginia") because the Second Judicial Circuit Court in Leon County, Florida, found the Defendant insolvent and appointed the Florida Department of Financial Services as the Receiver of the Defendant.

By letter to the Bureau of Insurance ("Bureau") dated December 6, 2017 from Salma Zacur, Deputy Receiver for the Defendant, the Bureau was advised that the Defendant wishes to surrender its license to transact the business of insurance in Virginia.

The withdrawal of the Defendant's license has been processed by the Bureau effective December 31, 2017.

The Bureau, given the foregoing, has recommended that the Order entered by the Commission be vacated and this case be closed.

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

Accordingly, IT IS ORDERED THAT:

(1) The Order entered by the Commission is hereby VACATED.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2017-00243
MARCH 13, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ALEXANDER ORTIZ
Defendant

SETTLEMENT ORDER

Based on an investigation performed by the Bureau of Insurance ("Bureau"), it is alleged that Alexander Ortiz ("Ortiz" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: § 38.2-1826 of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against him in another jurisdiction; § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission; and § 38.2-1831 (9) of the Code by having been convicted of a felony.

Ortiz is an Iowa resident licensed with the following lines of authority: Life &Annuities and Health.

The Bureau alleges that Ortiz failed to report to the Commission within 30 calendar days of the final disposition of the matter an administrative action taken against him in another jurisdiction. Additionally, the Bureau alleges Ortiz failed to disclose in his 2015 license application with the Commission that he had been convicted of a misdemeanor and a felony. When presented with the Bureau's allegations, the Defendant elected to surrender his Virginia insurance license voluntarily.

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

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has waived the right to a hearing and voluntarily surrendered his authority to act as an insurance agent in Virginia, effective January 25, 2018.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2017-00245
JULY 24, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
SURETY LENDER SERVICES, LLC
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Surety Lender Services, LLC ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance as a real estate settlement agent in the Commonwealth of Virginia ("Virginia"), violated §§ 55-525.20 A and 55-525.24 A of the Code of Virginia ("Code") by failing to exercise reasonable care and comply with all applicable requirements regarding financial responsibility, and by failing to handle escrow funds in a fiduciary capacity. Specifically, the Bureau alleges that the Defendant violated these provisions by recording settlement documents before receiving funds and disbursing funds before receiving settlement funds from the applicable mortgage company.

The Commission is authorized by §§ 55-525.31, 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations. The Defendant has been advised of its right to a hearing in this matter.

The Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has tendered to Virginia the sum of Five Thousand Dollars ($5,000) and waived its right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

NOTE: A copy of the Admission and Consent form 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. INS-2017-00247
FEBRUARY 2, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
U.S. LAW SHIELD OF VIRGINIA, INC.,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that U.S. Law Shield of Virginia, Inc. ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1301 of the Code of Virginia ("Code") by failing to file with the Bureau its September 30, 2017 Quarterly Statement on or before November 15, 2017, and by failing to file its 2016 Audited Financial Statement.

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

The Defendant has been advised of its right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has tendered to Virginia the sum of Five Thousand Dollars ($5,000) and waived its right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2017-00248
MARCH 12, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
KATHIE ANN ROBERTS,
Defendant

SETTLEMENT ORDER

Based on an investigation performed by the Bureau of Insurance ("Bureau"), it is alleged that Kathie Ann Roberts, formerly known as Kathie A. Larson ("Roberts"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against her in another jurisdiction; and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Roberts is an Iowa resident licensed with the following lines of authority: Life & Annuities and Health.

The Bureau alleges that Roberts failed to report to the Commission within 30 calendar days of the final disposition of an administrative action taken against her in another jurisdiction. Additionally, the Bureau alleges Roberts failed to disclose in her 2007 and 2013 license applications with the Commission that she had been convicted of a misdemeanor. When presented with the Bureau's allegations, Roberts elected to surrender her Virginia insurance license voluntarily.

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

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has waived the right to a hearing and voluntarily surrendered her authority to act as an insurance agent in Virginia, effective January 5, 2018.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein hereby is accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2017-00250
JANUARY 5, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION,
Applicant
v.
RECIPROCAL OF AMERICA and THE RECIPROCAL GROUP,
Respondents

ORDER APPOINTING SCOTT A. WHITE AS DEPUTY RECEIVER FOR REHABILITATION OR LIQUIDATION

By Order of the Circuit Court of the City of Richmond dated January 29, 2003 ("Order"), upon application of the State Corporation Commission ("Commission"), the Commission was appointed Receiver of Reciprocal of America and The Reciprocal Group (collectively the "Companies"), and Alfred W. Gross, Commissioner of Insurance, was appointed as Deputy Receiver for the Companies. The Order vested in the Receiver and Deputy Receiver certain powers as set forth more particularly in the Order.

By order dated January 10, 2011, the Commission appointed Jacqueline K. Cunningham, Commissioner of Insurance, as Deputy Receiver for the Companies.

IT IS ORDERED that, effective January 1, 2018, Scott A. White, Commissioner of Insurance, be, and he is hereby, appointed Deputy Receiver for the Companies.

IT IS FURTHER ORDERED that Commissioner White, in addition to the powers and authority set forth in the Order, and all subsequent orders entered herein, be, and he is hereby, vested with all of the powers and authority expressed and implied under the provisions of §§ 38.2-1500 through 38.2-1521 of the Code of Virginia and that Commissioner White may do all acts necessary or appropriate with respect to the receivership of the Companies.

Commissioner Jagdmann did not participate in this matter.

CASE NO. INS-2017-00251
JANUARY 22, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
AMERICAN CASUALTY COMPANY OF READING, PA, CONTINENTAL CASUALTY COMPANY, NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, TRANSPORTATION INSURANCE COMPANY, and VALLEY FORGE INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct investigation performed by the Bureau of Insurance ("Bureau"), it is alleged that American Casualty Company of Reading, PA, Continental Casualty Company, National Fire Insurance Company of Hartford, Transportation Insurance Company, and Valley Forge Insurance Company (collectively, "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1906 D of the Code of Virginia ("Code") by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings in effect for the Defendants.

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

The Defendants have been advised of their right to a hearing in this matter whereupon the Defendants, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan in company correspondence dated October 6, 2017, waived their right to a hearing, and confirmed that restitution was made to 1,693 consumers in the amount of One Million Two Hundred Eighty Thousand Nine Hundred Fifty-one Dollars and Ten Cents ($1,280,951.10) as set forth in company correspondence dated August 14, 2017.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00002
FEBRUARY 1, 2018

AMERICAN FAMILY LIFE ASSURANCE COMPANY OF COLUMBUS and CONTINENTAL AMERICAN INSURANCE COMPANY

Ex Parte: In the matter of Approval of a Multi-State Regulatory Settlement Agreement between American Family Life Assurance Company, Continental American Insurance Company, and the Florida Office of Insurance Regulation, the California Department of Insurance, the New Hampshire Department of Insurance, the North Dakota Insurance Department, the Pennsylvania Insurance Department for and on behalf of the Virginia Bureau of Insurance and the Insurance Regulators of the remaining states, districts and territories of the United States

ORDER APPROVING SETTLEMENT AGREEMENT

ON THIS DAY came the Bureau of Insurance ("Bureau"), by counsel, and requested: (i) State Corporation Commission ("Commission") approval and acceptance of a multi-state Regulatory Settlement Agreement ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between the commissioners of insurance for the States of Florida, California, New Hampshire, North Dakota, and Pennsylvania and American Family Life Assurance Company of Columbus, a Nebraska company licensed to transact the business of insurance in the Commonwealth of Virginia, and Continental American Insurance Company, a Nebraska company licensed to transact the business of insurance in the Commonwealth of Virginia; and (ii) authority to execute any documents attendant to the Agreement necessary to evidence the Commission's acceptance of the Agreement.

NOW THE COMMISSION, having considered the terms of the Agreement together with the recommendation of the Bureau that the Commission approve and accept the Agreement, is of the opinion, finds, and ORDERS that: (i) the Agreement is hereby APPROVED AND ACCEPTED, and (ii) the Commissioner of Insurance is hereby authorized to execute any attendant documents necessary to evidence the Commission's approval and acceptance of the Agreement.

NOTE: A copy of the Regulatory Settlement Agreement is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS-2018-00003
JANUARY 31, 2018

STATE FARM LIFE INSURANCE COMPANY and STATE FARM ANNUITY AND LIFE INSURANCE COMPANY

Ex Parte: In the matter of Approval of a Multi-State Regulatory Settlement Agreement between State Farm Life Insurance Company, State Farm Annuity and Life Insurance Company, and the Florida Office of Insurance Regulation, the California Department of Insurance, the New Hampshire Department of Insurance, the North Dakota Insurance Department, the Pennsylvania Insurance Department for and on behalf of the Virginia Bureau of Insurance and the Insurance Regulators of the remaining states, districts and territories of the United States

ORDER APPROVING SETTLEMENT AGREEMENT

ON THIS DAY came the Bureau of Insurance ("Bureau"), by counsel, and requested: (i) State Corporation Commission ("Commission") approval and acceptance of a multi-state Regulatory Settlement Agreement ("Agreement"), a copy of which is attached hereto and made a part hereof, by and between the commissioners of insurance for the States of Florida, California, New Hampshire, North Dakota, and Pennsylvania and State Farm Life Insurance Company, an Illinois company licensed to transact the business of insurance in the Commonwealth of Virginia, and State Farm Annuity and Life Insurance Company, an Illinois company licensed to transact the business of insurance in the Commonwealth of Virginia[1]; and (ii) authority to execute any documents attendant to the Agreement necessary to evidence the Commission's acceptance of the Agreement.

NOW THE COMMISSION, having considered the terms of the Agreement together with the recommendation of the Bureau that the Commission approve and accept the Agreement, is of the opinion, finds, and ORDERS that: (i) the Agreement is hereby APPROVED AND ACCEPTED, and (ii) the Commissioner of Insurance is hereby authorized to execute any attendant documents necessary to evidence the Commission's approval and acceptance of the Agreement.

NOTE: A copy of Regulatory Settlement Agreement is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

[1] The Agreement also includes State Farm Life and Accident Assurance Company. State Farm Life and Accident is not licensed to transact the business of insurance in Virginia; therefore, this order does not include this company.

CASE NO. INS-2018-00004
FEBRUARY 12, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
5 STAR LIFE INSURANCE COMPANY
Defendant

SETTLEMENT ORDER

Based on a target market conduct examination performed by the Bureau of Insurance ("Bureau"), it is alleged that 5 Star Life Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: § 38.2-316 B of the Code of Virginia ("Code") by failing to comply with policy form filing requirements; § 38.2-502 (1) of the Code by misrepresenting the terms of the policy; § 38.2-503 of the Code by using false information and advertising; § 38.2-508 (2) of the Code by engaging in unfair discrimination; §§ 38.2-509 (A) (1) and 38.2-509 (A) (2) of the Code by unlawfully paying, directly or indirectly, as inducement to an insurance or annuity contract, any valuable consideration or inducement not specified in the insurance or annuity contract; § 38.2-511 of the Code by failing to maintain a record of complaints; § 38.2-604 (A) (1) of the Code by failing to provide a notice of insurance information collection and disclosure practices; §§ 38.2-610 (A) (1) and 38.2-610 (A) (2) of the Code by failing to provide the specific reason or reasons and written notice of an adverse underwriting decision, and by failing to provide a summary of rights in the form approved by the Commission; § 38.2-1834 D of the Code by failing to comply with the Commission's notification requirements of the termination of agent appointments; § 38.2-3115 B of the Code by failing to properly pay interest on life insurance and annuity contract proceeds; 14 VAC 5-30-51 A (2), 14 VAC 5-30-51 B, 14 VAC 5-30-60 A (5), 14 VAC 5-30-60 B (4), 14 VAC 5-30-60 C, 14 VAC 5-30-60 D, 14 VAC 5-30-60 E, 14 VAC 5-30-60 G of the Commission's Rules Governing Life Insurance and Annuity Replacements, 14 VAC 5-30-10 *et seq*., by failing to comply with life insurance and annuity replacement procedures and requirements; 14 VAC 5-41-30 A, 14 VAC 5-41-40 B, 14 VAC 5-41-40 C, 14 VAC 5-41-70 B, 14 VAC 5-41-80 A, 14 VAC 5-41-80 B, 14 VAC 5-41-90 C, 14 VAC 5-41-90 D, 14 VAC 5-41-110 A, 14 VAC 5-41-150 C of the Commission's Rules Governing Advertisement of Life Insurance and Annuities, 14 VAC 5-41-10 *et seq*., by failing to comply with requirements related to the advertisement of life insurance and annuities; 14 VAC 5-90-60 A (1) of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance, 14 VAC 5-90-10 *et seq*. ("Rules"), by failing to comply with requirements applicable to advertisements of covered benefits; 14 VAC 5-90-90 C of the Commission's Rules by failing to disclose the source of any statistics used in an advertisement; 14 VAC 5-90-170 A of the Commission's Rules by failing to maintain an advertisement file in accordance with the requirements set forth by the Commission, and 14 VAC 5-400-60 A of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq*., by failing to provide claimants timely notification of acceptance or denial of claims.

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

The Defendant has been advised of its right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has tendered to Virginia the sum of Forty-Six Thousand Dollars ($46,000), waived its right to a hearing, and agreed to comply with the Corrective Action Plan contained in the Bureau's letter dated January 3, 2018.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00005
FEBRUARY 12, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
PRECIOUS OKPRO ABRAHAM,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Precious Okpro Abraham ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1819 (A) of the Code of Virginia ("Code") by failing, at the time of applying for a license, to pay a nonrefundable application processing fee in an amount and in a manner prescribed by the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated December 19, 2017, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1819 (A) of the Code by failing, at the time of applying for a license, to pay a nonrefundable application processing fee in an amount and in a manner prescribed by the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00006
JANUARY 24, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
LIBERTY INSURANCE CORPORATION and LIBERTY MUTUAL INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that Liberty Insurance Corporation and Liberty Mutual Insurance Company (collectively, "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in a certain instance violated § 38.2-1906 A of the Code of Virginia ("Code") by failing to file with the Commission certain rate and supplementary rate information on or before the date it became effective.

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

The Defendants have been advised of their right to a hearing in this matter whereupon the Defendants, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in the companies' correspondence dated November 1, 2017, and waived their right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00007
JANUARY 24, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
SEAN STEWART,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Sean Stewart ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete, or untrue information in the license application filed with the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of his right to a hearing before the Commission in this matter by certified letter dated November 13, 2017, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of his right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete, or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00008
JANUARY 24, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
DOUGLAS WAYNE KOENIG,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Douglas Wayne Koenig ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated §§ 38.2-1826 and 38.2-1831 (1) of the Code of Virginia ("Code") by failing to report to the Commission the final disposition of administrative actions taken against him in the states of Arizona and Washington within 30 days and by providing materially incorrect, misleading, incomplete, or untrue information in the license application filed with the Commission.

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

The Defendant has been notified of his right to a hearing before the Commission in this matter by certified letter dated November 28, 2017, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of his right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated §§ 38.2-1826 and 38.2-1831 (1) of the Code by failing to report to the Commission the final disposition of administrative actions taken against him in the states of Arizona and Washington within 30 days and by providing materially incorrect, misleading, incomplete, or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00009
JANUARY 24, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
A. VAIE J. KNOX,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that A. Vaie J. Knox ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 of the Code of Virginia ("Code") by failing to report to the Commission the final disposition of administrative actions taken against her in the states of Georgia and Missouri within 30 days.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of her right to a hearing before the Commission in this matter by certified letter dated December 5, 2017, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of her right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 of the Code by failing to report to the Commission the final disposition of administrative actions taken against her in the states of Georgia and Missouri within 30 days.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00013
FEBRUARY 13, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
SCOTT ALAN FLANDERS,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Scott Alan Flanders ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance as an insurance agent in the Commonwealth of Virginia ("Virginia"), pled guilty and was convicted of a felony in the United States District Court for the Eastern District of Virginia on April 21, 2017, violated § 38.2-1809 (A) of the Code of Virginia ("Code") and 14 VAC 5-395-70 of the Rules Governing Settlement Agents, 14 VAC 5-395-10 *et seq*. by failing to timely respond to a Bureau request, and that the felony conviction and violations are bases for revocation of the Defendant's license pursuant to §§ 38.2-1831 (2) and (9) of the Code.

The Commission is authorized by §§ 55-525.31, 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of his right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has voluntarily surrendered his license to conduct the business of insurance in Virginia, and has waived his right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

NOTE: A copy of the Admission and Consent form 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. INS-2018-00014
MAY 2, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
DANIEL A. CUESTA,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Daniel A. Cuesta ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

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

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated February 20, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00016
MARCH 12, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
RICHARD JEROME KRESINSKE,
Defendant

SETTLEMENT ORDER

Based on an investigation performed by the Bureau of Insurance ("Bureau"), it is alleged that Richard Jerome Kresinske ("Kresinske"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: § 38.2-512 (A) of the Code of Virginia ("Code") by making false statements on an insurance document to obtain a benefit; § 38.2-512 (B) of the Code by affixing the signature of any other person to an insurance document without prior written authorization; and § 38.2-1831 (10) of the Code by engaging in dishonest and untrustworthy business conduct in Virginia.

Kresinske is a Virginia resident licensed with the following lines of authority: Life & Annuities and Health.

The Bureau alleges that Kresinske submitted 55 insurance applications on behalf of 15 individuals by affixing the signature of any other person to such documents without the written authorization of the person whose signature appears on such document for the purpose of obtaining a commission. When presented with the Bureau's allegations, Kresinske elected to surrender his Virginia insurance license voluntarily.

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

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has waived the right to a hearing and voluntarily surrendered his authority to act as an insurance agent in Virginia, effective December 22, 2017.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein hereby is accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00017
JANUARY 30, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
GRANITE STATE INSURANCE COMPANY, NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA, and NEW HAMPSHIRE INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that Granite State Insurance Company, National Union Fire Insurance Company of Pittsburgh, PA, and New Hampshire Insurance Company (collectively, "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in a certain instance violated § 38.2-1906 D of the Code of Virginia ("Code") by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings in effect for the Defendants.

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

The Defendants have been advised of their right to a hearing in this matter whereupon the Defendants, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants each have tendered to Virginia the sum of Two Thousand Five Hundred Dollars ($2,500) for an amount totaling Seven Thousand Five Hundred Dollars ($7,500), waived their right to a hearing, confirmed that restitution was made to 329 consumers in the amount of One Hundred Forty-Four Thousand Eight Hundred-Eighteen Dollars ($144,818), and agreed to comply with the corrective action plan set forth in company correspondence to the Bureau dated December 1, 2016.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00018
JANUARY 30, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
GRANITE STATE INSURANCE COMPANY and NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA,
Defendants

SETTLEMENT ORDER

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Granite State Insurance Company and National Union Fire Insurance Company of Pittsburgh, PA (collectively, "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in a certain instance violated § 38.2-1906 D of the Code of Virginia ("Code") by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings in effect for the Defendants.

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

The Defendants have been advised of their right to a hearing in this matter whereupon the Defendants, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in company correspondence dated December 1, 2016, confirmed that restitution was made to eight consumers in the amount of Six Hundred Thirty Dollars and Ninety-two Cents ($630.92), and waived their right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00019
APRIL 27, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
DWIGHT GREGORY HARDEN JR.,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Dwight Gregory Harden Jr. ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated February 21, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00021
APRIL 27, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
SARA KEOWN,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Sara Keown ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: § 38.2-1831(1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated February 21, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00021
MAY 9, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
SARA KEOWN,
Defendant

ORDER VACATING LICENSE REVOCATION

On April 27, 2018, an Order Revoking License ("Revocation Order") was entered in this case revoking the license of the Defendant to transact the business of insurance as an insurance agent in the Commonwealth of Virginia. Thereafter, the Bureau reported to the Commission that the Defendant's license had administratively terminated for failure to comply with Continuing Education requirements prior to the entry of the Revocation Order.

Accordingly, IT IS ORDERED THAT:

(1) The April 27, 2018 Revocation Order is vacated effective on that date.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00023
MARCH 13, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
DANA HUTCHISON,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Dana Hutchison ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against her in another jurisdiction.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated November 28, 2017, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against her in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00024
MARCH 12, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
NORA ELIZABETH PIERRE,
Defendant

SETTLEMENT ORDER

Based on an investigation performed by the Bureau of Insurance ("Bureau"), it is alleged that Nora Elizabeth Pierre ("Pierre"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: § 38.2-518 (F) of the Code of Virginia ("Code") by knowingly preparing or issuing certificates of insurance that contain false or misleading information; and § 38.2-1831 (10) of the Code by engaging in dishonest and untrustworthy business conduct in Virginia.

Pierre is a Virginia resident licensed with the following lines of authority: Property & Casualty.

The Bureau alleges that while employed with BB&T Insurance Agency, Pierre submitted 20 fraudulent certificates of insurance. When presented with the Bureau's allegations, the Defendant elected to surrender her Virginia insurance license voluntarily.

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

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has waived the right to a hearing and voluntarily surrendered her authority to act as an insurance agent in Virginia, effective January 31, 2018.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein hereby is accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00025
MARCH 6, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
BRIANNA SAINZ,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Brianna Sainz ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated November 29, 2017, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00028
JUNE 7, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
HEALTHKEEPERS, INC.,
Defendant

SETTLEMENT ORDER

Based on an investigation performed by the Bureau of Insurance ("Bureau"), it is alleged that Healthkeepers, Inc. ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia") violated § 38.2-3542 of the Code of Virginia ("Code") by failing to provide proper notice of termination of coverage.

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

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has tendered to Virginia the sum of Five Thousand Dollars ($5,000), waived the right to a hearing, and agreed to comply with the Corrective Action Plan outlined in the Bureau's correspondence dated March 8, 2018.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) The case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00029
FEBRUARY 27, 2018

HCC LIFE INSURANCE COMPANY HCC MEDICAL INSURANCE SERVICES LLC HCC INSURANCE HOLDINGS, INC.

Ex Parte: In the matter of Approval of a Multi-State Regulatory Settlement Agreement between HCC Life Insurance Company, HCC Medical Insurance Services LLC, HCC Insurance Holdings, Inc., and the State of Indiana Department of Insurance, State of Florida Office of Insurance Regulation, State of Kansas Insurance Department, and State of Utah Insurance Department for and on behalf of the Virginia Bureau of Insurance

ORDER APPROVING SETTLEMENT AGREEMENT

ON THIS DAY came the Bureau of Insurance ("Bureau"), by counsel, and requested: (i) State Corporation Commission ("Commission") approval and acceptance of a multi-state Regulatory Settlement Agreement ("Agreement"), dated December 19, 2017, a copy of which is attached hereto and made a part hereof, by and between the commissioners of insurance for the States of Indiana, Florida, Kansas, and Utah, and HCC Life Insurance Company,[1] an Indiana company licensed to transact the business of insurance in the Commonwealth of Virginia, and (ii) authority to execute any documents attendant to the Agreement necessary to evidence the Commission's acceptance of the Agreement.

NOW THE COMMISSION, having considered the terms of the Agreement together with the recommendation of the Bureau that the Commission approve and accept the Agreement, is of the opinion, finds, and ORDERS that: (i) the Agreement hereby is APPROVED AND ACCEPTED and (ii) the Commissioner of Insurance hereby is authorized to execute any attendant documents necessary to evidence the Commission's approval and acceptance of the Agreement.

NOTE: A copy of the Regulatory Settlement Agreement is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

[1] The Agreement also includes HCC Medical Insurance Services LLC and HCC Insurance Holdings, Inc. HCC Medical Insurance Services LLC, and HCC Insurance Holdings, Inc., are not licensed to transact the business of insurance in Virginia; therefore, this order does not include these companies.

CASE NO. INS-2018-00030
AUGUST 22, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adoption of adjusted prima facie rates for credit life and credit accident and sickness insurance pursuant to §§ 38.2-3725, 38.2-3726, 38.2-3727, and 38.2-3730 of the Code of Virginia

ORDER ADOPTING ADJUSTED PRIMA FACIE RATES FOR THE TRIENNIUM COMMENCING JANUARY 1, 2019

Pursuant to § 38.2-3730 B of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is required to conduct a hearing for the purpose of determining the actual loss ratio for credit life and credit accident and sickness insurance and to adjust the prima facie rates in accordance with §§ 38.2-3726 and 38.2-3727 of the Code by applying the ratio of the actual loss ratio to the loss ratio standard set forth in § 38.2-3725 of the Code to the prima facie rates. These rates are to be effective for the triennium commencing January 1, 2019.

The adjusted prima facie rates have been calculated and proposed on behalf of and by the Bureau of Insurance ("Bureau"). By Order Scheduling Hearing entered June 13, 2018 ("Order"), the Commission provided notice of the proposed rates and an opportunity for interested persons to file comments on or participate in this case. The Commission also appointed a Hearing Examiner to conduct further proceedings in this case and to file a final report.

During the August 8, 2018 hearing scheduled by the Commission's Order, counsel for the Bureau advised the Hearing Examiner that the Bureau could not confirm that the notice directed by the Order had been completed. Counsel for the Bureau, among other things, recommended continuing the hearing to no later than August 20, 2018.

A Hearing Examiner's Ruling, which was issued on August 8, 2018, directed supplemental notice and for the evidentiary hearing to be continued to August 20, 2018. Additionally, the Hearing Examiner's Ruling extended the notice of participation, respondent testimony, and public comment filing deadlines established by the Commission's Order to August 16, 2018.

On August 20, 2018, a public hearing was held before D. Mathias Roussy, Jr., Hearing Examiner. Tanvi L. Parmar, Esquire, appeared on behalf of the Bureau. No notices of participation were filed, no written comments were received, and no public witnesses appeared at the hearing.

On August 21, 2018, the Hearing Examiner issued his final report, wherein he found that the Bureau's proposed prima facie rates for credit life and credit accident and sickness insurance were calculated in accordance with Chapter 37.1 of Title 38.2 of the Code and that it was not necessary for the Commission to exercise its discretionary authority to consider other factors enumerated in § 38.2-3725 F of the Code in order to provide a fair return to insurers or ensure adequate availability of such insurance in Virginia. The Hearing Examiner recommended that the Commission approve the proposed prima facie rates for credit life and credit accident and sickness insurance.

NOW THE COMMISSION, having considered the record, the recommendation of the Bureau, the Hearing Examiner's report, and the law applicable to these issues, is of the opinion, finds and ORDERS THAT:

(1) The adjusted prima facie rates for credit life insurance and credit accident and sickness insurance, as proposed by the Bureau, which are attached hereto and made a part hereof, are hereby ADOPTED pursuant to the provisions of Chapter 37.1 of Title 38.2 of the Code and shall be effective for the triennium commencing January 1, 2019.

(2) In accordance with § 38.2-3725 of the Code, an attested copy hereof, together with attachments, shall forthwith be sent by the Bureau to every insurance company licensed by the Bureau to transact the business of credit life and credit accident and sickness insurance in the Commonwealth of Virginia, and the Bureau shall file in the record of this proceeding an affidavit evidencing compliance with this Order.

(3) The Commission's Division of Information Resources shall make available this Order and attached adjusted rates on the Commission's website: http://www.scc.virginia.gov/case.

(4) This case is dismissed, and the papers filed herein shall be passed to the file for ended causes.

NOTE: A copy of the Attachment entitled "Adjusted Prima Facie Credit Life and Credit Accident and Sickness Insurance Rates" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS-2018-00032
APRIL 3, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

v.

GEICO Secure Insurance Company, GEICO Advantage Insurance Company, GEICO Choice Insurance Company, GEICO Indemnity Company, Government Employees Insurance Company, GEICO General Insurance Company, and GEICO Casualty Company,
Defendants

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance ("Bureau"), it is alleged that GEICO Secure Insurance Company, GEICO Advantage Insurance Company, GEICO Choice Insurance Company, GEICO Indemnity Company, Government Employees Insurance Company, GEICO General Insurance Company, and GEICO Casualty Company (collectively, "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: §§ 38.2-517 A 3, 38.2-604 C and 38.2-2206 A of the Code of Virginia ("Code") by failing to accurately provide the required notices to insureds; §§ 38.2-1906 A and 38.2-1906 D of the Code by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings in effect for the Defendants; § 38.2-2208 B, 38.2-2212 A, 38.2-2212 D and 38.2-2212 E of the Code by failing to properly terminate insurance policies; § 38.2-2214 of the Code by failing to use the rate classification statement approved by the Bureau; § 38.2-2220 of the Code by failing to use forms in the precise language of the standard forms previously filed and adopted by the Commission; and § 38.2-2234 B of the Code by failing to update the insured's credit information at least once in a three-year period; as well as 14 VAC 5-400-70 D and 14 VAC 5-400-80 D of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq.,* by failing to properly handle claims with such frequency as to indicate a general business practice.

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

The Defendants have been advised of their right to a hearing in this matter whereupon the Defendants, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have tendered to Virginia the sum of Fifty Thousand Four Hundred Dollars ($50,400), waived their right to a hearing, agreed to comply with the corrective action plan set forth in their letters to the Bureau dated October 19, 2016, April 18, 2017, August 18, 2017 and November 1, 2017, and have confirmed that restitution was made to 48 consumers in the amount of Fourteen Thousand Two Hundred Four Dollars and Twenty-one Cents ($14,204.21).

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00033
APRIL 11, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
TOKIO MARINE KILN SYNDICATES, LTD. and BEAZLEY FURLONGE LIMITED,
Defendants

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Tokio Marine Kiln Syndicates, Ltd. and Beazley Furlonge Limited ("Defendants") violated § 38.2-1024 of the Code of Virginia ("Code") by transacting the business of life insurance in the Commonwealth of Virginia ("Virginia") without first obtaining a license from the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1039 of the Code to impose certain monetary penalties, issue cease and desist orders, and issue temporary or permanent injunctions to restrain unlicensed alien insurers from transacting the business of insurance in Virginia upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have tendered to Virginia the sum of Seven Thousand Five Hundred Dollars ($7,500) by Tokio Marine Kiln Syndicates, Ltd. and Two Thousand Five Hundred Dollars ($2,500) by Beazley Furlonge Limited for a total of Ten Thousand Dollars ($10,000) and waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00034
APRIL 30, 2018

COMMONWEALTH OF VIRGINIA , *ex rel.*
STATE CORPORATION COMMISSION
v.
RAMANDA LEKEISHA WELLS,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Ramanda Lekeisha Wells ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated March 19, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00036
MARCH 15, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
KATHARINE WHITFIELD,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Katharine Whitfield ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against her in another jurisdiction.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated January 10, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against her in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00038
APRIL 26, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
DIRECT GENERAL INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that Direct General Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in a certain instance violated § 38.2-305 A of the Code of Virginia ("Code") by failing to provide the information required by statute in the insurance policy; §§ 38.2-610 A, 38.2-1905 A, 38.2-2202 A, and 38.2-2202 B of the Code by failing to accurately provide the required notices to insureds; § 38.2-1812 of the Code for paying commissions to agencies that are not appointed by the Defendant; § 38.2-1906 D of the Code by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings in effect for the Defendant; §§ 38.2-2208 A, 38.2-2208 B, 38.2-2212 C, 38.2-2212 D, and 38.2-2212 E of the Code by failing to properly terminate insurance policies; § 38.2-2220 of the Code by failing to use forms in the precise language of standard forms previously filed and adopted by the Commission; § 38.2-2234 B of the Code by failing to update the insured's credit information at least once in a three-year period; § 38.2-2234 E of the Code by failing to rate the policy with proper credit information; 14 VAC 5-400-40 A of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq*. ("Rules"), and 14 VAC 5-400-70 D of the Commission's Rules by failing to properly handle claims with such frequency as to indicate a general business practice.

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

The Defendant has been advised of its right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated February 21, 2018, confirmed that restitution was made to 22 consumers in the amount of Ten Thousand Two Hundred Twenty-eight Dollars and Twenty-three Cents ($10,228.23), has tendered to Virginia the sum of Forty-one Thousand Four Hundred Dollars ($41,400), and waived its right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00039
MARCH 13, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
MATTHEW PAUL DOVERSPIKE,
Defendant

SETTLEMENT ORDER

Based on an investigation performed by the Bureau of Insurance ("Bureau"), it is alleged that Matthew Paul Doverspike ("Doverspike"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: § 38.2-512 of the Code of Virginia ("Code") by making false statements on insurance documents to obtain a benefit; and § 38.2-1831 (10) of the Code by engaging in dishonest and untrustworthy business conduct in Virginia.

Doverspike is a Virginia resident licensed with the following lines of authority: Life & Annuities and Property & Casualty.

The Bureau alleges that while employed with State Farm Insurance, Doverspike submitted applications for insurance containing false statements that resulted in premium discounts. When presented with the Bureau's allegations, Doverspike elected to surrender his Virginia insurance license voluntarily.

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

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has waived the right to a hearing and voluntarily surrendered his authority to act as an insurance agent in Virginia, effective February 26, 2018.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein hereby is accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO . INS-2018-00040
DECEMBER 17, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JOHN THOMAS HURDLE II,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that John Thomas Hurdle II ("Hurdle" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-512 (A) of the Code of Virginia ("Code") by making false statements on insurance documents to obtain a benefit, § 38.2-512 (B) of the Code by affixing the signature of any other person to an insurance document without prior written authorization, and § 38.2-1831 (10) of the Code by engaging in dishonest and untrustworthy business conduct in Virginia.

Hurdle is a Virginia resident licensed with the following lines of authority: Life & Annuities and Health.

The Bureau alleges that Hurdle completed and submitted 25 fraudulent life insurance applications to Family Heritage Life Insurance Company to obtain commissions. The applications contained false bank account information and Hurdle forged the signatures of people he knew – such as friends and relatives – to the applications without their knowledge or prior written consent. When presented with the Bureau's allegations, the Defendant elected to voluntarily surrender his Virginia insurance license.

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

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has waived the right to a hearing and voluntarily surrendered the authority to act as an insurance agent in Virginia, effective December 13, 2017.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00041
MARCH 9, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ALAN CHRISTOPHER REDMOND,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Alan Christopher Redmond ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: § 38.2-1826 of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against him in another jurisdiction.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated February 1, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against him in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00042
APRIL 27, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
RANDALL WAYNE DIXON,
Defendant

SETTLEMENT ORDER

Based on an investigation performed by the Bureau of Insurance ("Bureau"), it is alleged that Randall Wayne Dixon ("Dixon" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: § 38.2-1826 (B) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days the facts and circumstances regarding a felony criminal conviction.

Dixon is a Virginia resident licensed with the following lines of authority: Property & Casualty.

The Bureau alleges that Dixon failed to report to the Commission within 30 calendar days the facts and circumstances regarding a felony criminal conviction. When presented with the Bureau's allegation, the Defendant elected to voluntarily surrender his Virginia insurance license.

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

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has waived the right to a hearing and voluntarily surrendered the authority to act as an insurance agent in Virginia, effective February 27, 2018.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00043
MARCH 27, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
AMERICAN RESOURCES INSURANCE COMPANY,
Defendant

IMPAIRMENT ORDER

American Resources Insurance Company, an Oklahoma domiciled insurer ("Defendant"), licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), is required by § 38.2-1028 of the Code of Virginia ("Code") to maintain minimum capital of $1 million and minimum surplus of $3 million.

Section 38.2-1036 of the Code provides 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 Virginia while the impairment of the insurer's surplus exists.

The Annual Statement of the Defendant dated December 31, 2017, and filed with the Commission's Bureau of Insurance, indicates a capital of $1,500,000, a surplus of $2,295,683 and an impairment of surplus of $704,317.

Accordingly, IT IS ORDERED THAT:

(1) Within ninety (90) days of the date of this Impairment Order, the Defendant shall eliminate the impairment in its surplus, restore the same to at least $3 million, and advise the Commission of the accomplishment thereof by affidavit of the Defendant's president or other authorized officer.

(2) The Defendant shall issue no new contracts or policies of insurance in Virginia while the impairment of the Defendant's surplus exists and until further order of the Commission.

CASE NO. INS-2018-00043
JUNE 29, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
AMERICAN RESOURCES INSURANCE COMPANY,
Defendant

ORDER TO TAKE NOTICE

Pursuant to § 38.2-1036 of the Code of Virginia ("Code"), if the State Corporation Commission ("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 ("Virginia") while the impairment in the insurer's surplus exists. In addition, if the insurer fails to comply with the Commission's order within a period of 90 days, the Commission may suspend or revoke the license of the insurance company to transact the business of insurance in Virginia.

American Resources Insurance Company, a foreign corporation domiciled in the state of Oklahoma ("Defendant"), is licensed by the Commission to transact the business of insurance in Virginia.

By Impairment Order ("Impairment") entered in this docket on March 27, 2018, the Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $3 million and advise the Commission of the accomplishment thereof by affidavit of the Defendant's president or other authorized officer within 90 days of the date of entry of the Impairment.

As of the date of this Order, the Defendant has failed to eliminate the impairment in its surplus.

Accordingly, IT IS ORDERED that the Defendant TAKE NOTICE that the Commission shall enter an order subsequent to July 19, 2018, suspending the license of the Defendant to transact new insurance business in Virginia unless on or before July 19, 2018, the Defendant files with Joel H. Peck, Clerk, State Corporation Commission, c/o 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 the Defendant's license.

CASE NO. INS-2018-00043
JULY 24, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
AMERICAN RESOURCES INSURANCE COMPANY,
Defendant

ORDER SUSPENDING LICENSE

In an Order to Take Notice ("Order") entered herein on June 29, 2018, American Resources Insurance Company ("Defendant"), an Oklahoma company licensed to transact the business of insurance in the Commonwealth of Virginia ("Virginia") was ordered to take notice that the State Corporation Commission ("Commission") would enter an order subsequent to July 19, 2018, suspending the license of the Defendant unless on or before July 19, 2018, the Defendant filed with the Clerk of the Commission a request for a hearing before the Commission to contest the proposed suspension.

The Order was entered due to the Defendant's failure to eliminate the impairment in its surplus and restore the same to at least $3 million and advise the Commission of the accomplishment thereof by affidavit on or before June 25, 2018.

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

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 38.2-1040 of the Code of Virginia ("Code"), the license of the Defendant to transact the business of insurance in Virginia is hereby SUSPENDED.

(2) The Defendant shall issue no new contracts or policies of insurance in Virginia until further order of the Commission.

(3) The appointments of the Defendant's agents to act on behalf of the Defendant in Virginia are hereby SUSPENDED.

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

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

CASE NO. INS-2018-00043
OCTOBER 2, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
AMERICAN RESOURCES INSURANCE COMPANY,
Defendant

FINAL ORDER

On July 24, 2018, the State Corporation Commission ("Commission") entered an Order Suspending License ("Order") suspending the license issued to American Resources Insurance Company ("Defendant") to transact the business of insurance in the Commonwealth of Virginia ("Virginia") because of the Defendant's failure to eliminate the impairment in its surplus and restore the same to at least $3 million.

By letter to the Bureau of Insurance ("Bureau") dated September 19, 2018, and signed by Defendant's president, Joseph P. DeChatelets, the Defendant wishes to surrender its license to transact the business of insurance in Virginia, as the Defendant wished to withdraw from this market.

The withdrawal of the Defendant's license has been processed by the Bureau effective September 19, 2018.

In light of the foregoing, the Bureau has recommended that the Order entered by the Commission be vacated and this case be closed.

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

Accordingly, IT IS ORDERED THAT:

(1) The Order entered by the Commission is hereby VACATED.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00048
APRIL 30, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JORGE RODRIGO BONILLA SALAZAR,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Jorge Rodrigo Bonilla Salazar ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated February 28, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00049
DECEMBER 17, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
DONTE E. BOYKIN,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Donte E. Boykin ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated May 7, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00051
APRIL 30, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
DAVID PHILLIP CARDWELL,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that David Phillip Cardwell ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated February 20, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00053
APRIL 30, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JEREMY T. ERNEST,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Jeremy T. Ernest ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated February 28, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00054
JULY 26, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
MELODI FAITH CHAVON MOORE,
Defendant

SETTLEMENT ORDER

Based on an investigation performed by the Bureau of Insurance ("Bureau"), it is alleged that Melodi Faith Chavon Moore ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: § 38.2-512 of the Code of Virginia ("Code") by making false statements on insurance documents to obtain a benefit by entering false addresses on insurance records; § 38.2-1809 of the Code by failing to make records available upon request for examination by an employee of the Commission; and § 38.2-1813 of the Code by failing to hold funds received from insureds in a fiduciary capacity and by failing, in the ordinary course of business, to pay funds to the insurer or insured entitled to the payment.

The Defendant is a Virginia resident licensed with the following lines of authority: Life & Annuities and Property & Casualty.

The Bureau alleges that the Defendant failed to remit payments to the carrier for customers who made premium payments in full. Additionally, the Bureau alleges, the Defendant, after failing to remit payments, altered addresses on client policies so that insureds would not receive cancellation notices. When presented with the Bureau's allegations, the Defendant elected to voluntarily surrender her Virginia insurance license.

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

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has waived the right to a hearing and voluntarily surrendered the authority to act as an insurance agent in Virginia, effective March 23, 2018.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00055
AUGUST 29, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
HANNA PEREZ,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Hanna Perez ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated December 21, 2017, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00056
JULY 24, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JUAN ALBERTO PORRAS,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Juan Alberto Porras ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction; and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

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

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated February 28, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction; and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00058
DECEMBER 17, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
BRITAINE ASJA REID,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Britaine Asja Reid ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated May 7, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00059
APRIL 30, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
TAI TRUMAINE ROBISON,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Tai Trumaine Robison ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

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

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated February 28, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00060
AUGUST 29, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
RODERICK PHILLIP SAMPSON, SR.,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Roderick Phillip Sampson, Sr. ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1813 of the Code of Virginia ("Code") by failing to hold funds received from insureds in a fiduciary capacity and by failing to, in the ordinary course of business, pay funds to the insurer or insured entitled to the payment, and § 38.2-1831 (10) of the Code by engaging in dishonest and untrustworthy business conduct in Virginia.

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

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated February 6, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1813 of the Code of Virginia ("Code") by failing to hold funds received from insureds in a fiduciary capacity and by failing to, in the ordinary course of business, pay funds to the insurer or insured entitled to the payment, and § 38.2-1831 (10) of the Code by engaging in dishonest and untrustworthy business conduct in Virginia.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00061
APRIL 30, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
MYRA EVETTE SMITH,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Myra Evette Smith ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated February 20, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00062
APRIL 30, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
BRIAN TAYLOR,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Brian Taylor ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-512 (A) of the Code of Virginia ("Code") by making false representations on insurance applications to obtain commissions; § 38.2-512 (B) of the Code by affixing the signature of any other person to an insurance document without prior written authorization; and § 38.2-1831 (10) of the Code by engaging in dishonest and untrustworthy business conduct in Virginia.

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

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated March 1, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-512 (A) of the Code by making false representations on insurance applications to obtain commissions; § 38.2-512 (B) of the Code by affixing the signature of any other person to an insurance document without prior written authorization; and § 38.2-1831 (10) of the Code by engaging in dishonest and untrustworthy business conduct in Virginia.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00063
APRIL 30, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
DAVID SYLVON VICTOR,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that David Sylvon Victor ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated March 2, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.
(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00071
DECEMBER 20, 2018

APPLICATION OF
NATIONAL COUNCIL ON COMPENSATION INSURANCE, INC.

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

FINAL ORDER

On July 13, 2018, the National Council on Compensation Insurance, Inc. ("NCCI" or the Applicant"), filed an application with the Virginia State Corporation Commission ("Commission") for approval of certain changes applicable to voluntary market advisory loss costs and assigned risk rates and rating values for new and renewal workers' compensation insurance policies becoming effective on or after April 1, 2019 ("Application").[1] The Application consists of two separate filings, a voluntary market loss cost filing and an assigned rate filing. Each filing addresses two categories of workers' compensation classifications: (i) industrial classifications, including surface and underground coal mine classifications; and (ii) federal ("F") classifications.

With respect to voluntary loss costs, NCCI proposed an overall average decrease of 2.6% for industrial classifications and an overall average increase of 9.3% for the F classifications. The proposed changes to the coal mine classifications included a 14% increase for the surface coal mine classification and a 14% increase for the underground coal mine classification.[2]

With respect to the assigned risk rates, NCCI proposed an overall average decrease of 0.8% for industrial classifications and an 8.4% overall average increase for F classifications. The proposed changes to the coal mine classifications included a 9.6% increase for the surface coal mine classification and a 11.9% increase for the underground coal mine classification.[3]

The Parties' Pre-Filed Direct and Rebuttal Testimonies

Jay A. Rosen ("Mr. Rosen"), NCCI's actuary, and Dr. Leonard F. Herk ("Dr. Herk"), NCCI's economist, filed direct testimony and exhibits on behalf of NCCI. Mr. Rosen stated that the Application generally used the methodologies approved by the Commission in 2017 to calculate the loss costs, rates, and rating values, excepting the method used in determining the profit and contingency factor ("P&C Factor")[4] component of the assigned risk rates.[5]

[1]Application, Exhibit (“Ex.”) 3. NCCI, as well as the other parties, filed the Application and other responsive documents in accordance with the procedural schedule established by the Commission in its Docketing Order (Doc. Con. Cen. No. 180440209 (April 26, 2018), and its Amended Scheduling Order (Doc. Con. Cen. No. 180620364 (June 13, 2018)).

[2] *See* Application, Ex. 3 at Appendix D. NCCI's indicated voluntary loss cost percentage increases for surface and underground coal were initially greater than these amounts. However, these increases were each capped at 14% due to the required swing limits.

[3] *See id*.

[4] Pursuant to § 38.2-1904 of the Code of Virginia ("Code"), assigned risk rates must be determined such that Virginia workers' compensation insurers can be expected to earn a return that is adequate and fair, but not excessive. The P&C Factor is a critical component of the calculation that ensures that the insurers' rate of return ("IRR") meets these objectives.

[5] *See* Mr. Rosen Direct Testimony, Ex.4 at 4-5.

Dr. Herk's testimony described NCCI's development of its proposed method to determine the P&C Factor applicable to the assigned risk rates, as well as his analysis of the various inputs into the model used to calculate the P&C Factor.[6] Mr. Rosen, relying on Dr. Herk's testimony, chose a P&C Factor of negative 2.00%.

On September 21, 2018, Scott J. Lefkowitz ("Mr. Lefkowitz"), the Bureau's actuary, and Dr. Raymond E. Spudeck ("Dr. Spudeck"), the Bureau's economist, filed direct testimony and exhibits on behalf of the Bureau.

Dr. Spudeck recommended, among other matters, that: (i) the appropriate P&C Factor used in computing the overall assigned risk rates should be negative 4.07% (instead of the negative 2.00% value proposed by NCCI); and (ii) that certain issues regarding the P&C Factor calculation should be considered by the working group[7] in advance of any future hearing, to ensure the continued reasonableness of the IRR calculation.[8]

Mr. Lefkowitz opined that the methodologies used in the Application to calculate voluntary loss costs and assigned risk rates warranted reconsideration.[9] Specifically, Mr. Lefkowitz believed the Virginia Working Group should evaluate the following matters in more detail:

(i) How and when the divergence between profit levels embedded in assigned rates and actual profitability in the assigned risk market occurred;

(ii) What elements related to the calculation of the statewide combined market calculation of the indicated change due to experience, trend and benefits were used in the Application;

(iii) What elements of the allocation of statewide combined market indications to the individual voluntary and assigned risk markets were used in the Application;

(iv) Whether case reserve and loss development in the assigned risk market and the voluntary market were adequate;

(v) Whether large loss reserve, large loss occurrence, and large loss development in the assigned risk market and in the voluntary market were adequate;

(vi) The credibility procedures performed in the class ratemaking; and,

(vii) The occupational disease claim frequency trends used for evaluating rates for the coal industry classes.[10]

Then, using a methodology that Mr. Lefkowitz contended addressed his concerns, for voluntary loss costs, Mr. Lefkowitz proposed a 5.5% overall average decrease for industrial classifications, and an 8.2% overall average decrease for industrial classifications.[11] Mr. Lefkowitz also proposed that the occupational disease ("OD") portion of the coal mine voluntary loss costs, and assigned risk rates be based on an OD claim frequency that was 53.4% less than that used in the Application.[12] Mr. Lefkowitz relied upon Dr. Spudek's testimony and recommended P&C Factors of negative 4.07% for industrial classes and negative 12.63% for coal classes to propose his recommended changes. Mr. Lefkowitz recommended that the same calculations made to the industrial classifications also affect the F classifications.[13] Additionally, Mr. Lefkowitz suggested that his methodology concerns be addressed by the Virginia Working Group for future applications and proceedings.

Two additional parties – the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") and the Iron Workers Employers Association and the Washington Construction Employers Associations ("Iron Worker and Construction Associations") – filed Notices of Participation in the proceeding.[14] Neither Consumer Counsel nor the Iron Worker and Construction Associations, however, filed direct testimony in response to the Application.

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[6] *See* Dr. Herk Direct Testimony, Ex. 2 at 33-36.

[7] The working group was established upon prior direction of the Commission and comprises all interested parties to this rate making process ("Virginia Working Group"). The Virginia Working Group is tasked with using the expertise of its members to discuss and resolve specific actuarial or economic issues. The Virginia Working Group presents those outcomes to the Commission with the intent to enhance the efficiency of these proceedings.

[8] *See* Dr. Spudeck Direct Testimony, Ex. 5 at 23-25.

[9] *See e.g.* Mr. Lefkowitz Direct Testimony ("Lefkowitz Direct"), Ex. 6 at 9-10 and 30.

[10] *Id.* at 30-31.

[11] *Id*. at 25.

[12] *See e.g*. Lefkowitz Direct.

[13] *Id.* at 26.

[14] *See* Office of the Attorney General's Division of Consumer Counsel-Notice of Participation (July 11, 2018), Doc. Con. Cen. No. 180720107, and Washington Construction Employer's Associations and the Iron Workers Employers Association Notice of Participation (July 25, 2018), Doc. Con. Cen. No. 180740010.

On October 12, 2017, NCCI filed rebuttal testimony from Mr. Rosen, who disagreed with Mr. Lefkowitz' concerns regarding the methodologies used and asserted that the Virginia Working Group previously addressed these concerns.[15] Mr. Rosen did accept Dr. Spudeck's recommended P&C Factor of negative 4.07% for purposes of this proceeding. Accordingly, NCCI adjusted its proposed assigned risk rates to reflect Dr. Spudeck's recommended P&C Factor in the IRR calculation, but maintained that all other actuarial opinions presented in the Application were accurate.[16]

The Parties' Differences

Upon comparison and review of the submitted written testimonies, the parties disagreed about the proper methodology for calculating certain components of the voluntary loss costs and assigned risk rates. This disagreement included components such as the experience, benefits, and trend calculations underlying costs and rates in the Application, the claim frequency trend for occupational disease component of the coal classifications, and the basis for establishment of the proper P&C Factor.

The November 8, 2018 Hearing

On November 8, 2018, a hearing was held in the Commission's courtroom in Richmond, Virginia, to consider the Application. Charles H. Tenser, Esquire, appeared on behalf of NCCI; Patricia A.C. McCullagh, Esquire, appeared on behalf of the Bureau; C. Meade Browder, Esquire, appeared on behalf of Consumer Counsel; and John H. Schlecht, ("Schlecht"), appeared as a public witness.[17] The Commission admitted into evidence the respective written direct and rebuttal testimonies of Mr. Rosen, Dr. Herk, Dr. Spudeck and Mr. Lefkowitz based upon the parties' agreement to waive cross examination of these witnesses.

During the hearing, the Bureau and NCCI, through their respective counsel, presented for the Commission's consideration a mutually agreed-to proposal ("Proposal") regarding how to address the differences between the Application and the direct testimony filed by the Bureau. The Proposal recommended that the Commission adopt the following changes to the voluntary loss costs and assigned risk rates to become effective April 1, 2019:

Voluntary Loss Costs	
Industrial Classes (general)	2.5% overall average decrease
Federal Classes	9.3% overall average increase
Surface Coal (Class 1005)	0% change
Underground Coal (Class 1016)	0% change
Assigned Risk Rates	
Industrial Classes (general)	3.4% overall average decrease
Federal Classes	5.5% overall average increase
Surface Coal (Class 1005)	0% change
Underground Coal (Class 1016)	0% change

The Proposal also recommended that the Commission instruct the Virginia Working Group to address the issues raised by the parties in their respective testimonies (including those issues identified by Mr. Lefkowitz, as discussed above) and to reconcile the differences in methodologies and calculations underlying each witnesses' testimony regarding the appropriateness of the methodologies used to calculate the above costs and rates in advance of any future applications or proceedings.

NOW THE COMMISSION, upon consideration of this matter and considering the record in its entirety, finds the Proposal to be appropriate and ORDERS THAT:

(1) The following changes applicable to the voluntary market advisory loss costs and assigned risk rates are hereby APPROVED for use with respect to new and renewal workers' compensation insurance policies effective on or after April 1, 2019:

Voluntary Loss Costs	
Industrial Classes (general)	2.5% overall average decrease
Federal Classes	9.3% overall average increase
Surface Coal (Class 1005)	0% change
Underground Coal (Class 1016)	0% change
Assigned Risk Rates	
Industrial Classes (general)	3.4% overall average decrease
Federal Classes	5.5% overall average increase
Surface Coal (Class 1005)	0% change
Underground Coal (Class 1016)	0% change

(2) On or before June 3, 2019, NCCI, the Bureau, Consumer Counsel, and the Iron Worker and Construction Associations in this proceeding shall endeavor to recommend jointly to the Commission a proposed schedule for any Year 2020 voluntary loss costs/assigned risk rate revision proceeding before the Commission. The proposed schedule shall address: (i) "pre-filing" of any discovery requests by the Bureau, Consumer Counsel, and any other parties; (ii) the date on which NCCI proposes to file with the Commission any voluntary loss costs/assigned risk rate revision application and NCCI's direct testimony; (iii) the date on which NCCI proposes to file its responses to pre-filed discovery requests; (iv) the dates for the pre-filing of the direct testimony

[15] *See e.g.* Mr. Rosen Rebuttal Testimony, Ex. 7 at 1, 9, 19, 21, and 27.

[16] *See id.* at 30-31.

[17] The attorney for the Iron Worker and Construction Associations, Fred Codding, Esquire did not enter an appearance at the hearing in this case. John Schlecht spoke in Mr. Codding's stead as a public witness. *See* Transcript at 20-30.

of the Bureau, Consumer Counsel, and any respondents; (v) the date for filing by NCCI of its rebuttal testimony; and (vi) the date(s) of any proposed hearing before the Commission. If these entities cannot reach agreement on a mutually acceptable proposed schedule, each shall submit its own proposal by June 3, 2019.

(3) The Virginia Working Group is directed to meet, review and attempt to reach consensus as to the most appropriate method to calculate Virginia voluntary loss costs and assigned risk rates for any future proceedings. This review shall include, but not be limited to:

(i) An understanding as to how and when the divergence between profit levels embedded in assigned rates and actual profitability in the assigned risk market occurred;

(ii) What elements related to the calculation of the statewide combined market calculation of the indicated change due to experience, trend and benefits should be used;

(iii) What elements of the allocation of statewide combined market indications to the individual voluntary and assigned risk markets should be used;

(iv) Case reserve adequacy and loss development in the assigned risk market and the voluntary market;

(v) Large loss reserve adequacy, large loss occurrence, and large loss development in the assigned risk market and in the voluntary market;

(vi) An analysis of any changes to credibility procedures in class ratemaking; and

(vii) An analysis of occupational disease claim frequency trends and the impact on rates for the coal industry classes.

Neither the Virginia Working Group nor any of its members shall be precluded from presenting or discussing relevant issues or topics in addition to those identified above.

(4) Should the Virginia Working Group not be able to reach consensus or resolve the issues identified above, or any other issue presented within the Virginia Working Group discussions, the group, or if applicable, any member(s), shall identify for the Commission on or before June 3, 2019, the issue(s) for which there is no consensus. The Commission shall determine how to address any disagreements between the parties and issue any applicable orders at that time.

CASE NO. INS-2018-00072
MAY 24, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
A BETTER BAIL BONDS INC., *et al*.,
Defendants

ORDER REVOKING LICENSE

Based on a review of the records of the Bureau of Insurance ("Bureau"), it is alleged that the Defendants, whose names are set forth in Attachment A, which is attached hereto and made a part hereof, each of whom is duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance as an insurance agency in the Commonwealth of Virginia ("Virginia"), violated §§ 38.2-1820 and 38.2-1826 E of the Code of Virginia ("Code") by failing to designate a licensed employee, officer or director to serve as the "designated licensed producer" responsible for the agencies' compliance with Virginia's insurance laws, and by failing to report within 30 calendar days to the Commission the removal of their designated licensed producer.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid violations.

The Defendants have been notified of the right to a hearing before the Commission in this matter by certified letter dated September 21, 2017 and mailed to the Defendants' addresses shown in the records of the Bureau. The attached list represents agencies who failed to respond and failed to provide the Bureau a designated licensed producer pursuant to § 38.2-1820 of the Code.

The Defendants, having been advised in the above manner of the right to a hearing in this matter, have failed to request a hearing.

The Bureau, upon the Defendants' failure to request a hearing, has recommended that the Commission enter an order revoking the Defendants' licenses to transact business as insurance agencies in Virginia.

NOW THE COMMISSION is of the opinion and finds that the Defendants have violated §§ 38.2-1820 and 38.2-1826 E of the Code by failing to designate a licensed producer responsible for the business entity's compliance with Virginia's insurance laws, and by failing to report within 30 calendar days to the Commission the removal of their designated licensed producer.

The Commission also finds that the Defendants should be allowed the opportunity to reapply and obtain their licenses immediately provided they include the name of their designated license producer on the application. Furthermore, the Commission shall vacate the Order Revoking License as to any Defendant that elects to reapply and provides the required information.

Accordingly, IT IS ORDERED THAT:

(1) The licenses of the Defendants to transact business as an insurance agency in Virginia are hereby REVOKED.

(2) All appointments issued under said licenses are hereby VOID.

(3) The Defendants shall transact no further business in Virginia as an insurance agency.

(4) The Defendants may immediately reapply to the Commission to be licensed as an insurance agency provided they include the name of their designated licensed producer on the application. The Commission shall also vacate this Order as to any Defendant that elects to reapply and provides the required information on the application.

(5) The Bureau shall provide each Defendant with a copy of this Order and notify every insurance company for which the Defendants hold an appointment to act as an insurance agency.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

ATTACHMENT A

114963	7979036	A BETTER BAIL BONDS INC,	1152 WARWICK DRIVE, VIRGINIA BEACH, VA 23453
140131	17986716	ADROIT HEALTH GROUP LLC,	6800 WEISKOPF AVENUE, MCKINNEY, TX 75070
128151	15717060	ALL-AMERICAN HEALTHCARE INC,	14818 GILMANS CROSS CT, GLEN ALLEN, VA 23059-1556
135270	16894055	APRIL USA INC,	11900 BISCAYNE BOULEVARD, SUITE 600, MIAMI, FL 33181
134168	16963430	ARC INSURANCE LLC,	6312 MORNINGSIDE DR, RICHMOND, VA 23226-2822
124854	4197165	ATLANTA LIFE GENERAL AGENCY INC,	191 PEACHTREE STREET NE, SUITE 2500, ATLANTA, GA 30303-2599
104369	2007264	C & R INSURANCE SERVICES INC,	200 WEST GERMANTOWN PIKE BLDG B PLYMOUTH MEETING, PA 19462
110003	3004369	CAMBRIDGE ADVISORS HOLDING COMPANY,	808 MOOREFIELD PARK DRIVE, SUITE 118, RICHMOND, VA 23236
113611	3947866	CARDINAL BANK INSURANCE AGENCY INC,	8270 GREENSBORO DRIVE, MCLEAN, VA 22102
132422	16673495	CHAMBERS FINANCIAL SERVICES, LLC,	PO BOX 38175,HENRICO, VA 23231-0975
127982	15697375	CHARLES WHITE INSURANCE BROKERAGE INC,	2 JEFFERSON CT POQUOSON, VA 23662-1249
137517	17503919	CONCEPT TAX SERVICE AND CONSULTANT LLC,	201 MARKET STREET, SUFFOLK, VA 23434
111622	2013179	COX & JOHNSON INSURANCE AGENCY INC,	604 WILLIAM ST, FREDERICKSBURG, VA 22401
134597	17026030	FORCE PROTECTION INS SERVICES LLC,	800 WOODRIDGE CT, VIRGINIA BEACH, VA 23464-2730
130264	7883267	FSAB LLC,	620 S 3RD ST, SUITE 102, LOUISVILLE, KY 40202-2445
132081	16603311	FUTURITY CAPITAL LLC,	224 PARK GATE DR SE, LEESBURG, VA 20175-6109
126146	6082036	GEM INSURANCE AGENCIES LP,	3355 WEST ALABAMA, SUITE 850 HOUSTON, TX 77098
133605	16880847	GODDARD MARCOM LLC,	4 SUNRISE VALLEY CT., STAFFORD, VA 22554
131995	16532153	INPAC GROUP LLC,	517 US HIGHWAY 1 SOUTH, SUITE 4002, ISELIN, NJ 08830-3017
131979	8778130	INSURITY GROUP LLC,	6148 LEE HWY SUITE 206, CHATTANOOGA, TN 37421-6515
125422	12461908	KEYS ENTERPRISES, LLC,	P.O. BOX 36230, RICHMOND, VA 23235-4953
134601	16773698	LUDUSS LLC,	191 N. MAIN STREET, ROANOKE, IN 46783
140162	18000856	MAKENZIE MATTERS, LLC,	124 SAM STIFF RD, PAMPLIN, VA 23958-1540
139502	17690346	MAVERICK CONSULTING LLC,	196 BOWEN CIRCLE SW, ATLANTA, GA 30315
132868	16756356	MBIA LLC,	11411 ROCKVILLE PIKE, KENSINGTON, MD 20879
130526	16248610	MIDSOUTH ASSUR LLC,	13 W MAIN ST, RICHMOND, VA 23220
126563	14133510	MIE FINANCIAL SERVICES LLC,	8700 EVERGREEN ROAD, BRIGHTON, MI 48116
135462	17154849	MILITARY CREDIT SERVICES LLC,	1150 E LITTLE CREEK ROAD, SUITE 205, NORFOLK, VA 23518
108771	3002474	MILLARD'S MACHINERY, INC.,	PO BOX 2146, MARTINSVILLE, VA 24113
114791	687109	NATIONAL INSURANCE CONSULTANTS INC,	8687 W SAHARA AVE SUITE, #200, LAS VEGAS, NV 89117
141219	17737902	NATIONAL INSURANCE DIRECT INC,	23122 ISLAND VIEW, #2, BOCA RATON, FL 33433
139755	17912644	NATIONWIDE CONCEPTS, LLC,	7305 WYTHEVILLE CIR, FREDERICKSBURG, VA 22407-3733
132153	16624612	NATIVE AMERICAN GROUP	5224 INDIAN RIVER ROAD, SUITE 103 VIRGINIA BEACH, VA 23464
111425	3004922	NOTTINGHAM INSURANCE AGENCY INC,	400 NORTH CENTER DRIVE, SUITE 205, NORFOLK, VA 23502
129360	16011683	OLD TOWNE TITLE COMPANY LLC,	420 W JUBAL EARLY DRIVE, SUITE 201, WINCHESTER, VA 22601
136397	9202545	OUTSOURCEONE INC,	730 US TRUST BUILDING, SUITE 530, MINNEAPOLIS, MN 55402
136339	17293304	PERITUS AFFINITY PARTNERS,	585 GROVE ST, SUITE 200 HERNDON, VA 20170-4727
104622	10229704	PIEDMONT INSURANCE SERVICES CO.,	304 E JEFFERSON ST, CHARLOTTESVILLE, VA 22902-5107
130938	16344236	PRATTUS TITLE INC,	1801 PEACHTREE ST NE, SUITE 155, ATLANTA, GA 30309-1859
106841	2780467	PREMIER BENEFITS INC,	9465 DELEGATES ROW, INDIANAPOLIS, IN 46240
139181	17354103	PROVENCE INSURANCE & FINANCIAL SERVICES LLC,	4809 LAGUNA BLVD, SUITE 100, ELK GROVE, CA 95758
129500	16089704	PYRAMID INS GROUP LLC,	2848 WHIPPLE AVE NW, CANTON, OH 44708
128035	15698745	RETAIL ALLIANCE,	500 E PLUME ST, SUITE 500 NORFOLK, VA 23510-2314
141832	18408848	SAFE HARBOR INSURANCE LLC,	5651 PRUNTY DR, SALEM, VA 24153

106168	2978783	SEARS INSURANCE SERVICES LLC,	3333 BEVERLY ROAD, E4-282A, HOFFMAN ESTATES, IL 60179
135664	17186760	SHARPE AVIATION AGENCY LLC,	PO BOX 1026, LIBERTY, NC 27298
139935	17940704	SMART HEALTHCARE TODAY LLC,	7941 SOUTHGATE BLVD, APT Al, NORTH LAUDERDALE, FL 33068
113437	3903712	SUNTRUST INSURANCE SERVICES INC,	PO BOX 4418 (MC 460), ATLANTA, GA 30302-4418
131061	16394355	WILLIAMSBURG BUSINESS ALLIANCE LLC,	358 MCLAW CIRCLE, SUITE 3, WILLIAMSBURG, VA 23185
111366	3003115	WOODBRIDGE NISSAN CORPORATION,	14777 JEFFERSON DAVIS HWY, WOODBRIDGE, VA 22191
125276	12361675	WORLD CAPITAL ADVISORS LLC,	5219 HICKORY PARK DR, SUITE B, GLEN ALLEN, VA 23059
128254	15736047	YEE FINANCIAL GROUP LLC,	870 N. MILITARY HIGHWAY, SUITE 208, RBC CENTURA BLDG., NORFOLK, VA 23502

CASE NO. INS-2018-00073
MAY 10, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
BERKLEY NATIONAL INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that Berkley National Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in a certain instance violated § 38.2-1906 D of the Code of Virginia ("Code") by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings in effect for the Defendant.

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

The Defendant has been advised of its right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated November 30, 2017, confirmed that restitution was made to 14 consumers in the amount of Three Hundred Thirty-eight Dollars and Seventy-two Cents ($338.72), has tendered to Virginia the sum of Two Thousand Five Hundred Dollars ($2,500), and waived its right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00074
MAY 9, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
BANKERS INDEPENDENT INSURANCE COMPANY,
Defendant

IMPAIRMENT ORDER

Bankers Independent Insurance Company, a Pennsylvania domiciled insurer ("Defendant"), licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), is required by § 38.2-1028 of the Code of Virginia ("Code") to maintain minimum capital of $1 million and minimum surplus of $3 million.

Section 38.2-1036 of the Code provides 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 Virginia while the impairment of the insurer's surplus exists.

The Annual Statement of the Defendant dated December 31, 2017, and filed with the Commission's Bureau of Insurance, indicates a capital of $2,558,130, a surplus of $224,814 and an impairment of surplus of $2,775,186.

Accordingly, IT IS ORDERED THAT:

(1) Within ninety (90) days of the date of this Impairment Order, the Defendant shall eliminate the impairment in its surplus, restore the same to at least $3 million, and advise the Commission of the accomplishment thereof by affidavit of the Defendant's president or other authorized officer.

(2) The Defendant shall issue no new contracts or policies of insurance in Virginia while the impairment of the Defendant's surplus exists and until further order of the Commission.

CASE NO. INS-2018-00074
AUGUST 23, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
BANKERS INDEPENDENT INSURANCE COMPANY,
Defendant

ORDER TO TAKE NOTICE

Pursuant to § 38.2-1036 of the Code of Virginia, if the State Corporation Commission ("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 ("Virginia") while the impairment in the insurer's surplus exists. In addition, if the insurer fails to comply with the Commission's order within a period of 90 days the Commission may suspend or revoke the license of the insurance company to transact the business of insurance in Virginia.

Bankers Independent Insurance Company, a foreign corporation domiciled in the state of Pennsylvania ("Defendant"), is licensed by the Commission to transact the business of insurance in Virginia.

By Impairment Order ("Impairment") entered herein May 9, 2018, the Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $3 million and advise the Commission of the accomplishment thereof by affidavit of the Defendant's president or other authorized officer within 90 days of the date of entry of the Impairment.

As of the date of this Order, the Defendant has failed to eliminate the impairment in its surplus.

Accordingly, IT IS ORDERED that the Defendant, TAKE NOTICE that the Commission shall enter an order subsequent to September 4, 2018, suspending the license of the Defendant to transact new insurance business in the Commonwealth unless on or before September 4, 2018, the Defendant files with Joel H. Peck, Clerk, State Corporation Commission, c/o 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 the Defendant's license.

CASE NO. INS-2018-00074
SEPTEMBER 11, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
BANKERS INDEPENDENT INSURANCE COMPANY,
Defendant

ORDER SUSPENDING LICENSE

In an Order to Take Notice ("Order") entered herein August 23, 2018, Bankers Independent Insurance Company, a Pennsylvania company ("Defendant") licensed to transact the business of insurance in the Commonwealth of Virginia ("Virginia") was ordered to take notice that the State Corporation Commission ("Commission") would enter an order subsequent to September 4, 2018, suspending the license of the Defendant unless on or before September 4, 2018, the Defendant filed with the Clerk of the Commission a request for a hearing before the Commission to contest the proposed suspension.

The Order was entered due to the Defendant's failure to eliminate the impairment in its surplus and restore the same to at least $3 million and advise the Commission of the accomplishment thereof by affidavit on or before August 7, 2018.

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

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 38.2-1040 of the Code of Virginia ("Code"), the license of the Defendant to transact the business of insurance in Virginia is hereby SUSPENDED.

(2) The Defendant shall issue no new contracts or policies of insurance in Virginia until further order of the Commission.

(3) The appointments of the Defendant's agents to act on behalf of the Defendant in Virginia are hereby SUSPENDED.

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

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

CASE NO. INS-2018-00075
MAY 14, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
DORIS REBECCA BOWDEN,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Doris Rebecca Bowden ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated March 29, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00076
MAY 14, 2018

COMMONWEALTH OF VIRGINIA , *ex rel.*
STATE CORPORATION COMMISSION
v.
VERONICA LYNETTE EDWARDS,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Veronica Lynette Edwards ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated March 29, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00077
MAY 14, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
KENNETH BARRY HILL, SR.,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Kenneth Barry Hill, Sr. ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated March 29, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00078
MAY 14, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
GUE H. KIM,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Gue H. Kim ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated March 29, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00080
MAY 14, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
RONALD VINCENT PULLMAN,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Ronald Vincent Pullman ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated March 29, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00081
MAY 14, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
RONALD SMITH,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Ronald Smith ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated March 29, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00082
MAY 14, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
BRENDON WILLIAM THOMAS,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Brendon William Thomas ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated February 20, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00091
AUGUST 28, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JOHN J. KELLY,
Defendant

SETTLEMENT ORDER

Based on an investigation performed by the Bureau of Insurance ("Bureau"), it is alleged that John J. Kelly ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-502 (1) of the Code of Virginia ("Code") by misrepresenting the conditions or terms of an insurance policy, § 38.2-512 (A) of the Code by making false statements on insurance applications to obtain commissions, and § 38.2-1831 (10) of the Code by engaging in dishonest and untrustworthy business conduct in Virginia.

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

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has tendered to Virginia the sum of Five Thousand Dollars ($5,000) and waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00092
MAY 16, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
STILLWATER INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that Stillwater Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in a certain instance violated § 38.2-2206 of the Code of Virginia ("Code") by failing to offer uninsured motorist property damage limits equal to the corresponding property damage liability limits during the violation period.

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

The Defendant has been advised of its right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated February 16, 2018, has tendered to Virginia the sum of Two Thousand Five Hundred Dollars ($2,500), and waived its right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00093
MAY 16, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA and TRANSPORTATION INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that American Casualty Company of Reading, Pennsylvania and Transportation Insurance Company (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in a certain instance violated § 38.2-1906 D of the Code of Virginia ("Code") by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings in effect for the Defendants.

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

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in company correspondence dated December 11, 2017, confirmed that restitution was made to 29 consumers in the amount of Eighteen Thousand Six Hundred One Dollars and Ninety-four Cents ($18,601.94), and waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00096
JUNE 15, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ALISON DEAN RUSCHELL OLIPHANT, *et al.*,
Defendants

ORDER REVOKING LICENSES

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that the Defendants, whose names are set forth in Attachment A, which is attached hereto and made a part hereof, each of whom is duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance as a surplus lines broker in the Commonwealth of Virginia ("Virginia"), violated §§ 38.2-406 and 38.2-403 of the Code of Virginia ("Code") by failing to file the Surplus Lines Broker's Annual Maintenance Assessment Report and/or by failing to pay the assessment, penalties, fines, and interest associated with the report.

The Commission is authorized by §§ 38.2-218, 38.2-219, 38.2-1831, and 38.2-1857.7 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendants have been notified of the right to a hearing before the Commission in this matter by certified letters dated March 26, 2018, or April 17, 2018, and mailed to the Defendants' addresses shown in the records of the Bureau.

The Defendants, having been advised in the above manner of the right to a hearing in this matter, have failed to request a hearing and have not otherwise communicated with the Bureau.

The Bureau, upon the Defendants' failure to request a hearing, has recommended that the Commission enter an order revoking the Defendants' licenses to transact the business of insurance as surplus lines brokers in Virginia.

NOW THE COMMISSION is of the opinion and finds that the Defendants have violated §§ 38.2-406 and 38.2-403 of the Code by failing to file the Surplus Lines Broker's Annual Maintenance Assessment Report and/or by failing to pay the assessment, penalties, fines, and interest associated with the report.

Accordingly, IT IS ORDERED THAT:

(1) The licenses of the Defendants to transact the business of insurance as surplus lines brokers in Virginia are hereby REVOKED.

(2) The Defendants shall transact no further business in Virginia as surplus lines brokers.

(3) The Defendants may immediately reapply to the Commission to be licensed as a surplus lines broker provided they file a Surplus Lines Broker's Annual Maintenance Assessment Report and pay the assessment, penalties, fines and interest associated with the report. The Commission shall also vacate this Order as to any Defendant that elects to reapply and provides the required information.

(4) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

ATTACHMENT A

License #	NPN	NAME	Address
829020	15849562	ANDREW KOSTA BRANOFF	7000 N MO PAC EXPY STE 250, AUSTIN, TX 78731-3073
882863	7657621	TIMOTHY C BRILES	105 JONES AVE, GREENVILLE, SC 29601-4333
675513	672821	TERRY H BUCKNER	6550 MILLROCK DR STE 300, SALT LAKE CITY, UT 84121-2331
1009792	10042046	TIMOTHY EUGENE CHAIX	3200 EL CAMINO REAL STE 290, IRVINE, CA 92602-1382
527723	1017535	LUIGI G ERRICO	684 BROADWAY, MASSAPEQUA, NY 11758-2319
690017	4260065	SUZETTE M FERNANDEZ	1993 CITRUS HILL RD, PALM HARBOR, FL 34683-3322
809139	6545873	CYNTHIA L FOX	8016 HUNLEY RIDGE RD, MATTHEWS, NC 28104-4317
1007716	17064654	JASON L GIBSON	1122 S 11TH ST, LOUISBURG, KS 66053-8407
630309	244134	DAVID JOHN JACKSON	755 MCARDLE DR STE A, CRYSTAL LAKE, IL 60014-1717
918361	2265562	RONEN KAMINITZ	255 HUDSON ST APT 6D, NEW YORK, NY 10013-1447
618471	309585	TERRY MICHAEL LEE	PO BOX 501130, INDIANAPOLIS, IN 46250-6130
1002802	17339592	BRIAN TELTON LYONS	445 HWY. 72 BYPASS, GREENWOOD, SC 29649
584040	1999205	CHRISTINA LYNN PATTAVINA	1436 DUKE STREET, ALEXANDRIA, VA 22314
737951	11386546	CAROLE JEANNE STEEN	10015 JEEP JUMP LN, BOERNE, TX 78006-3570
1030962	15728340	RYAN CHRISTOPHER TAYLOR	410 E 2ND ST, IRVING, TX 75060-3022
939813	9793102	DAVID GEORGE WALDORF	1 LANDMARK SQ FL 6, STAMFORD, CT 06901-2620
862932	16501800	BRUCE FRANK WHITE	2218 NOTTINGHAMSHIRE RD, FURLONG, PA 18925-1245
1026840	18238815	ADIL ZEKKANI	10250 CONSTELLATION BLVD STE 100, LOS ANGELES, CA 90067-6200
112732	3007633	B&B PROTECTOR PLANS INC	655 N FRANKLIN ST STE 1900, TAMPA, FL 33602-4417
138110	17529499	DAVID J JACKSON & CO LLC	755 MCARDLE DR STE A, CRYSTAL LAKE, IL 60014-1717
103106	9083887	DEMETRIOU GENERAL AGENCY INC	111 BROADWAY RM 1702, NEW YORK, NY 10006-1915
105726	2014433	HOWARD W PHILLIPS AND COMPANY	80 M ST SE, STE 350, WASHINGTON, DC 20003
132070	2013926	JAMES B JOHNSTON INC	733 E ROUTE 70, STE 303, MARLTON, NJ 08053
131933	14943193	OTM INSURANCE SPECIALISTS LLC	28825 INTERSTATE 10 W, BOERNE, TX 78006-9102
140953	2746070	R E CHAIX & ASSOC. INSURANCE BROKERS INC	3200 EL CAMINO REAL, STE 290, IRVINE, CA 92602-1382
105415	1929753	SUPERIOR ACCESS INSURANCE SERVICES INC	P O BOX 204389, AUSTIN, TX 78720
116416	1618722	ADCO GENERAL CORPORATION	P O BOX 40007, DENVER, CO 80204-0007
100864	686791	CASSWOOD INSURANCE AGENCY LTD	FIVE EXECUTIVE PARK DRIVE, CLIFTON PARK, NY 12065
108947	3003572	LIMESTONE GROUP INC	7679 LIMESTONE DR STE 155, GAINESVILLE, VA 20155-4040
101258	7930941	MOVING INS LLC	209 COOPER AVE STE 7, MONTCLAIR, NJ 07043-1850

License #	NPN	NAME	Address
141597	1777636	NAVESINK RISK SERVICES	12 CHRISTOPHER WAY STE 200, EATONTOWN, NJ 07724-3331
130316	10677823	RICH HAAG & ASSOC INC	501 GATEWAY DR STE 101, CLAYTON, NC 27520-2278
112739	3007699	SCHWARTZ & ASSOCIATES INC	PO BOX 20229, LOUISVILLE, KY 40250-0229
142080	18449355	SIRIUS INS AGENCY LLC	140 BROADWAY FL 32, NEW YORK, NY 10005-1123
139473	17851025	SPECIALTY PROGRAM GROUP LLC	180 RIVER RD FL 2, SUMMIT, NJ 07901-1449
138574	17685436	VELOCITY RISK UNDERWRITERS LLC	20 BURTON HILLS BLVD SUITE 350, NASHVILLE, TN 37215
807836	7526948	ALISON DEAN RUSCHELL OLIPHANT	2 20TH ST N STE 1615, BIRMINGHAM, AL 35203-4007
615285	7344488	CHAD THOMAS RUMFELT	1233 COMMONWEALTH AVE, BRONX, NY 10472-4604
922395	4779501	CHRISTOPHER S MARTIN	920 2ND AVE S STE 600, MINNEAPOLIS, MN 55402-4007
631141	7891109	DARWIN E LUCAS	160 WHITE COLUMNS DR, MILTON, GA 30004-3060
1028419	18359232	EVANDRA A FONTES	187 STATION ST, STOUGHTON, MA 02072-1664
527840	7923535	GADI BINNESS	209 COOPER AVE STE 7, MONTCLAIR, NJ 07043-1850
524309	1017086	GORDON V T BEWICK	28 STATE ST, BOSTON, MA 02109-1775
981069	8100296	GREGORY GEORGE LOCHER	481 BELLA VISTA WAY, SAN FRANCISCO, CA 94127-2301

831219	4616906	JAMES C NIMMICH	PO BOX 293, SULLIVANS ISLAND, SC 29482-0293
754125	966891	JAMES L SCHWARZKOPF	7361 FINCHWOOD LN, TOLEDO, OH 43617-2328
1025419	4642767	KENNETH R SCHREIBER	5 BRYANT PARK, NEW YORK, NY 10018
1053199	18572564	KEVIN MARCUS SMART	212 YORKSHIRE DR, HEATH, TX 75032-6683
1026823	7011112	KRISTINA M KAHMER	10 W WARD ST, RIDLEY PARK, PA 19078-3023
920342	14818467	KYLE SLOANE	355 S END AVE APT 8H, NEW YORK, NY 10280-1008
676313	3893628	LARRY JAMES KNIGHT	PO BOX 1205, POWELL, OH 43065
1008903	8236091	LATOYA Y EPPS	5117 PAYNE ST, SHAWNEE, KS 66226-3871
962003	2113771	LUANN LONGTIN	7700 WISCONSIN AVE STE 500, BETHESDA, MD 20814-3556
810337	15918699	NIKOLAOS L PARAS	3333 NEW HYDE PARK RD STE 409, NEW HYDE PARK, NY 11042-1205
669742	2535491	PENNI JEAN CAMPBELL	600 CORPORATE POINTE STE 1010, CULVER CITY, CA 0230-7677
814484	16129320	SENEYDA VERONICA VALLADARES	1 BLUE HILL PLAZA, PEARL RIVER, NY 10965
985765	719918	TRENTON L EVERSULL	1061 LAKESHORE BLVD, SLIDELL, LA 70461-4679

CASE NO. INS-2018-00159
MAY 23, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION
v.
SELECTIVE INSURANCE COMPANY OF AMERICA, SELECTIVE INSURANCE COMPANY OF SOUTH CAROLINA, SELECTIVE INSURANCE COMPANY OF THE SOUTHEAST, and SELECTIVE WAY INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that Selective Insurance Company of America, Selective Insurance Company of South Carolina, Selective Insurance Company of the Southeast, and Selective Way Insurance Company (collectively, "Defendants"), each of which is duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in a certain instance violated § 38.2-317 of the Code of Virginia ("Code") by failing to use insurance policies or endorsements as of the effective date that such policies or endorsements were filed with the Commission.

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

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in company correspondence dated July 13, 2017, have tendered to Virginia the sum of Two Thousand Five Hundred Dollars ($2,500) for each of the Defendant companies for a total of Ten Thousand Dollars ($10,000), and waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00160
JULY 10, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
MERCURY CASUALTY COMPANY, and AMERICAN MERCURY INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct examination conducted by the Bureau of Insurance ("Bureau"), it is alleged that Mercury Casualty Company and American Mercury Insurance Company ("Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-305 A of the Code of Virginia ("Code") by failing to provide

the information required by statute in the insurance policy; §§ 38.2-305 B, 38.2-610 A, 38.2-2120, 38.2-2125, and 38.2-2129 of the Code by failing to accurately provide the required notices to insureds; § 38.2-502 (1) of the Code by misrepresenting the benefits, advantages, conditions or terms of an insurance policy; § 38.2-1318 of the Code by failing to provide convenient access to files, books and records; §§ 38.2-1812 A and 38.2-1833 of the Code by paying commissions to agencies/agents that are not appointed by the Defendants; § 38.2-1822 A of the Code by permitting an unlicensed agent to act on the Defendants' behalf; §§ 38.2-1906 A and 38.2-1906 D of the Code by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings in effect for the Defendants; §§ 38.2-2113 A, 38.2-2113 C, 38.2-2114 A, 38.2- 2114 C, 38.2-2114 I, 38.2-2208 A, 38.2-2208 B, 38.2-2212 D, 38.2-2212 E and 38.2-2212 F of the Code by failing to properly terminate insurance policies; § 38.2-2204 of the Code by attempting to exclude a driver contrary to the statute; § 38.2-2214 of the Code by failing to have a rate classification statement available for use; § 38.2-2220 of the Code by failing to use forms in the precise language of standard forms previously filed and adopted by the Commission; § 38.2-2223 of the Code by failing to file and obtain approval from the Commission of forms prior to use; §§ 38.2-2126 B and 38.2-2234 B of the Code by failing to update the insured's credit information at least once in a three-year period; §§ 38.2-510 A (1) and 38.2-510 C of the Code and 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-70 D and 14 VAC 5-400-80 D of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq*. ("Rules"), by failing to properly handle claims with such frequency as to indicate a general business practice.

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

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in company correspondence dated March 31, 2017, August 23, 2017, January 4, 2018, March 15, 2018, and May 11, 2018; have tendered to Virginia the amount of Forty-two Thousand Six Hundred Sixty-eight Dollars and Twenty-five Cents ($42,668.25) from Mercury Casualty Company and Thirty-two Thousand Thirty-one Dollars and Seventy-five Cents ($32,031.75) from American Mercury Insurance Company for their proportionate share of the alleged violations for a total amount of Seventy-four Thousand Seven Hundred Dollars ($74,700); confirmed that restitution was made to 69 consumers in the amount of Twenty-four Thousand Two Hundred Fifty-one Dollars and Ninety-three cents ($24,251.93); and waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00161
JULY 10, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
NATIONAL GENERAL INSURANCE COMPANY, INTEGON CASUALTY INSURANCE COMPANY, and INTEGON NATIONAL INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct examination conducted by the Bureau of Insurance ("Bureau"), it is alleged that National General Insurance Company, Integon Casualty Insurance Company and Integon National Insurance Company (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-305 A of the Code of Virginia ("Code") by failing to provide the information required by statute in the insurance policy; §§ 38.2-305 B, 38.2-604 B, 38.2-610 A, 38.2-1905 A, 38.2-2202 A, 38.2-2230, and 38.2-2234 A of the Code by failing to accurately provide the required notices to insureds; § 38.2-1318 of the Code by failing to provide convenient access to files, books and records; § 38.2-1822 A of the Code by permitting an unlicensed agent to act on the Defendants' behalf; § 38.2-1833 of the Code by paying commissions to agencies or agents that are not appointed by the Defendants; §§ 38.2-1906 A and 38.2-1906 D of the Code by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings in effect for the Defendants; §§ 38.2-2208 A, 38.2-2208 B, 38.2-2212 D, 38.2-2212 E, and 38.2-2212 F of the Code by failing to properly terminate insurance policies; § 38.2-2214 of the Code by using a rate classification statement other than the one filed and approved by the Commission; § 38.2-2220 of the Code by failing to use forms in the precise language of standard forms previously filed and adopted by the Commission; and § 38.2-510 A (1) of the Code and 14 VAC 5-400-30, 14 VAC 5-400-40 A, and 14 VAC 5-400-70 D of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq*. ("Rules"), by failing to properly handle claims with such frequency as to indicate a general business practice.

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

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in company correspondence dated March 23, 2018, and May 18, 2018, confirmed that restitution was made to 33 consumers in the amount of Twenty-nine Thousand Eight Hundred Four Dollars and Sixty-three cents ($29,804.63), have tendered to Virginia the sum of Fifty Thousand One Hundred Dollars ($50,100), and waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00162
JULY 10, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
MGA INSURANCE COMPANY, INC.,
Defendant

SETTLEMENT ORDER

Based on a market conduct examination conducted by the Bureau of Insurance ("Bureau"), it is alleged that MGA Insurance Company, Inc. ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-305 A of the Code of Virginia ("Code") by failing to provide the information required by statute in the insurance policy; §§ 38.2-305 B, 38.2-604 B, 38.2-610 A of the Code by failing to accurately provide the required notices to insureds; § 38.2-502 (1) of the Code by misrepresenting the benefits, advantages, conditions or terms of an insurance policy; § 38.2-511 of the Code by failing to maintain a complete complaint register; § 38.2-512 A of the Code by making false or fraudulent statements or representations on or relative to any document relating to the business of insurance for the purpose of obtaining a fee; § 38.2-1812 E of the Code by paying commissions to a trade name that was not registered with the Bureau; § 38.2-1822 A of the Code by permitting an unlicensed agent to act on the company's behalf; § 38.2-1833 of the Code by paying commissions to agencies or agents that are not appointed by the Defendant; 38.2-1906 D of the Code by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings in effect for the Defendant; §§ 38.2-2208 A, 38.2-2208 B, and 38.2-2212 E of the Code by failing to properly terminate insurance policies; §§ 38.2-510 A (1) and 38.2-510 A (6) of the Code and 14 VAC 5-400-40 A, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq*. ("Rules"), by failing to properly handle claims with such frequency as to indicate a general business practice.

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

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated November 29, 2017, February 28, 2018, and May 22, 2018, confirmed that restitution was made to 42 consumers in the amount of Five Thousand One Hundred Eighty-nine Dollars and Eighty-seven cents ($5,189.87), has tendered to Virginia the sum of Fifty-six Thousand Seven Hundred Dollars ($56,700), and waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00163
JULY 26, 2018

PETITION OF
ANTHEM HEALTH PLANS OF VIRGINIA, INC. and HEALTHKEEPERS, INC.,

For modification of the Final Order to allow a blanket exception for Anthem affiliate American Imaging Management, Inc. to provide services from locations outside Virginia

FINAL ORDER

On June 13, 2018, Anthem Health Plans of Virginia, Inc., and HealthKeepers, Inc. (collectively, "Anthem" or "Petitioners"), filed a Petition pursuant to 5 VAC 5-20-100 B of the State Corporation Commission's ("Commission") Rules of Practice and Procedure ("Rules"), 5 VAC 5-20-10 *et seq.*, and the Final Order entered in Case No. INS-2007-00141.[1] In the 2007 Final Order, the Commission continued the requirement that Anthem cause the following services to be provided from offices located in the Commonwealth of Virginia ("Virginia"): claims processing and case management, customer service, quality management, provider services, medical management, and network development. The Commission permitted Anthem to provide the following services from offices located outside of Virginia: actuarial, underwriting, marketing, community relations, distribution management, and sales. In the 2007 Final Order, the Commission also stated that if Anthem seeks to provide any of the aforementioned services currently required to be provided from offices located in Virginia from offices located outside of Virginia, it should file a petition with the Commission "setting forth a specific and detailed proposal for providing such services out of state, including specific and detailed information on *how* and *where* Anthem will provide such services, as well as safeguards for ensuring adequate levels of service."[2]

In the current Petition, the Petitioners are requesting that the Final Order be modified to allow Anthem affiliate American Imaging Management, Inc., to provide all of its services and functions to Anthem members in Virginia from locations outside of Virginia.[3]

The Petitioners represent that an advance draft of the Petition has been provided to the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"), the Medical Society of Virginia ("MSV"), and the Commission's Bureau of Insurance, and that MSV has authorized the Petitioners to represent that it does not object to the Petition.[4]

On June 15, 2018, the Commission entered a Scheduling Order in which it provided a deadline of July 11, 2018, for interested persons to file a notice of participation as a respondent in this matter; a deadline of July 18, 2018, for interested persons to file comments on the Petition; and a deadline of July 20, 2018, for the Bureau to file a response to the Petition.

On July 11, 2018, Consumer Counsel filed comments stating that it did not object to the Petition. On July 20, 2018, the Bureau filed its response to the Petition in which it stated that it did not oppose the relief requested by the Petition. No notices of participation were filed.

NOW THE COMMISSION, having considered the Petition, the comments of Consumer Counsel, and the Bureau's response, finds that the Petition should be granted.

Accordingly, IT IS ORDERED THAT:

(1) Anthem's Petition is hereby GRANTED.

(2) Anthem affiliate American Imaging Management, Inc., is permitted to provide all of its services and functions to Anthem members in Virginia from locations outside of Virginia.

(3) The other provisions of the 2007 Final Order hereby are not affected, and Anthem shall continue to comply therewith.

(4) This matter is DISMISSED, and the papers herein shall be placed in the file for ended causes.

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[1] *Petition of Anthem Health Plans of Virginia, Inc., et al., For Amendment of Final Order in Case No. INS-2002-00131*, Case No. INS-2007-00141, 2007 S.C.C. Ann. Rept. 114, Final Order (Aug. 9, 2007) (hereinafter, "2007 Final Order").

[2] *Id.* at 116, ¶ 4.

[3] Petition at 1, 3-5.

[4] *Id.* at 5.

CASE NO. INS-2018-00164
AUGUST 16, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
GAHAN SHAREI ADAMS,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Gahan Sharei Adams ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated May 10, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00165
DECEMBER 12, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
AMANDA R. ANSLEY,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Amanda R. Ansley ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-512 (A) of the Code of Virginia ("Code") by making false statements on insurance documents to obtain a benefit.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated February 21, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-512 (A) of the Code by making false statements on insurance documents to obtain a benefit.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00166
AUGUST 16, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
D. JUANE ANTOINETTE ANTHONY,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that D. Juane Antoinette Anthony ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated May 10, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00167
AUGUST 29, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
SAMUEL EUGENE BELCHER,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Samuel Eugene Belcher ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction, and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

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

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated May 16, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction, and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00168
AUGUST 29, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
EDWARD ANDERSON, JR.,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Edward Anderson, Jr. ("Anderson" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against him in another jurisdiction, and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Anderson is a Maryland resident licensed with the following lines of authority: Life & Annuities and Health.

The Bureau alleges that Anderson failed to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against him in another jurisdiction. Additionally, the Bureau alleges Anderson provided untrue information in the license application filed with the Commission. When presented with the Bureau's allegations, the Defendant elected to voluntarily surrender his Virginia insurance license.

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

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has waived the right to a hearing and voluntarily surrendered the authority to act as an insurance agent in Virginia, effective May 10, 2018.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00169
AUGUST 29, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
MICHAEL EDWARDS,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Michael Edwards ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated May 10, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00170
AUGUST 28, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
MATTHEW KENNEDY DORBECK,
Defendant

SETTLEMENT ORDER

Based on an investigation performed by the Bureau of Insurance ("Bureau"), it is alleged that Matthew Kennedy Dorbeck ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-512 (A) of the Code of Virginia ("Code") by making false representations on insurance applications to obtain commissions, § 38.2-1831 (10) of the Code by engaging in dishonest and untrustworthy business conduct in Virginia, and 14 VAC 5-30-40 of the Commission's Rules Governing Duties of Agents, 14 VAC 5-30-10 *et seq*. ("Rules"), by failing to complete a replacement notice.

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

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has tendered to Virginia the sum of Five Thousand Dollars ($5,000) and waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00171
AUGUST 29, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
TODD CHRISTIAN HUNSAKER,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Todd Christian Hunsaker ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction, and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

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

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated May 10, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction, and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00173
AUGUST 29, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
NUMAR NAJERA, JR.,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Numar Najera, Jr. ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated May 1, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00174
DECEMBER 18, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
DOMINGO GONZALEZ,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Domingo Gonzalez ("Gonzalez" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (10) of the Code of Virginia ("Code") by engaging in dishonest and untrustworthy business conduct in Virginia.

Gonzalez is a Virginia resident licensed with the following lines of authority: Life & Annuities, Health and Variable Contracts.

The Bureau alleges that while acting as an investment advisor in Virginia Gonzalez converted an investor's funds without her knowledge or consent by accepting a check from the investor for an investment and then depositing the check into Gonzalez's personal account and using the funds for personal expenditures. When presented with the Bureau's allegations, the Defendant elected to voluntarily surrender his Virginia insurance license.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has waived the right to a hearing and voluntarily surrendered the authority to act as an insurance agent in Virginia, effective May 3, 2018.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00175
AUGUST 29, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JEREMY JACKSON,
Defendant

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Jeremy Jackson ("Jackson" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against him in another jurisdiction, § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission, and § 38.2-1831 (9) of the Code by having been convicted of a felony.

Jackson is a Maryland resident licensed with the following lines of authority: Life & Annuities and Health.

The Bureau alleges that Jackson failed to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against him in another jurisdiction. Additionally, the Bureau alleges Jackson provided materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission, and failed to disclose a felony conviction. When presented with the Bureau's allegations, the Defendant elected to voluntarily surrender his Virginia insurance license.

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

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has waived the right to a hearing and voluntarily surrendered the authority to act as an insurance agent in Virginia, effective June 26, 2018.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00176
AUGUST 16, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
SAMPSON PEARSON,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Sampson Pearson ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated May 10, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00178
AUGUST 29, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
GERALD ANTONIO PIMPLETON,
Defendant

ORDER REVOKING LICENSE

Based on an investigation performed by the Bureau of Insurance ("Bureau"), it is alleged that Gerald Antonio Pimpleton ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against him in another jurisdiction and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

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

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated May 10, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction, and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00179
AUGUST 29, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JOSEPH GERARD SMALLWOOD,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Joseph Gerard Smallwood ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (A) of the Code of Virginia ("Code") by failing to notify the Commission within 30 days of a change in residence, and § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

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

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated March 29, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (A) of the Code by failing to notify the Commission within 30 days of a change in residence, and § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00180
AUGUST 28, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
WILBUR EDGAR STEG,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Wilbur Edgar Steg ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction, and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

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

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated April 12, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction, and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00181
JUNE 29, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
RAMPART INSURANCE COMPANY,
Defendant

CONSENT ORDER

Rampart Insurance Company ("Defendant"), a New York domiciled insurer, was initially licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia") on September 17, 1992.

The Defendant timely filed its March 31, 2018 Quarterly Statement that reflects the Defendant's surplus is below the $3 million minimum required by § 38.2-1028 of the Code of Virginia ("Code").

By letter to the Bureau of Insurance ("Bureau") dated June 21, 2018, and signed by Defendant's President, J. Marcus Doran, the Defendant consented to the suspension of its license to transact the business of insurance in Virginia.

The Bureau has recommended that the license of the Defendant be suspended.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 38.2-1040 of the Code, the license of the Defendant to transact the business of insurance in Virginia is hereby SUSPENDED.

(2) The Defendant shall issue no new contracts or policies of insurance in Virginia until further order of the Commission.

(3) The appointments of the Defendant's agents to act on behalf of the Defendant in Virginia are hereby SUSPENDED.

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

(5) The Bureau shall cause notice of this Order to be sent to each of the Defendant's agents appointed to act on behalf of the Defendant in Virginia as notice of the suspension of such agent's appointment.

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

CASE NO. INS-2018-00182
JULY 2, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Amending the Rules Governing Credit for Reinsurance

ORDER TO TAKE NOTICE

Section 12.1-13 of the Code of Virginia ("Code") provides that the State Corporation Commission ("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 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.

The rules and regulations issued by the Commission pursuant to § 38.2-223 of the Code are set forth in Title 14 of the Virginia Administrative Code. A copy also may be found at the Commission's website: http://www.scc.virginia.gov/case.

The Bureau of Insurance ("Bureau") has submitted to the Commission proposed amendments to rules set forth in Chapter 300 of Title 14 of the Virginia Administrative Code, entitled Rules Governing Credit for Reinsurance, 14 VAC 5-300-10 *et seq*. ("Rules"), which amend the Rules at 14 VAC 5-300-60 through 14 VAC 5-300-95, 14 VAC 5-300-110, and 14 VAC 5-300-150.

The amendments to Chapter 300 are necessary to correct subsection references to § 38.2-1316.2 of the Code pertaining to credit allowed a domestic ceding insurer. The subsection references to § 38.2-1316.2 are being changed due to the enactment of Chapter 477 of the 2017 Acts of Assembly, which took effect on July 1, 2017.

NOW THE COMMISSION is of the opinion that the proposed amendments submitted by the Bureau to amend the Rules at 14 VAC 5-300-60 through 14 VAC 5-300-95, 14 VAC 5-300-110, and 14 VAC 5-300-150, should be considered for adoption with a proposed effective date of November 1, 2018.

Accordingly, IT IS ORDERED THAT:

(1) The proposal to amend the Rules at 14 VAC 5-300-60 through 14 VAC 5-300-95, 14 VAC 5-300-110, and 14 VAC 5-300-150 is attached hereto and made a part hereof.

(2) All interested persons who desire to comment in support of or in opposition to, or request a hearing to consider the amendments to the Rules, shall file such comments or hearing request on or before September 20, 2018, with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218. Interested persons desiring to submit comments electronically may do so by following the instructions at the Commission's website: http://www.scc.virginia.gov/case. All comments shall refer to Case No. INS-2018-00182.

(3) If no written request for a hearing on the proposal to amend the Rules, as outlined in this Order, is received on or before September 20, 2018, the Commission, upon consideration of any comments submitted in support of or in opposition to the proposal, may adopt the Rules as submitted by the Bureau.

(4) The Bureau forthwith shall provide notice of the proposal to amend the Rules to all insurers, burial societies, fraternal benefit societies, health services plans, risk retention groups, joint underwriting associations, group self-insurance pools, and group self-insurance associations licensed by the Commission, to qualified reinsurers in Virginia, and to all interested persons.

(5) The Commission's Division of Information Resources forthwith shall cause a copy of this Order, together with the proposal to amend the Rules, to be forwarded to the Virginia Registrar of Regulations for appropriate publication in the *Virginia Register of Regulations*.

(6) The Commission's Division of Information Resources shall make available this Order and the attached proposed amendment to the Rules on the Commission's website: http://www.scc.virginia.gov/case.

(7) The Bureau shall file with the Clerk of the Commission an affidavit of compliance with the notice requirements of Ordering Paragraph (4) above.

(8) This matter is continued.

NOTE: A copy of the 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. INS-2018-00182
SEPTEMBER 28, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Amending the Rules Governing Credit for Reinsurance

ORDER ADOPTING AMENDED RULES

By Order to Take Notice ("Order") entered July 2, 2018, insurers and interested persons were ordered to take notice that subsequent to September 20, 2018, the State Corporation Commission ("Commission") would consider the entry of an order adopting amendments to rules set forth in Chapter 300 of Title 14 of the Virginia Administrative Code, entitled Rules Governing Credit for Reinsurance, 14 VAC 5-300-10 *et seq*. ("Rules"), which amend the Rules at 14 VAC 5-300-60 through 14 VAC 5-300-95, 14 VAC 5-300-110, and 14 VAC 5-300-150, unless on or before September 20, 2018 any insurers or interested persons file written comments or request a hearing to consider the amendments to the Rules with the Clerk of the Commission ("Clerk").

No comments were filed with the Clerk. No requests for a hearing were filed with the Clerk.

The amendments to Chapter 300 are necessary to correct subsection references to § 38.2-1316.2 of the Code pertaining to credit allowed a domestic ceding insurer. The subsection references to § 38.2-1316.2 have been changed due to the enactment of Chapter 477 of the 2017 Acts of Assembly, which took effect on July 1, 2017. No changes have been made to the proposed amendments to the Rules.

NOW THE COMMISSION, having considered the proposed amendments to the Rules, is of the opinion that the attached amendments to the Rules should be adopted, effective November 1, 2018.

Accordingly, IT IS ORDERED THAT:

(1) The amendments to the Rules Governing Credit for Reinsurance at Chapter 300 of Title 14 of the Virginia Administrative Code which amend the Rules at 14 VAC 5-300-60 through 14 VAC 5-300-95, 14 VAC 5-300-110, and 14 VAC 5-300-150, which are attached hereto and made a part hereof, are hereby ADOPTED effective November 1, 2018.

(2) The Bureau of Insurance forthwith shall give notice of the adoption of the amendments to the Rules to all insurers, burial societies, fraternal benefit societies, health services plans, risk retention groups, joint underwriting associations, group self-insurance pools, and group self-insurance associations licensed by the Commission, to qualified reinsurers in Virginia, and to all interested persons.

(3) The Commission's Division of Information Resources forthwith shall cause a copy of this Order, together with the amendments to the Rules, to be forwarded to the Virginia Registrar of Regulations for appropriate publication in the *Virginia Register of Regulations*.

(4) The Commission's Division of Information Resources shall make available this Order and the attached amendments to the Rules on the Commission's website: http://www.scc.virginia.gov/case.

(5) The Bureau shall file with the Clerk of the Commission an affidavit of compliance with the notice requirements of Ordering Paragraph (2) above.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

NOTE: A copy of the 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. INS-2018-00183
JULY 10, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ACADIA INSURANCE COMPANY, CONTINENTAL WESTERN INSURANCE COMPANY,
FIREMEN'S INSURANCE COMPANY OF WASHINGTON, D.C., and UNION INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Acadia Insurance Company, Continental Western Insurance Company, Firemen's Insurance Company of Washington, D.C. and Union Insurance Company (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated §§ 38.2-317 and 38.2-1906 D of the Code of Virginia ("Code") by making or issuing an insurance policy or endorsement without having filed such policy or endorsement with the Commission at least thirty days prior to the effective date and by using rate and supplementary rate information not on file with the Commission.

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

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in the Defendants' correspondence dated November 16, 2017, confirmed that restitution was made to 552 consumers in the amount of Ninety-one Thousand Seven Hundred Ninety-three Dollars and Thirty-six Cents ($91,793.36) as outlined in the Defendants' correspondence dated May 4, 2018, and waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00187
JULY 31, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
THE GENERAL AUTOMOBILE INSURANCE COMPANY, INC.
Defendant

SETTLEMENT ORDER

Based on a market conduct examination conducted by the Bureau of Insurance ("Bureau"), it is alleged that The General Automobile Insurance Company, Inc. ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-305 A of the Code of Virginia ("Code") by failing to provide the information required by statute in the insurance policy; §§ 38.2-305 B, 38.2-517 A, 38.2-604 B, 38.2-604.1, 38.2-610 A, 38.2-2202 A, 38.2-2202 B, and 38.2-2230 of the Code by failing to accurately provide the required notices to insureds; § 38.2-502 (1) of the Code by misrepresenting the benefits, advantages, conditions or terms of an insurance policy; § 38.2-1318 of the Code by failing to provide convenient access to files, books and records; § 38.2-1812 E of the Code by paying commissions to a trade name that was not registered with the Bureau; § 38.2-1822 A of the Code by permitting an unlicensed agent to act on the Defendant's behalf; § 38.2-1833 of the Code by paying commissions to agencies or agents that are not appointed by the Defendant; § 38.2-1905 C of the Code by assigning points under a safe-driver insurance policy to a vehicle other than the vehicle customarily driven by the operator responsible for incurring points; § 38.2-1906 D of the Code by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings in effect for the Defendant; §§ 38.2-2208 B, 38.2-2212 E, and 38.2-2212 F of the Code by failing to properly terminate insurance policies; § 38.2-2214 of the Code by using a rate classification statement other than the one filed and approved by the Bureau; § 38.2-2220 of the Code by failing to have mandatory standard forms available for use; §§ 38.2-510 A (1), 38.2-510 A (3), and 38.2-510 A (10) of the Code and 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq*. ("Rules"), by failing to properly handle claims with such frequency as to indicate a general business practice.

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

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated April 12, 2018, May 29, 2018, and June 15, 2018; confirmed that restitution was made to 32 consumers in the amount of Thirteen Thousand Two Hundred Ninety-six Dollars and Six cents ($13,296.06); tendered to Virginia the sum of Fifty Three Thousand Seven Hundred Dollars ($53,700); and waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00189
AUGUST 16, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JADA LAUREN SIMS,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Jada Lauren Sims ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated June 18, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00191
AUGUST 16, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
CHARLOTTE R. RACKLEY,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Charlotte R. Rackley ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated June 7, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00195
AUGUST 16, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
AYESHA RENEE CANNON,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Ayesha Renee Cannon ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated June 18, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00196
AUGUST 1, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

v.

THE ANDERSON INSURANCE and INVESTMENT AGENCY, INC., *et al*.,
Defendants

ORDER REVOKING LICENSE

Based on a review of the records of the Bureau of Insurance ("Bureau"), it is alleged that the Defendants, whose names are set forth in Attachment A, which is attached hereto and made a part hereof, each of whom is duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance as an insurance agency in the Commonwealth of Virginia ("Virginia"), violated §§ 38.2-1820 and 38.2-1826 E of the Code of Virginia ("Code") by failing to designate a licensed employee, officer or director to serve as the "designated licensed producer" responsible for the agencies' compliance with Virginia's insurance laws, and by failing to report within 30 calendar days to the Commission the removal of their designated licensed producer.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid violations.

The Defendants have been notified of the right to a hearing before the Commission in this matter by certified letter dated July 10, 2018, and mailed to the Defendants' addresses shown in the records of the Bureau. The attached list represents agencies who failed to respond and failed to provide the Bureau a designated licensed producer pursuant to § 38.2-1820 of the Code.

The Defendants, having been advised in the above manner of the right to a hearing in this matter, have failed to request a hearing.

The Bureau, upon the Defendants' failure to request a hearing, has recommended that the Commission enter an order revoking the Defendants' licenses to transact business as insurance agencies in Virginia.

NOW THE COMMISSION is of the opinion and finds that the Defendants have violated §§ 38.2-1820 and 38.2-1826 E of the Code by failing to designate a licensed producer responsible for the business entity's compliance with Virginia's insurance laws, and by failing to report within 30 calendar days to the Commission the removal of their designated licensed producer.

The Commission also finds that the Defendants should be allowed the opportunity to reapply and obtain their licenses immediately provided they include the name of their designated licensed producer on the application. Furthermore, the Commission shall vacate the Order Revoking License as to any Defendant that elects to reapply and provides the required information.

Accordingly, IT IS ORDERED THAT:

(1) The licenses of the Defendants to transact business as an insurance agency in Virginia are hereby REVOKED.

(2) All appointments issued under said licenses are hereby VOID.

(3) The Defendants shall transact no further business in Virginia as an insurance agency.

(4) The Defendants may immediately reapply to the Commission to be licensed as an insurance agency provided they include the name of their designated licensed producer on the application. The Commission shall also vacate this Order as to any Defendant that elects to reapply and provides the required information on the application.

(5) The Bureau shall provide each Defendant with a copy of this Order and notify every insurance company for which the Defendants hold an appointment to act as an insurance agency.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

ATTACHMENT A

106250	3944138	THE ANDERSON INSURANCE AND INVESTMENT AGENCY INC	312 CENTRAL AVENUE SE #392 MINNEAPOLIS, N 55414
125458	12497145	CHESAPEAKE HOLDING COMPANY	15 NORTH KING ST LEESBURG, VA 20176
142123	18469436	E INSURANCE AGENCY LLC	2108 PINE ST, APT A FORT GORDON, GA 30905-6259
131167	8884575	EMPLOYEE BENEFIT ADVISORS INC	1388 VALHALLA DR DENVER, NC 28037-5456
139558	17870012	GUARD.ME INTERNATIONAL INSURANCE AGENCY (US) INC	19071 SKYRIDGE CIRCLE BOCA RATON, FL 3498
138883	17752289	LIFE CHOICES LLC	415 NECK 0 LAND RD WILLIAMSBURG, VA 23185-3134
135098	1995133	PENTEGRA INSURANCE AGENCY INC	108 CORPORATE PARK DRIVE, 4TH FLOOR WHITE PLAINS, NY 10604
114805	7323196	SMALL GROUP SOLUTIONS INC	11 SANBORN LANE, SUITE 2 ELIOT, ME 03903

CASE NO. INS-2018-00198
DECEMBER 17, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
RACHEL GLOVER,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Rachel Glover ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

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

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated July 6, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00200
AUGUST 16, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
EXODUS CONTRACTOR, INC. and CHARLES HWANG,
Defendants

SETTLEMENT ORDER

Based on an investigation performed by the Bureau of Insurance ("Bureau"), it is alleged that Exodus Contractor, Inc., and Charles Hwang ("Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1845.2 of the Code of Virginia ("Code") by engaging in the business of public adjusting without first obtaining a license in the form and manner prescribed by the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to cease and desist from violating § 38.2-1845.2 of the Code and waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) The Defendants immediately shall cease and desist from violating § 38.2-1845.2 of the Code.

(3) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00203
NOVEMBER 16, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JACK D. BERGSTRESSER, JR.,
Defendant

SETTLEMENT ORDER

Based on an investigation performed by the Bureau of Insurance ("Bureau"), it is alleged that Jack D. Bergstresser, Jr. ("Bergstresser" or "Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: § 38.2-1826 (B) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days the facts and circumstances regarding a felony criminal conviction and § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against him in another jurisdiction.

Bergstresser is a North Carolina resident licensed in Virginia as a non-resident with the following lines of authority: Life & Annuities and Health.

The Bureau alleges that Bergstresser failed to report to the Commission an administrative action taken against him in another jurisdiction. Additionally, the Bureau alleges Bergstresser was convicted of a felony and failed to report to the Commission within 30 calendar days the facts and circumstances regarding the criminal conviction. When presented with the Bureau's allegations, the Defendant elected to voluntarily surrender his Virginia non-resident insurance producer license.[1]

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

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has waived the right to a hearing and voluntarily surrendered the authority to act as an insurance agent in Virginia, effective August 6, 2018.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

[1] On August 6, 2018, the Bureau received a handwritten note from Bergstresser stating: "I voluntarily surrender my VA Non-Res producer license." Thereafter, the Bureau sent correspondence to Bergstresser via certified mail informing him that the Bureau had received his handwritten note and would have an order entered accepting the surrender of his license.

CASE NO. INS-2018-00204
SEPTEMBER 28, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
AGENCY INSURANCE COMPANY OF MARYLAND, INC.
Defendant

SETTLEMENT ORDER

Based on a market conduct examination conducted by the Bureau of Insurance ("Bureau"), it is alleged that Agency Insurance Company of Maryland, Inc. ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-512 A of the Code of Virginia ("Code") by misrepresenting the fees applicable after the policy cancelled; § 38.2-1812 E of the Code by paying commissions to a trade name that was not registered with the Bureau; § 38.2-1833 of the Code by paying commissions to agencies/agents that are not appointed by the Defendant; § 38.2-1905 A of the Code by failing to notify insureds in writing when their policies were surcharged for at-fault accidents; § 38.2-1906 D of the Code by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings in effect for the Defendant; §§ 38.2-2202 A and 38.2-2202 B of the Code by failing to accurately provide the required notices to insureds; § 38.2-2204 of the Code by failing to represent coverage for all permissive users; §§ 38.2-2208 A, 38.2-2208 B, 38.2-2212 D and 38.2-2212 E of the Code by failing to properly terminate insurance policies; § 38.2-2234 B of the Code by failing to update the insured's credit information at least once every three years; and § 38.2-510 C of the Code, as well as 14 VAC 5-400-30, 14 VAC 5-400-40 A, and 14 VAC 5-400-70 D of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq*., by failing to properly handle claims with such frequency as to indicate a general business practice.

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

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated June 27, 2018, has confirmed that restitution was made to 23 consumers in the amount of Sixteen Thousand Two Hundred Sixty-five Dollars and Sixty-three Cents ($16,265.63), has tendered to Virginia the sum of Twenty-six Thousand Four Hundred Dollars ($26,400), and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00205
DECEMBER 11, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JEFFREY ALAN OLIVEROS,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Jeffrey Alan Oliveros ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

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

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated September 17, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00206
DECEMBER 12, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
GLYNIS AUNDREA SNELL,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Glynis Aundrea Snell ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

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

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated July 18, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00211
SEPTEMBER 13, 2018

IN RE:
PETITION OF OPTIMA HEALTH PLAN

ORDER DENYING PETITION

On August 23, 2018, Optima Health Plan ("Optima"), a licensed health insurer in Virginia, filed with the State Corporation Commission ("Commission") a Petition pursuant to Rule 5 VAC 5-20-100 (B) and (C) of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*. The Petition requests that the Commission grant, on an expedited basis, a declaratory judgment directing the Commission's Bureau of Insurance ("Bureau") to accept and review a revised rate filing submitted by Optima after August 10, 2018, which was the date established by the Bureau for revised rate filings.

On August 24, 2018, the Commission issued a Scheduling Order. Pursuant thereto: (1) on August 29, 2018, the Bureau filed a Response to the Petition ("Bureau's Response"); and (2) on August 31, 2018, Optima filed a Reply to the Bureau's Response ("Optima's Reply").

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Petition is denied. The Commission finds that the Bureau's rate filing process in this matter was both established and applied in a reasonable manner and with a rational basis.[1]

This case involves filings regarding premium rates for individual and small group health insurance plans. The United States government, through the Centers for Medicare and Medicaid Services ("CMS"), certifies Qualified Health Plans ("QHPs") for participation in "Federally-Facilitated Marketplaces." As part of its process, CMS establishes a deadline for states, including Virginia, to submit all final changes to QHPs for the upcoming plan year. The Bureau oversees the annual submission, revision, and approval of such filing for carriers in Virginia.[2]

In 2017, the Bureau did not initially establish its own filing dates for Virginia carriers in advance of the CMS-established federal submission deadline for the 2018 plan year. Among other things, this enabled carriers to exit service areas in Virginia with no notice to the Bureau, left consumers in these localities at risk of having no options on the federally-facilitated health insurance market, drove up rates in many localities, and provided little time to review and approve filings or revisions of other carriers before the federal deadline.[3]

In 2018, based in part on its previous experience, the Bureau established its own filing dates for the 2019 plan year in an effort "to ensure the orderly submission and review of health insurance rate filings in advance of" the CMS-established federal submission deadline.[4] The applicable state and federal dates at issue in the current matter include the following:[5]

May 4, 2018	Carriers submit initial 2019 rate filings to the Bureau.
July 19, 2018	Carriers submit any proposed service area reductions to the Bureau.
Aug. 10, 2018	Carriers submit any revisions to their rate filings reflecting service area expansions or rate changes to the Bureau.
Aug. 22, 2018	CMS-established deadline for all states, including Virginia, to submit all final changes to carriers' QHP applications.

[1] The Commission has considered all of the pleadings submitted in this matter. For purposes herein, the Commission has also accepted the alleged facts (though not necessarily the ultimate conclusions) contained in Optima's pleadings, as well as the uncontested facts in the Bureau's Response.

[2] *See, e.g.,* Bureau's Response at 2-3, 6-7.

[3] *See, e.g., id.* at 1-2, 7.

[4] *Id.* at 1.

[5] *See, e.g., id.* at 2-4.

The Bureau's dates also "were established to ensure that the Bureau had sufficient time to review and approve the submitted rates, as well as to provide carriers an equal opportunity to prepare and submit their best and most competitive bids."[6] As a result, all carriers – including Optima – could file service area expansions and rate changes as late as August 10, 2018. Thus, all carriers – again, including Optima – were aware that there was no guarantee that rate filings would be accepted after August 10, 2018. Indeed, if the Bureau *guaranteed* that it would accept late-filed changes, the August 10th date would have been practically meaningless.

Optima filed revised rates on August 9, 2018, in advance of the August 10th deadline. HealthKeepers, Inc. submitted a revised filing on August 10th that included a service area expansion and a new set of competitive rates, certain of which were lower than, or at least significantly competed with, those presented by Optima. On August 16, 2018, Optima subsequently filed an additional rate revision, presenting lower rates than those presented in its August 9th filing, based in part on adjustments to Optima's profit and risk margin.[7] On August 17, 2018, the Bureau informed Optima that its August 16th filing was untimely and would not be accepted.[8]

We find that, not only were the Bureau's filing dates reasonable and rational for their purpose, the Bureau's implementation of those dates was likewise reasonable and rational. In short, the Bureau has reasonably exercised its discretion to reject late filings, unless such filing was made at the Bureau's request to address specific, targeted objections raised by the Bureau to address any errors and to ensure that rate filings complied with state and federal law.[9] The Bureau has not permitted any carrier to make the type of changes sought by Optima after the August 10, 2018 filing date.[10]

The decision not to submit its most competitive rates by the August 10th filing date was Optima's, and Optima's alone. Optima knew, as did all carriers, that service area expansions and rate changes would be accepted by August 10th. Optima, however, chose not to file for lower or more competitive rates by that date. Only after seeing a more competitive (and timely submitted) rate filing did Optima attempt to submit lower or more competitive rates *after* the filing date. The Bureau was neither unreasonable nor arbitrary in rejecting such filing. Moreover, by consistently applying the filing dates in the manner it has herein, the Bureau further avoided prejudicing other carriers that complied with such dates.[11]

We also reject Optima's claim that the Bureau's communications with Optima after the August 10th filing date somehow preapproved the late filing.[12] The correspondence cited by Optima represents professional and reasonable communications by the Bureau in seeking clarification of what Optima intended to submit; in this instance, the Bureau neither approved, nor rejected, an unseen filing prior to its actual submission. Furthermore, even if the Bureau had tentatively indicated after August 10th that it would accept a late filing, it was within the Bureau's discretion subsequently to reject such filing upon actually receiving and reviewing it.

Optima's late-filed rate changes also do not fall into the category of other late-filed changes accepted by the Bureau. The Bureau has accepted late-filed changes that were made in response to specific, targeted objections raised by the Bureau to address any errors and to ensure that a carrier's rate filings were compliant with applicable laws and regulations.[13] For example, the Bureau submitted objections to Optima regarding discrepancies between area rating factors and informed Optima that the Bureau would accept changes related thereto after August 10th.[14] Conversely, the Bureau has not accepted late-filed changes, from any carrier, to achieve what Optima now seeks.[15]

Optima objects to the Bureau's process because it permitted both rate changes and service area expansions by the August 10th deadline.[16] In this regard, we first note that the Bureau's process is not prohibited by federal or state law. Next, *all* carriers were informed of this process, *all* carriers had a chance to file their most competitive rates by this date (as opposed to waiting until after August 10th to view the actions of potential competitors), and the Bureau has applied this process consistently among all carriers. Furthermore, having found that the instant filing process was established and applied with a reasonable basis and in a rational manner, the instant order does not preclude changes to the filing process for subsequent plan years. As noted above, the filing process employed by the Bureau in 2018 is different from 2017 based on the Bureau's prior experience in attempting to comply with the concomitant federal filing requirements. Likewise, based on that continuing experience, the Bureau retains the discretion to modify its rate filing process for 2019 in a manner that is likewise reasonable and rational.

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[6] *Id.* at 10.

[7] *See* Bureau's Response at 5, 8; Optima's Reply at 9-10.

[8] *See* Bureau's Response at 5-6; Optima's Petition ¶ 14.

[9] *See* Bureau's Response at 3-8.

[10] For example, the Commission is issuing a similar order this day regarding Piedmont Community Healthcare HMO, Inc. (Case No. INS-2018-00214).

[11] Optima also suggests that CMS has changed its deadlines in the past and accepted late-filed plans. *See, e.g.,* Optima's Reply at 4. There simply is no guarantee, however, that CMS would do so in 2018. We find that it was reasonable for the Bureau to establish, and to apply, its filing dates based on the federal deadlines posted by CMS.

[12] *See, e.g.,* Optima's Reply at 5-6, 9.

[13] *See* Bureau's Response at 3-8.

[14] *See* Bureau's Response at 4-5.

[15] The Bureau informed Optima that it could submit lower rates by August 10th if Optima was willing to reduce its profit margin. *See, e.g.,* Bureau's Response at 3. This, however, is not the type of specific, targeted objection to correct the filing as discussed above. Indeed, if it was, then the filing dates again would practically have no meaning.

[16] *See, e.g.,* Optima's Reply at 6-7.

The Commission finds that the Bureau's actions in this matter were not arbitrary and capricious. For example, as discussed herein, the Bureau's actions were not "contrary to established rules of law," were not applied "without a determining principle or without consideration of or regard for the facts and circumstances," and were not "founded on prejudice or preference rather than on reason or fact."[17]

Finally, since the launch of the federal Affordable Care Act eight years ago, the individual health insurance market has experienced various stages of disruption and turmoil, primarily driven by actions or policies at the federal level. Virginia's individual market has been affected even more than many other states, as evidenced by the disruption last year, when it appeared for several months that consumers in many counties and cities in Virginia would have no option at all for obtaining insurance in the individual market. In the face of this market turmoil, the Bureau has responded in good faith and with due diligence to carry out its goal of seeking to ensure that Virginians in all localities can obtain coverage in the individual health insurance market. The Bureau's actions in 2018 have been reasonable and rational responses to individual market conditions it did not create, but which it must consider in carrying out its statutory duties.

Accordingly, IT IS SO ORDERED , and this case is dismissed.

[17] *Nielsen Co. (US) v. Cty. Bd. of Arlington Cty.*, 289 Va. 79, 97 (2015) (internal quotations and modifications omitted).

CASE NO. INS-2018-00213
OCTOBER 2, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
LIBERTY MUTUAL FIRE INSURANCE COMPANY, LIBERTY MUTUAL INSURANCE COMPANY, THE FIRST LIBERTY INSURANCE CORPORATION, LM INSURANCE CORPORATION, LIBERTY INSURANCE CORPORATION, and LM GENERAL INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct examination conducted by the Bureau of Insurance ("Bureau"), it is alleged that Liberty Mutual Fire Insurance Company, Liberty Mutual Insurance Company, The First Liberty Insurance Corporation, LM Insurance Corporation, Liberty Insurance Corporation, and LM General Insurance Company ("Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-305 A of the Code of Virginia ("Code") by failing to provide the information required by the statute in the insurance policy; § 38.2-317 A of the Code by issuing insurance policies or endorsements without having filed such policies or endorsements with the Commission at least thirty days prior to their effective date; §§ 38.2-604 A, 38.2-604 B, 38.2-610 A, 38.2-2118, 38.2-2120, 38.2-2124, 38.2-2126 A, and 38.2-2234 A of the Code by failing to accurately provide the required notices to insureds; § 38.2-1318 of the Code by failing to provide convenient access to books, records, and files; § 38.2-1809 B of the Code by failing to retain records relative to insurance transactions for three previous calendar years; § 38.2-1833 of the Code by paying commissions to agencies/agents that are not appointed by the Defendants; § 38.2-1906 A of the Code by failing to file all rates and supplementary rate information; § 38.2-1906 D of the Code by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings in effect for the Defendants; §§ 38.2-2113 C, 38.2-2114 A, and 38.2-2212 F of the Code by failing to properly terminate insurance policies; § 38.2-2126 E of the Code by failing to rate the policy with proper credit information; § 38.2-2220 of the Code by failing to use forms in the precise language of the standard forms previously filed and adopted by the Commission; and § 38.2-510 A (1) of the Code, as well as 14 VAC 5-400-30, 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 of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq*., by failing to properly handle claims with such frequency as to indicate a general business practice.

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

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in company correspondence dated January 16, 2018, April 27, 2018, June 8, 2018, and July 13, 2018; have confirmed that restitution was made to 62 consumers in the amount of Thirty-seven Thousand Fifty-three Dollars and Nineteen Cents ($37,053.19); have tendered to Virginia the sum of Seventy-one Thousand One Hundred Dollars ($71,100); and have waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00214
SEPTEMBER 13, 2018

PETITION OF
PIEDMONT COMMUNITY HEALTHCARE HMO, INC.
v.
BUREAU OF INSURANCE

For a declaratory judgment, order permitting rate revision, and expedited action

ORDER DENYING PETITION

On August 30, 2018, Piedmont Community Healthcare HMO, Inc. ("Piedmont"), a licensed health insurer in Virginia, filed with the State Corporation Commission ("Commission") a Petition against the Commission's Bureau of Insurance ("Bureau") pursuant to 5 VAC 5-20-100 (B) and (C) of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*. The Petition requests a declaratory judgment, an order permitting a rate revision, and expedited action.

On August 31, 2018, the Commission issued a Scheduling Order. On September 5, 2018, the Bureau filed a Response to the Petition ("Bureau's Response"). On September 10, 2018, Piedmont filed a Reply to the Bureau's Response ("Piedmont's Reply").

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Petition is denied. The Commission finds that the Bureau's rate filing process in this matter was both established and applied in a reasonable manner and with a rational basis.[1]

This case involves filings regarding premium rates for individual and small group health insurance plans. The United States government, through the Centers for Medicare and Medicaid Services ("CMS"), certifies Qualified Health Plans ("QHPs") for participation in "Federally-Facilitated Marketplaces." As part of its process, CMS establishes a deadline for states, including Virginia, to submit all final changes to QHPs for the upcoming plan year. The Bureau oversees the annual submission, revision, and approval of such filing for carriers in Virginia.[2]

In 2017, the Bureau did not initially establish its own filing dates for Virginia carriers in advance of the CMS-established federal submission deadline for the 2018 plan year. Among other things, this enabled carriers to exit service areas in Virginia with no notice to the Bureau, left consumers in these localities at risk of having no options on the federally-facilitated health insurance market, drove up rates in many localities, and provided little time to review and approve filings or revisions of other carriers before the federal deadline.[3]

In 2018, based in part on its previous experience, the Bureau established its own filing dates for the 2019 plan year in an effort "to ensure the orderly submission and review of health insurance rate filings in advance of" the CMS-established federal submission deadline.[4] The applicable state and federal dates at issue in the current matter include the following:[5]

May 4, 2018	Carriers submit initial 2019 rate filings to the Bureau.
July 19, 2018	Carriers submit any proposed service area reductions to the Bureau.
Aug. 10, 2018	Carriers submit any revisions to their rate filings reflecting service area expansions or rate changes to the Bureau.
Aug. 22, 2018	CMS-established deadline for all states, including Virginia, to submit all final changes to carriers' QHP applications.

The Bureau's dates also "were established to ensure that the Bureau had sufficient time to review and approve the submitted rates, as well as to provide carriers an equal opportunity to prepare and submit their best and most competitive bids."[6] As a result, all carriers – including Piedmont – could file service area expansions and rate changes as late as August 10, 2018. Thus, all carriers – again, including Piedmont – were aware that there was no guarantee that rate filings would be accepted after August 10, 2018. Indeed, if the Bureau *guaranteed* that it would accept late-filed changes, the August 10th date would have been practically meaningless.

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[1] The Commission has considered all of the pleadings submitted in this matter. For purposes herein, the Commission has also accepted the alleged facts (though not necessarily the ultimate conclusions) contained in Piedmont's pleadings, as well as the uncontested facts in the Bureau's Response.

[2] *See, e.g.,* Bureau's Response at 2.

[3] *See, e.g., id.* at 3.

[4] *Id.* at 1.

[5] *See, e.g., id.* at 2-4.

[6] *Id.* at 11.

Piedmont submitted its initial rate filing on May 4, 2018, and a revised filing on July 13, 2018.[7] HealthKeepers, Inc. ("HealthKeepers") submitted a revised filing on August 10th that included a service area expansion and a new set of competitive rates, certain of which were lower than, or at least significantly competed with, those presented by Piedmont. On August 17, 2018, Piedmont submitted an additional revised filing that (1) addressed an error previously identified by the Bureau, and (2) included revised rates in response to HealthKeepers' August 10th filing.[8] On August 20, 2018, the Bureau informed Piedmont that its filing of revised rates in response to HealthKeepers' August 10th filing was untimely and would not be accepted.[9]

We find that, not only were the Bureau's filing dates reasonable and rational for their purpose, the Bureau's implementation of those dates was likewise reasonable and rational. In short, the Bureau has reasonably exercised its discretion to reject late filings, unless such filing was made at the Bureau's request to address specific, targeted objections raised by the Bureau to address any errors and to ensure that rate filings complied with state and federal law.[10] The Bureau has not permitted any carrier to make the type of changes sought by Piedmont after the August 10, 2018 filing date.[11]

The decision not to submit its most competitive rates by the August 10th filing date was Piedmont's, and Piedmont's alone. Piedmont knew, as did all carriers, that service area expansions and rate changes would be accepted by August 10th. Piedmont, however, chose not to file for lower or more competitive rates by that date. Only after seeing a more competitive (and timely submitted) rate filing did Piedmont attempt to submit lower or more competitive rates *after* the filing date. The Bureau was neither unreasonable nor arbitrary in rejecting such filing. Moreover, by consistently applying the filing dates in the manner it has herein, the Bureau further avoided prejudicing other carriers that complied with such dates.[12]

In addition, Piedmont's late-filed rate changes also do not fall into the category of other late-filed changes accepted by the Bureau. The Bureau has accepted late-filed changes that were made in response to specific, targeted objections raised by the Bureau to address any errors and to ensure that a carrier's rate filings were compliant with applicable laws and regulations.[13] For example, the Bureau submitted an objection to Piedmont regarding inaccurate utilization of two different profit margin loads.[14] Consistent with its treatment of all carriers, the Bureau accepted Piedmont's corrections – filed after August 10th – in response to the Bureau's objection.[15] Likewise, the Bureau has not accepted late-filed changes, from any carrier, to achieve what Piedmont now seeks.

Piedmont objects to the Bureau's process because it permitted both rate changes and service area expansions by the August 10th deadline.[16] In this regard, we first note that the Bureau's process is not prohibited by federal or state law. Next, *all* carriers were informed of this process, *all* carriers had a chance to file their most competitive rates by this date (as opposed to waiting until after August 10th to view the actions of potential competitors), and the Bureau has applied this process consistently among all carriers. Furthermore, having found that the instant filing process was established and applied with a reasonable basis and in a rational manner, the instant order does not preclude changes to the filing process for subsequent plan years. As noted above, the filing process employed by the Bureau in 2018 is different from 2017 based on the Bureau's prior experience in attempting to comply with the concomitant federal filing requirements. Likewise, based on that continuing experience, the Bureau retains the discretion to modify its rate filing process for 2019 in a manner that is likewise reasonable and rational.

The Commission finds that the Bureau's actions in this matter were not arbitrary and capricious. For example, as discussed herein, the Bureau's actions were not "contrary to established rules of law," were not applied "without a determining principle or without consideration of or regard for the facts and circumstances," and were not "founded on prejudice or preference rather than on reason or fact."[17]

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[7] *See* Bureau's Response at 3-4; Piedmont's Petition at ¶ 7.

[8] *See* Bureau's Response at 5; Piedmont's Petition at ¶ 15.

[9] *See* Bureau's Response at 5; Piedmont's Petition at ¶ 16.

[10] *See* Bureau's Response at 4-5, 8.

[11] For example, the Commission is issuing a similar order this day regarding Optima Health Plan (Case No. INS-2018-00211).

[12] Piedmont also suggests that CMS has changed its deadlines in the past and accepted late-filed plans. *See, e.g.,* Piedmont's Petition at ¶ 19. There simply is no guarantee, however, that CMS would do so in 2018. We find that it was reasonable for the Bureau to establish, and to apply, its filing dates based on the federal deadlines posted by CMS.

[13] *See* Bureau's Response at 4-5, 8.

[14] *See id.* at 5.

[15] *See, e.g.,* Bureau's Response at 5-6; Piedmont's Petition at ¶ 17.

[16] *See, e.g.,* Piedmont's Petition at ¶¶ 20, 27.

[17] *Nielsen Co. (US) v. Cty. Bd. of Arlington Cty.*, 289 Va. 79, 97 (2015) (internal quotations and modifications omitted). Further, in response to Piedmont's assertion, the Commission confirms that it does not consider "that the rate setting process is akin to open bidding in a livestock auction." Piedmont's Reply at 4.

Finally, since the launch of the federal Affordable Care Act eight years ago, the individual health insurance market has experienced various stages of disruption and turmoil, primarily driven by actions or policies at the federal level. Virginia's individual market has been affected even more than many other states, as evidenced by the disruption last year, when it appeared for several months that consumers in many counties and cities in Virginia would have no option at all for obtaining insurance in the individual market. In the face of this market turmoil, the Bureau has responded in good faith and with due diligence to carry out its goal of seeking to ensure that Virginians in all localities can obtain coverage in the individual health insurance market. The Bureau's actions in 2018 have been reasonable and rational responses to individual market conditions it did not create, but which it must consider in carrying out its statutory duties.

Accordingly, IT IS SO ORDERED, and this case is dismissed.

CASE NO. INS-2018-00215
SEPTEMBER 14, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
MGA INSURANCE COMPANY, INC.,
Defendant

SETTLEMENT ORDER

Based on a market conduct inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that MGA Insurance Company, Inc. ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated 14 VAC 5-400-70 D of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq*., by failing to properly issue first party payments under the insured's Uninsured Motorist Property Damage Coverage.

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

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated August 10, 2018, confirmed that restitution was made to 102 consumers in the amount of Twenty-two Thousand Three Hundred Thirty-five Dollars and Thirty-two Cents ($22,335.32), and waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00216
SEPTEMBER 26, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
THE FIRST LIBERTY INSURANCE CORPORATION, LIBERTY INSURANCE CORPORATION,
LIBERTY MUTUAL FIRE INSURANCE COMPANY, LIBERTY MUTUAL INSURANCE COMPANY, LM GENERAL INSURANCE COMPANY, and LM INSURANCE CORPORATION,
Defendants

SETTLEMENT ORDER

Based on a market conduct inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that The First Liberty Insurance Corporation, Liberty Insurance Corporation, Liberty Mutual Fire Insurance Company, Liberty Mutual Insurance Company, LM General Insurance Company, and LM Insurance Corporation ("Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated 14 VAC 5-400-70 D of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq*., by failing to properly issue first party payments under the insured's Uninsured Motorist Property Damage Coverage.

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

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in company correspondence dated July 25, 2017, August 28, 2018, and August 29, 2018, confirmed that restitution was made to 3,584 consumers in the amount of Ninety-four Thousand Fifty-six Dollars and Fifteen Cents ($94,056.15), and waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00218
NOVEMBER 1, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ELEPHANT INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct examination conducted by the Bureau of Insurance ("Bureau"), it is alleged that Elephant Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-502 (1) of the Code of Virginia ("Code") by misrepresenting the benefits, advantages, conditions or terms of an insurance policy; §§ 38.2-604 B, 38.2-610 A, 38.2-2202 A, 38.2-2210 A, and 38.2-2234 A (1) of the Code by failing to accurately provide the required notices to insureds; § 38.2-604 C of the Code by failing to have available for use the short form Notice of Information Collection and Disclosure Practices; § 38.2-1812 E of the Code by paying commissions to a trade name that was not registered with the Bureau; § 38.2-1906 A of the Code by failing to file with the Commission all rate and supplemental rate information; § 38.2-1906 D of the Code by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings in effect for the Defendant; §§ 38.2-2208 A, 38.2-2208 B, 38.2-2212 D and 38.2-2212 E of the Code by failing to properly terminate insurance policies; § 38.2-2214 of the Code by using a rate classification statement other than the one filed and approved by the Commission; and § 38.2 510 A (6) of the Code, as well as 14 VAC 5-400-70 D of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq*., by failing to properly handle claims with such frequency as to indicate a general business practice.

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

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated March 22, 2018, August 1, 2018, and September 19, 2018, confirmed that restitution was made to 52 consumers in the amount of Fifteen Thousand Eight Hundred Seventeen Dollars and Twenty Cents ($15,817.20), has tendered to Virginia the sum of Sixty-three Thousand Two Hundred Dollars ($63,200), and waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00222
DECEMBER 11, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ALLAN ROBERT KLECKNER,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Allan Robert Kleckner ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated August 1, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00224
DECEMBER 11, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JENNEFFER MICHELLE LUKE,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Jenneffer Michelle Luke ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated August 1, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00225
DECEMBER 11, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
SERGIO ARCHULETA,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Sergio Archuleta ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated August 17, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction.

Accordingly, IT IS ORDERED T HAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00226
OCTOBER 4, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ELECTRIC INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Electric Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-1906 D of the Code of Virginia ("Code") by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings in effect for the Defendant.

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

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated July 16, 2018 and August 1, 2018, confirmed that restitution was made to four consumers in the amount of One Thousand Two Hundred Six Dollars and Ninety-seven Cents ($1,206.97), and waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00227
OCTOBER 5, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
PROGRESSIVE NORTHERN INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Progressive Northern Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-1906 D of the Code of Virginia ("Code") by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings in effect for the Defendant.

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

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated April 24, 2017, confirmed that restitution was made to 5,116 consumers in the amount of $1,818,318.22, and waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00229
OCTOBER 17, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
MONTGOMERY MUTUAL INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Montgomery Mutual Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-1906 A of the Code of Virginia ("Code") by failing to file with the Commission certain rate and supplementary rate information on or before the date it became effective.

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

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated March 27, 2018 and August 10, 2018, and waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00230
NOVEMBER 1, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
LITITZ MUTUAL INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that Lititz Mutual Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-317 of the Code of Virginia ("Code") by failing to use insurance policies or endorsements as of the effective date that such policies or endorsements were filed with the Commission.

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

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated April 23, 2018, has tendered to Virginia the sum of Two Thousand Five Hundred Dollars ($2,500), and waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00231
OCTOBER 16, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

Ex parte: In the matter of the assessment upon certain companies and surplus lines brokers to pay the expense of the Bureau of Insurance for the calendar year 2019

ASSESSMENT ORDER

Pursuant to §§ 38.2-400 and 38.2-403 of the Code of Virginia ("Code"),

IT IS ORDERED that there be, and there is hereby, ASSESSED for the calendar year 2019 upon each company and surplus lines broker subject to Title 38.2 of the Code, except premium finance companies licensed pursuant to Chapter 47 of Title 38.2 of the Code and providers of continuing care registered pursuant to Chapter 49 of Title 38.2 of the Code, as its just share of the expense of maintaining the Bureau of Insurance, the greater of (i) $300; or (ii) in proportion to its direct gross premium income on business done in the Commonwealth of Virginia during the calendar year of 2018, a sum equal to .00025 of such direct gross premium income.

CASE NO. INS-2018-00232
DECEMBER 11, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JOI PITTS,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Joi Pitts ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated September 17, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00233
NOVEMBER 1, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
MARKEL AMERICAN INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that Markel American Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-317 of the Code of Virginia ("Code") by failing to use insurance policies or endorsements as of the effective date that such policies or endorsements were filed with the Commission and § 38.2-1906 D of the Code by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings in effect for the Defendant.

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

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated April 18, 2018, has tendered to Virginia the sum of Two Thousand Five Hundred Dollars ($2,500), and waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00236
NOVEMBER 1, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
UNITED SERVICES AUTOMOBILE ASSOCIATION, USAA CASUALTY INSURANCE COMPANY,
USAA GENERAL INDEMNITY COMPANY, and GARRISON PROPERTY AND CASUALTY INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that United Services Automobile Association, USAA Casualty Insurance Company, USAA General Indemnity Insurance Company, and Garrison Property and Casualty Insurance Company (collectively, "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-2201 of the Code of Virginia ("Code") by failing to pay medical expense benefit payments in accordance with the provisions of the statute.

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

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan as stipulated in Case Number INS-2017-00190,[1] confirmed that restitution[2] was made to 1,989 consumers in the amount of $4,396,720.15, and waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

[1] *Commonwealth of Virginia, ex rel. State Corporation Commission v. United Services Automobile Association, USAA Casualty Insurance Company, USAA General Indemnity Company, and Garrison Property & Casualty Insurance Company*, Case No. INS-2017-00190, 2017 S.C.C. Ann. Rept. 254, Settlement Order (Oct. 27, 2017).

[2] The restitution identified in this case is a result of alleged violations in INS-2017-00190.

CASE NO. INS-2018-00237
NOVEMBER 1, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
STATE FARM FIRE AND CASUALTY COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that State Farm Fire and Casualty Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-1906 A of the Code of Virginia ("Code") by failing to file with the Commission certain rate and supplementary rate information on or before the date it became effective.

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

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated July 2, 2018 and August 3, 2018, and waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00238
DECEMBER 7, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ROCKINGHAM CASUALTY COMPANY and ROCKINGHAM INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct examination conducted by the Bureau of Insurance ("Bureau"), it is alleged that Rockingham Casualty Company and Rockingham Insurance Company (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-228 of the Code of Virginia ("Code") by failing to file proof of financial responsibility with DMV when requested by the insured; § 38.2-305 A of the Code by failing to provide the information required by statute in the insurance policy; §§ 38.2-305 B, 38.2-604 B, 38.2-604.1, 38.2-610 A, 38.2-2120, 38.2-2124, 38.2-2125, 38.2-2126 A, 38.2-2202 A, 38.2-2202 B, 38.2-2234 A of the Code by failing to accurately provide the required notices to insureds; § 38.2-317 A of the Code by issuing insurance policies or endorsements without having filed such policies or endorsements with the Commission at least thirty days prior to their effective date; § 38.2-502 (1) of the Code by misrepresenting the benefits, advantages, conditions or terms of an insurance policy; § 38.2-1822 A of the Code by permitting an unlicensed agent to act on the company's behalf; § 38.2-1833 of the Code for paying commissions to agencies/agents that are not appointed by the Defendants; § 38.2-1906 D of the Code by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings in effect for the Defendants; §§ 38.2-2113 A, 38.2-2113 C, 38.2-2114 A, 38.2-2114 C, 38.2-2208 A, 38.2-2208 B, 38.2-2212 D, 38.2-2212 E of the Code by failing to properly terminate insurance policies; § 38.2-2206 A of the Code by failing to obtain documentation to support a rejection of higher Uninsured Motorist (UM) limits; § 38.2-2223 by failing to use forms in the precise language of the broadened form previously filed and approved by the Commission; as well as 14 VAC 5-400-30 and 14 VAC 5-400-70 D of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq*. by failing to properly handle claims with such frequency as to indicate a general business practice.

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

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in company correspondence dated September 7, 2018 and October 25, 2018, confirmed that restitution was made to 32 consumers in the amount of Fourteen Thousand Two Hundred Eighty-nine Dollars and Thirty-seven Cents ($14,289.37), have tendered to Virginia the sum of Forty Six Thousand Eight Hundred Dollars ($46,800), and waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00239
DECEMBER 7, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
CSAA AFFINITY INSURANCE COMPANY, CSAA GENERAL NSURANCE COMPANY, and
CSAA MID-ATLANTIC INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct examination conducted by the Bureau of Insurance ("Bureau"), it is alleged that CSAA Affinity Insurance Company, CSAA General Insurance Company and CSAA Mid-Atlantic Insurance Company (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-317 A of the Code of Virginia ("Code") by issuing insurance policies or endorsements without having filed such policies or endorsements with the Commission at least thirty days prior to their effective date; § 38.2-502 (1) of the Code by misrepresenting the benefits, advantages, conditions or terms of an insurance policy; §§ 38.2-517 A, 38.2-604 B, 38.2-604.1, 38.2-610 A, 38.2-1905 A, 38.2-2125, 38.2-2129, 38.2-2202 A, and 38.2-2202 B of the Code by failing to accurately provide the required notices to insureds; § 38.2-1906 D of the Code by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings in effect for the Defendants; §§ 38.2-2113 A, 38.2-2113 C, 38.2-2114 E, 38.2-2208 A, 38.2-2208 B, 38.2-2212 E, and 38.2-2212 F of the Code by failing to properly terminate insurance policies; and §§ 38.2-510 A (1) and 38.2-510 A (6) of the Code, as well as 14 VAC 5-400-30, 14 VAC 5-400-40 A and 14 VAC 5-400-70 D of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq*. by failing to properly handle claims with such frequency as to indicate a general business practice.

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

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in company correspondence dated September 10, 2018 and October 26, 2018, confirmed that restitution was made to 31 consumers in the amount of Twenty Nine Thousand Six Hundred Sixty-one Dollars and Fifty Cents ($29,661.50), have tendered to Virginia the sum of Forty Thousand Five Hundred Dollars ($40,500), and waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00241
DECEMBER 17, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
KESIA LLOYD,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Kesia Lloyd ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

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

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated October 4, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00246
DECEMBER 17, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
STORMY GARRISON,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Stormy Garrison ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1831 (1) of the Code of Virginia ("Code") by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violation.

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated October 25, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00247
DECEMBER 20, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
AMERICAN CASUALTY COMPANY OF READING PENNSYLVANIA, CONTINENTAL CASUALTY COMPANY, THE CONTINENTAL INSURANCE COMPANY, NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, TRANSPORTATION INSURANCE COMPANY, and VALLEY FORGE INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that American Casualty Company of Reading Pennsylvania, Continental Casualty Company, The Continental Insurance Company, National Fire Insurance Company of Hartford, Transportation Insurance Company, and Valley Forge Insurance Company (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-1906 D of the Code of Virginia ("Code") by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings in effect for the Defendants.

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

The Defendants have been advised of the right to a hearing in this matter whereupon the Defendants, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in company correspondence dated October 6, 2017 and October 26, 2018, confirmed that restitution was made to 1,123 consumers in the amount of $1,983,409.54, and waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00250
DECEMBER 17, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
DOMINIC F. ALESSI,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Dominic F. Alessi ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

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

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated November 8, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00251
DECEMBER 12, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
DEVON ROSS,
Defendant

ORDER REVOKING LICENSE

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Devon Ross ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1826 (C) of the Code of Virginia ("Code") by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

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

The Defendant has been notified of the right to a hearing before the Commission in this matter by certified letter dated November 7, 2018, and mailed to the Defendant's address shown in the records of the Bureau.

The Defendant, having been advised in the above manner of the right to a hearing in this matter, has failed to request a hearing and has not otherwise communicated with the Bureau.

The Bureau, upon the Defendant's failure to request a hearing, has recommended that the Commission enter an order revoking the Defendant's license to transact the business of insurance in Virginia as an insurance agent.

NOW THE COMMISSION is of the opinion and finds that the Defendant has violated § 38.2-1826 (C) of the Code by failing to report to the Commission within 30 calendar days of the final disposition of the matter any administrative action taken against the Defendant in another jurisdiction and § 38.2-1831 (1) of the Code by providing materially incorrect, misleading, incomplete or untrue information in the license application filed with the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The license of the Defendant to transact the business of insurance as an insurance agent in Virginia is hereby REVOKED.

(2) All appointments issued under said license are hereby VOID.

(3) The Defendant shall transact no further business in Virginia as an insurance agent.

(4) The Defendant shall not apply to the Commission to be licensed as an insurance agent in Virginia prior to sixty (60) days from the date of this Order.

(5) The Bureau shall notify every insurance company for which the Defendant holds an appointment to act as an insurance agent in Virginia.

(6) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

CASE NO. INS-2018-00257
DECEMBER 20, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
GRANGE MUTUAL CASUALTY COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Grange Mutual Casualty Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-317 A of the Code of Virginia ("Code") by issuing insurance policies or endorsements without having filed such policies or endorsements with the Commission at least thirty days prior to their effective date.

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

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated October 19, 2018, and waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

DIVISION OF PUBLIC SERVICE TAXATION

MATTER NO. PST-2018-00004
MAY 11, 2018

IN THE MATTER OF

The Assessment of the Special Regulatory Revenue Tax on Railroad Companies for the Tax Year 2018

ASSESSMENT ORDER

Pursuant to Article 6 of Chapter 26 of Title 58.1 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is required to assess a special regulatory revenue tax on each non-exempt railroad company doing business in the Commonwealth of Virginia. On April 17, 2018, the Commission's Division of Public Service Taxation sent each railroad company a notice that its special regulatory revenue tax payment for Tax Year 2018 would be due June 1, 2018.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the gross transportation receipts of each such railroad company from business done within the Commonwealth of Virginia for the year ending December 31, 2017, is determined to be the amount as recorded in the Commission's Division of Public Service Taxation, and the special regulatory revenue tax of eighteen hundredths of one percent of said gross transportation receipts on said company for the Tax Year 2018 should be assessed.

Accordingly, IT IS ORDERED THAT:

1. The special regulatory revenue tax on each non-exempt railroad company shall be assessed as prescribed by Code §§ 58.1-2660 through 58.1-2662 and § 58.1-2664.

2. The special regulatory revenue tax on each non-exempt railroad company shall be paid by June 1, 2018, in accordance with Code § 58.1-2663.

3. The certified assessments shall be located in the Commission's Division of Public Service Taxation.

MATTER NO. PST-2018-00005
MAY 11, 2018

IN THE MATTER OF

The Assessment of the Rolling Stock Tax on Motor Vehicle Carriers for the Tax Year 2018

ASSESSMENT ORDER

Pursuant to § 58.1-2655 B of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is required to assess the average value of the rolling stock used by each certificated motor vehicle carrier in the Commonwealth of Virginia in accordance with Article 5 of Chapter 26 of Title 58.1 of the Code. The Commission's Division of Public Service Taxation has prepared an assessment of the rolling stock of the certified motor vehicle carriers in the Commonwealth of Virginia.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the assessments should be made and that the rolling stock tax assessed for each certificated motor vehicle carrier is due and payable by June 1, 2018.

Accordingly, IT IS ORDERED THAT:

1. The taxes imposed by law on such rolling stock shall be assessed as prescribed by Code § 58.1-2652.

2. The rolling stock tax assessed on each certificated motor vehicle carrier shall be paid by June 1, 2018, in accordance with Code § 58.1-2652 B.

3. The rolling stock taxes collected shall be apportioned to the various cities, counties, and incorporated towns of the Commonwealth of Virginia as prescribed by Code § 58.1-2658.

4. The certified assessments shall be located in the Commission's Division of Public Service Taxation.

MATTER NO. PST-2018-00006
MAY 11, 2018

IN THE MATTER OF

The Assessment of the Special Regulatory Revenue Tax on Motor Vehicle Carriers and the Virginia Pilots' Association for the Tax Year 2018

ASSESSMENT ORDER

Pursuant to Article 6 of Chapter 26 of Title 58.1 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is required to assess a special regulatory revenue tax on common carriers of passengers by motor vehicle carrier in the Commonwealth of Virginia and the Virginia Pilots' Association. On January 5, 2018, the Commission's Division of Public Service Taxation sent each certificated motor vehicle carrier and the Virginia Pilots' Association a notice that its special regulatory revenue tax payment for the Tax Year 2018 would be due June 1, 2018.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the gross receipts of each such motor vehicle carrier and the Virginia Pilots' Association from business done within the Commonwealth of Virginia for the year ending December 31, 2017, is determined to be the amounts as recorded in the Commission's Division of Public Service Taxation, and the special regulatory revenue tax of sixteen hundredths of one percent of the gross receipts on said common carriers and the Virginia Pilots' Association for the Tax Year 2018 should be assessed.

Accordingly, IT IS ORDERED THAT:

1. The special regulatory revenue tax imposed by law on the gross receipts of each certificated motor vehicle carrier and the Virginia Pilots' Association shall be assessed as prescribed by Code §§ 58.1-2660, 58.1-2663, and 58.1-2664.

2. The special regulatory revenue tax on each certificated motor vehicle carrier and the Virginia Pilots' Association shall be paid by June 1, 2018, in accordance with Code § 58.1-2663.

3. The certified assessments shall be located in the Commission's Division of Public Service Taxation.

MATTER NO. PST-2018-00007
MAY 11, 2018

IN THE MATTER OF

The Assessment of the Special Regulatory Revenue Tax on Telecommunications Companies for the Tax Year 2018

ASSESSMENT ORDER

Pursuant to Article 6 of Chapter 26 of Title 58.1 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is required to assess a special regulatory revenue tax on telephone companies covered by § 58.1-2660 A 3 of the Code. On January 5, 2018, the Commission's Division of Public Service Taxation sent each such telephone company a notice that its special regulatory revenue tax payment for Tax Year 2018 would be due June 1, 2018.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the gross receipts of said telephone companies from business done within the Commonwealth of Virginia for the year ending December 31, 2017, is determined to be the amounts as recorded in the Commission's Division of Public Service Taxation, and a special regulatory revenue tax of sixteen hundredths of one percent of the gross receipts on said companies for the Tax Year 2018 should be assessed.

Accordingly, IT IS ORDERED THAT:

1. The special regulatory revenue tax imposed by law on the gross receipts of each applicable telephone company shall be assessed as prescribed by Code §§ 58.1-2660, 58.1-2662.1, and 58.1-2664.

2. The special regulatory revenue tax on each telephone company shall be paid by June 1, 2018, in accordance with Code § 58.1-2663.

3. The certified assessments shall be located in the Commission's Division of Public Service Taxation.

MATTER NO. PST-2018-00008
MAY 11, 2018

IN THE MATTER OF

The Assessment of the Special Regulatory Revenue Tax and the State License Tax on Water Corporations for the Tax Year 2018

ASSESSMENT ORDER

Pursuant to Article 6 of Chapter 26 of Title 58.1 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is required to assess a special regulatory revenue tax on each corporation engaged in the business of furnishing water in the Commonwealth of Virginia. On January 5, 2018, the Commission's Division of Public Service Taxation sent water corporations in the Commonwealth of Virginia a notice that its special regulatory revenue tax payment for Tax Year 2018 would be due June 1, 2018.

Pursuant to Article 2 of Chapter 26 of Title 58.1 of the Code, the Commission is required to assess a state license tax on each corporation engaged in the business of furnishing water in the Commonwealth of Virginia.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that the gross receipts of said water corporations from business done within the Commonwealth of Virginia for the year ending December 31, 2017, is determined to be the amounts as recorded in the Commission's Division of Public Service Taxation; that a special regulatory revenue tax of sixteen hundredths of one percent of the gross receipts on such water corporations for the Tax Year 2018 should be assessed; and that the state license tax of two percent of the gross receipts on such water corporations for the Tax Year 2018 should be assessed.

Accordingly, IT IS ORDERED THAT:

1. The special regulatory revenue tax imposed by law on the gross receipts of each water corporation shall be assessed as prescribed by Code § 58.1-2660 and § 58.1-2664.

2. The special regulatory revenue tax on each water corporation shall be paid by June 1, 2018, in accordance with Code § 58.1-2663.

3. The state license tax imposed by law on the gross receipts of each water corporation shall be assessed as prescribed by Code § 58.1-2626.

4. The state license tax on each water corporation shall be paid by June 1, 2018, in accordance with Code § 58.1-2635.

5. The certified assessments shall be located in the Commission's Division of Public Service Taxation.

MATTER NO. PST-2018-00009
MAY 11, 2018

IN THE MATTER OF

The Assessment of the Gross Receipts Subject to the Minimum Tax on Telecommunications Companies and Certain Electric Suppliers for the Tax Year 2018

ASSESSMENT ORDER

Pursuant to Article 10 of Chapter 3 of Title 58.1 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is required to certify to the Virginia Department of Taxation for each tax year the name, address, and gross receipts for each telecommunications company that is either organized under Virginia law or a foreign corporation having income from Virginia sources. The Commission is also required to calculate and certify to the Virginia Department of Taxation for each tax year the name, address, and minimum tax for certain electric suppliers.

The Commission's Division of Public Service Taxation has gathered the information necessary for the Commission to comply with these statutory directives.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the gross receipts of each said company from business done within the Commonwealth of Virginia for the year ending December 31, 2017, is determined to be as recorded in the Commission's Division of Public Service Taxation; that the gross receipts subject to the minimum tax on said telecommunications companies for the Tax Year 2018 should be certified to the Virginia Department of Taxation as calculated by the Commission's Division of Public Service Taxation; and that the gross receipts and the minimum tax thereon for said electric suppliers for the Tax Year 2018 should be certified to the Virginia Department of Taxation as calculated by the Commission's Division of Public Service Taxation.

Accordingly, IT IS ORDERED THAT:

1. Pursuant to Code § 58.1-400.1, the name, address, and gross receipts for each telecommunications company, as covered herein, shall be certified to the Virginia Department of Taxation.

2. Pursuant to Code § 58.1-400.3, the name, address, and minimum tax as calculated from the gross receipts of each electric supplier, as covered herein, shall be certified to the Virginia Department of Taxation.

3. The certified information shall be located in the Commission's Division of Public Service Taxation.

MATTER NO. PST-2018-00013
SEPTEMBER 11, 2018

IN THE MATTER OF

The assessment of Water, Heat, Light, and Power Corporations; Electric Suppliers; Pipeline Distribution Companies; and Telecommunications Companies for the 2018 Tax Year

ASSESSMENT ORDER

Pursuant to Chapter 26 of Title 58.1 of the Code of Virginia ("Code"),[1] the State Corporation Commission ("Commission") is required to assess the value of reported property subject to local taxation of each telephone, water, heat, light, and power company, pipeline distribution company, and electric supplier doing business in the Commonwealth of Virginia. Pursuant to Code §§ 58.1-2627.1 and 58.1-2628, every telephone company, every corporation furnishing water, heat, light, and power, whether by electricity, gas, or steam, every pipeline distribution company, and every electric supplier, unless otherwise exempted by statute, is required to report to the Commission all of its real and tangible personal property of every description in the Commonwealth of Virginia by April 15 of each year.

Pursuant to Code § 58.1-2634, a certified copy of the assessment made pursuant to Code § 58.1-2633 shall be forwarded by the Clerk of the Commission to the comptroller, to the president or other proper officer of each company, to the governing body of each county, city, and town wherein any property belonging to such company is situated, and to each commissioner of the revenue. The Commission's Division of Public Service Taxation has gathered the information necessary for the Commission to comply with these statutory directives.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that in accordance with the applicable statutes, it should, and hereby does, ascertain and assess, as of the beginning of the first day of January 2018, the value of the real estate and all other tangible personal property of said companies subject to local taxation.

Accordingly, IT IS ORDERED THAT:

(1) A certified copy of the assessments shall be forwarded to the comptroller, to the president or other proper officer of each company, to the governing body of each county, city, and town wherein any property belonging to such company is situated, and to each commissioner of the revenue so that local taxes may be imposed thereon.

(2) The certified assessments shall be located in the Commission's Division of Public Service Taxation.

[1] Va. Code § 58.1-2600 *et seq.*

DIVISION OF PUBLIC UTILITY REGULATION

CASE NO. PUC-2015-00025
JULY 27, 2018

ALTERNATIVE DISPUTE RESOLUTION
PETITION OF
CORETEL VIRGINIA, LLC

For alternative dispute resolution of interconnection agreements with Verizon Virginia LLC and Verizon South Inc.

DISMISSAL ORDER

On April 1, 2015, CoreTel Virginia, LLC ("CoreTel"), submitted a Notice of Intention to File an Alternative Dispute Resolution Petition ("ADRP") with the Virginia State Corporation Commission ("Commission") pursuant to 20 VAC 5-405-20 of the Commission's Rules for Alternative Dispute Resolution, 20 VAC 5-405-10 *et seq.* ("ADR Rules"), regarding CoreTel's interconnection agreements with Verizon Virginia LLC and Verizon South Inc. On May 5, 2015, CoreTel filed its ADRP with the Commission pursuant to 20 VAC 5-405-40 of the ADR Rules, seeking a determination on four issues set out in its filing.

On May 8, 2015, the Initial Decision of Alexander F. Skirpan, Jr., Senior Hearing Examiner ("Initial Decision") was issued. In this Initial Decision, the Hearing Examiner found, based upon the Commission's Dismissal Order in Case No. PUC-2015-00021[1] and a review of the documents filed with CoreTel's ADRP, that this matter contains issues that cannot be reasonably tried or developed on an expedited basis, and therefore, pursuant to 20 VAC 5-405-60 of the ADR Rules, should be dismissed without prejudice. 20 VAC 5-405-110 of the ADR Rules provides that participating carriers may file exceptions to the Hearing Examiner's Initial Decision within seven calendar days of issuance, and that if no exceptions are filed, the Commission may issue an Order on the Hearing Examiner's Initial Decision after 15 calendar days.

Also on May 8, 2015, CoreTel filed a Chapter 11 bankruptcy petition with the United States Bankruptcy Court for the District of Maryland (Baltimore Division).[2] On July 9, 2018, an Order Dismissing Case was entered by the U.S. Bankruptcy Court which dismissed CoreTel's Chapter 11 proceeding and stated that the automatic stay imposed by 11 U.S.C. § 362(a) was terminated.[3]

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that more than 15 calendar days have elapsed since the bankruptcy stay was terminated and that no exceptions have been filed to the Hearing Examiner's Initial Decision pursuant to 20 VAC 5-405-110 of the ADR Rules. Accordingly, we find that the Hearing Examiner's Initial Decision, and the findings and recommendations contained therein, should be adopted, and that this matter should be dismissed without prejudice.

Accordingly, IT IS SO ORDERED.

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[1] *Petition of CoreTel Virginia, LLC, For preliminary injunction*, Case No. PUC-2015-00021, 2015 S.C.C. Ann. Rept. 161, Dismissal Order (May 7, 2015).

[2] *See* notice letter from Chris Van de Verg (as General Counsel to CoreTel Virginia, LLC) to Joel H. Peck, Clerk, State Corporation Commission, May 18, 2015, Case No. PUC-2015-00028, Doc. Con. Cen. No. 150530137 (wherein CoreTel, pursuant to 20 VAC 5-423-70 of the Commission's Rules Governing the Discontinuance of Local Exchange Services Provided by Competitive Local Exchange Carriers, 20 VAC 5-423-10 *et seq*., filed a notice and a copy of its bankruptcy filing).

[3] *In re: CoreTel Virginia, LLC, Debtor*, Case No. 15-16717-RAG, Chapter 11, U.S. Bankruptcy Court for the District of Maryland (Baltimore Division), Doc. No. 253, Order Dismissing Case (July 9, 2018).

CASE NO. PUE-2010-00104
MAY 10, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to establish a credit facility

ORDER GRANTING APPROVAL

On April 19, 2018, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("VEPCO" or the "Company") filed a notice with the State Corporation Commission ("Commission") stating that it has terminated a syndicated revolving credit facility ("Credit Facility")[1] that was approved initially by our Order on September 23, 2010,[2] and seeks to receive final reporting requirements from the Commission ("Notice").

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[1] The Credit Facility was used to support the Company's variable tax-exempt securities.

[2] *Application of Virginia Electric and Power Company, For authority to establish a credit facility,* Case No. PUE-2010-00104, 2010 S.C.C. Ann. Rept. 612, Order Granting Authority (Sep. 23, 2010).

In Case No. PUR-2018-00024, the Commission granted the Company authority to participate in a $6 billion, five-year syndicated revolving credit facility to provide letters of credit and liquidity to commercial paper programs and other short-term type securities.[3] The Company terminated its Credit Facility on March 29, 2018, since it had redeemed the variable tax-exempt securities the Credit Facility primarily served to support.

NOW THE COMMISSION, upon consideration of the Notice and having been advised by its Staff, is of the opinion and finds that the Credit Facility should be terminated; that the reporting requirements in the Commission's Order dated May 16, 2014, in this docket are terminated; and that the Company shall comply with the reporting requirements listed below.

Accordingly, IT IS ORDERED THAT:

(1) VEPCO is authorized to terminate the Credit Facility.

(2) Within 90 days of this Order, the Company shall file a report detailing the use of the Credit Facility that shall include the date, amount, and applicable interest rate of each loan under the Credit Facility.

(3) This case is dismissed.

[3] *Application of Virginia Electric and Power Company, For amended authority to participate in a $6 billion five-year revolving credit facility,* Case No. PUR-2018-00024, Order Granting Approval (Mar. 15, 2018).

CASE NO. PUE-2010-00105
MARCH 19, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to establish a credit facility

ORDER GRANTING APPROVAL

On February 1, 2018, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("VEPCO" or the "Company") filed a notice with the State Corporation Commission ("Commission") stating that it will terminate a letter of credit facility ("LOC Facility") approved initially by our Order of September 23, 2010[1] and seeks to receive final reporting requirements from the Commission.

By separate order dated September 23, 2010,[2] VEPCO was initially authorized to establish and participate in a $3 billion syndicated revolving credit and competitive loan facility ("Core Credit Facility") together with DEI.

In conjunction with this notice, the Company requested authority to participate in a $6 billion 5-year syndicated revolving credit facility ("Proposed Core Credit Facility") to replace the existing LOC Facility and Core Credit Facility. The Proposed Core Credit Facility will be available for borrowings by the Company, DEI, Dominion Energy Gas Holdings, LLC, and Questar Gas Company with sublimits of $1.5 billion, $3.5 billion, $750 million, and $250 million, respectively.[3]

NOW THE COMMISSION, upon consideration of the filing and having been advised by its Staff, is of the opinion and finds that the LOC Facility should be terminated and the reporting requirements in the Commission's Order dated May 16, 2014, in this docket are terminated, and the Company shall comply with the reporting requirements listed below.

Accordingly, IT IS ORDERED THAT:

(1) VEPCO is authorized to terminate the LOC Facility.

(2) Within 90 days of the termination of the LOC Facility, the Company shall file a report detailing the use of the LOC Facility that shall include the date, amount, and applicable interest rate of each loan under the LOC Facility.

(3) This case is dismissed.

[1] *Application of Virginia Electric and Power Company, For authority to establish a credit facility,* Case No. PUE-2010-00105, 2010 S.C.C. Ann. Rept. 613, Order Granting Authority (Sep. 23, 2010).

[2] *Application of Virginia Electric and Power Company, For authority to establish a credit facility,* Case No. PUE-2010-00106, 2010 S.C.C. Ann. Rept. 613, Order Granting Authority (Sep. 23, 2010).

[3] The Commission granted this request on March 15, 2018.

CASE NO. PUE-2011-00014
SEPTEMBER 19, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval to establish an electric vehicle pilot program pursuant to § 56-234 of the Code of Virginia

ORDER APPROVING MODIFICATIONS TO TARIFF AND CLOSING CASE

On July 26, 2018, Virginia Electric and Power Company ("Dominion Energy Virginia" or "Company") filed with the State Corporation Commission ("Commission") a Petition to Conclude its Electric Vehicle Pilot Program ("Petition"). In the Petition, the Company requests Commission approval to modify language in Rate Schedules 1EV and EV ("EV Tariffs") to allow existing customers to remain on the EV rate options after the November 30, 2018 conclusion of the EV Pilot Program if they choose to do so unless their specific circumstances change, such as their discontinued use of an electric vehicle or service at the designated location.[1]

In support of its Petition, the Company asserts that the granting of this request will not unreasonably prejudice or disadvantange any customer or class of customers or the Company and will not jeopardize the continuation of reliable electric service.[2] To facilitate the implementation of the option proposed in the Petition, the Company proposes limited changes to the previously approved language in the EV Tariffs.[3] Dominion Energy Virginia further states that if the Petition is approved, the Company will notify customers of their option to remain on the EV Tariffs after November 30, 2018.[4] The Company attached a sample of the customer notification.[5]

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that the Company's Petition shall be granted, and this case shall be dismissed.

Accordingly, IT IS SO ORDERED.

[1] Petition at 1-2.

[2] *Id.* at 5.

[3] *Id.*

[4] *Id.* at 6.

[5] *Id. See* Appendix A

CASE NO. PUE-2013-00101
MARCH 13, 2018

APPLICATION OF
5LINX ENTERPRISES, INC.

For a license to conduct business as an aggregator for natural gas service

ORDER CANCELLING LICENSE

On September 6, 2013, 5Linx Enterprises, Inc. ("5Linx " or "Company"), filed an application with the State Corporation Commission ("Commission") for a license to conduct business as an aggregator for natural gas in the service territories of Columbia Gas of Virginia, Inc., and Washington Gas Light Company, pursuant to the Commission's Rules Governing Retail Access to Competitive Energy Services. By Commission Order dated November 25, 2013, the Company was granted License No. A-35 to conduct business as an aggregator of natural gas.

By letter dated February 28, 2018, the Company requested that its aggregator license be terminated because 5Linx is no longer in business.

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that License No. A-35 issued to 5Linx should be cancelled, and this case should be dismissed.

Accordingly, IT IS SO ORDERED.

CASE NOS. PUE-2015-00073
FEBRUARY 16, 2018

PETITION OF
JAMES W. GERCKE
v.
VIRGINIA ELECTRIC AND POWER COMPANY
and
STATE CORPORATION COMMISSION

CASE NOS. PUE-2015-00073
PUE-2015-00074
PUE-2015-00080
PUE-2015-00087
(consolidated)

ORDER

On June 17, 2015, James W. Gercke ("Gercke") filed a Petition for Injunctive and Other Relief ("Gercke Petition #1") against Virginia Electric and Power Company ("Dominion Energy" or "Company"). On June 18, 2015, Gercke filed a second Petition for Injunctive and Other Relief ("Gercke Petition #2") against Dominion Energy. On July 21, 2015, Gercke filed a Petition for Revocation of Certificates Issued in PUE-2013-00118 on Constitutional Grounds and Request for Injunctive and Other Relief ("Gercke Petition #3") against Dominion Energy and the State Corporation Commission ("Commission"). On August 13, 2015, Gercke filed a Petition to Void Certificates issued in PUE-2013-00118, *Ab Initio*, and Other Relief ("Gercke Petition #4") against Dominion Energy and the Commission (collectively, "Gercke Petitions").

In Case No. PUE 2015-00049, on May 1, 2015, Baumann Farm, LLC, and Kristopher K. Baumann (collectively, "Baumann") filed a Petition for Injunctive and Other Relief with the Commission ("Baumann Petition") against Dominion Energy.

The Gercke Petitions and the Baumann Petition concerned Dominion Energy's Dooms-Lexington transmission line which consists of: (i) a rebuilt 500 kV transmission line, for which the Commission granted a certificate of public convenience and necessity ("Certificate") in its 500 kV Rebuild Order; and (ii) a 230 kV transmission line underbuilt on the same structures as the 500 kV line, for which the Commission granted a Certificate in its 230 kV Underbuild Order.

On October 30, 2015, the Commission issued its Preliminary Order in which, among other things, the Commission assigned a hearing examiner to conduct further proceedings limited to the following issues: (1) whether Dominion Energy has violated the Commission's Certificate orders, and/or the terms of the Certificates approved in the 500 kV Rebuild Order and the 230 kV Underbuild Order; and (2) whether Dominion Energy has willfully made a misrepresentation of a material fact in obtaining such Certificates in violation of § 56-265.6 of the Code of Virginia ("Code"). The Commission directed that "[t]hese further proceedings shall also address the potential remedies in the event the Commission finds against [Dominion Energy] on either issue." Finally, the Commission directed that the Gercke Petitions and the Baumann Petition be considered in a single proceeding.

On November 9, 2015, Gercke filed an Objection to Dispositive Rulings of the State Corporation Commission and Petition for Reconsideration of the Commission's Preliminary Order. On November 23, 2015, the Commission issued an Order in which it held that its Preliminary Order of October 30, 2015, was not a final order and denied Gercke's Petition for Reconsideration.

On November 19, 2015, Baumann filed a Motion to Sever asking that the Baumann Petition and the Gercke Petitions be considered in separate proceedings.

On November 23, 2015, Gercke filed a Notice of Appeal from the Commission's Preliminary Order of October 30, 2015 ("Gercke Appeal"). On December 9, 2015, the Commission issued an Order Staying Case Nos. PUE-2015-00073, PUE-2015-00074, PUE-2015-00080, and PUE-2015-00087 (consolidated) in which the Commission stayed the Gercke Petitions pending the Gercke Appeal. In addition, the Commission ruled that the Gercke Petitions shall no longer be combined with the Baumann Petition and that the Baumann Petition shall continue as currently scheduled. On March 21, 2016, the Supreme Court of Virginia dismissed the Gercke Appeal, without prejudice to his right to appeal from a final order of the Commission.

On March 31, 2016, the Commission issued its Order Lifting Stay. The Commission limited this proceeding to whether Dominion Energy "has violated the Commission's certificate Orders, and/or the terms of the certificates from Case Nos. PUE-2012-00134 or PUE-2013-00118." The Commission also directed that further proceedings address potential remedies and noted the following:

> While the Preliminary Order also set for hearing the issue of whether [Dominion Energy] "has willfully made a misrepresentation of a material fact in obtaining such certificate[s]," this issue was not raised by Gercke's petitions and therefore is not within the scope of the proceedings hereby recommenced. Rather, this additional issue was raised by a petition filed by [Baumann] . . . .

On August 24, 2016, the hearing for this matter was convened as scheduled. However, at the request of the parties, the proceeding was continued until further ruling to provide the parties with the opportunity to conduct settlement discussions. On October 17, 2016, Gercke and Dominion Energy ("Stipulating Parties") filed an Interim Settlement ("Interim Settlement") in which the Company agreed to conduct a limited pilot of coating Tower No. 154 with one coat of a darkening chemical called Natina®, and coating Tower No. 155 with two coats of Natina® ("Natina® Pilot"). On October 18, 2016, the Stipulating Parties filed a revised copy of the Interim Settlement ("Revised Interim Settlement"). The Stipulating Parties stated that they will observe the color, aging, and any effects on the galvanized steel structures for a period of six months "in order to ensure that the galvanized coating continues to satisfy specification thickness requirements and to confirm that the Natina® treatment achieves the desired visual mitigation." The Stipulating Parties affirmed they will endeavor to reach a comprehensive solution "no later than [seven] months after the Natina® coatings are complete." The Stipulating Parties further committed to entering a full settlement of all issues no later than eight months after the completion of the Natina® coatings. Finally, the Company agreed to apply for the required authority and approval necessary to implement the comprehensive solution no later than nine months after the completion of the Natina® coatings.

The Revised Interim Settlement was approved for implementation in a Hearing Examiner's Ruling dated October 20, 2016. On July 5, 2017, the Stipulating Parties filed a Final Settlement in which they stated that based on observing the color, aging, and effects on the galvanized steel structures for a period of six months, and based on the investigation of an outside consultant, ReliaPOLE Inspection Services Company ("RISC") and Stress Engineering Services, Inc., Corrosion Technology Center ("Stress Engineering"), the Stipulating Parties have agreed:

(1) The Company shall apply one coat of Natina® on Tower Nos. 130-183 ("Natina® Application"), subject to Paragraph (2).

(2) Consistent with the Revised Interim Settlement should the Commission approve the Final Settlement but determine that authority to implement the application of the [Natina®] coating requires that the Company seek approval and authority pursuant to Virginia Code § 56-46.1 and/or § 56-265.2 in a new proceeding to amend its certificates of public convenience and necessity for the Dooms-Lexington 500/230 kV transmission line, the Company agrees to make this filing for the [Natina® Application] no later than nine months after the Natina® coatings were complete – or by August 4, 2017, or within ten (10) business days following approval and a determination by the Commission that a certificate proceeding is necessary (whichever is later). If the Commission determines that no additional authority beyond [the Commission's] their approval of the Final Settlement is required the Company shall proceed forthwith to implement its terms.

(3) In order to achieve the best results with the Natina® product, the Company agrees to use its best efforts to apply any Natina® coatings approved by the Commission in optimal weather conditions, which the Natina® manufacturer specifies as dry and hot days in which the galvanized steel is able to reach a temperature of at least 60 plus degrees.

(4) Gercke agrees to withdraw all claims and allegations raised in Case Nos. PUE 2015-00073, -00074, -00080, and -00087 ("Current Proceedings") within ten (10) business days after completion of the terms of [Paragraph] (2) above. Gercke further agrees that he will not bring or assist in filing any further complaints at the Commission related to the Dooms-Lexington 500/230 kV transmission line. Consistent with the Interim Settlement, should this Final Settlement not be approved by the Commission as agreed, then the Stipulating Parties shall be free to resume the Current Proceedings without prejudice from any representations or arguments recited herein.

(5) The Company accepts its duty to act in good faith and use its best efforts to secure the amendments, certificates, or other approvals sought in the [Natina® Application], but the Stipulating Parties acknowledge that the outcome of this new proceeding cannot be guaranteed by the Company. The Stipulating Parties agree that once the Commission has approved the Final Settlement, and if the Company has been required to undertake additional authority to implement the agreement, the ultimate approval, disapproval, or amendment of the [Natina® Application] in a new proceeding, or the results of any appeal thereof, will not affect the terms and conditions agreed to by the Stipulating Parties in this Final Settlement in the Current Proceedings. The Stipulating Parties further agree that Gercke may participate fully in the new proceeding in support of the [Natina® Application], and to address any other matters which may arise, but Gercke agrees not to bring forward any claims from the Current Proceedings unrelated to the visual mitigation of the existing tower structures.

(6) The Company agrees to file this Final Settlement for Commission approval within two (2) business days of its execution by the Stipulating Parties.

On July 12, 2017, Senior Hearing Examiner Alexander F. Skirpan, Jr. issued his Hearing Examiner's Report, in which he recommended that the Commission issue an order approving the Final Settlement.

On July 20, 2017, Baumann filed a Motion to Intervene ("Baumann Motion") in which he requested that "the Final Agreement be modified to require that the Natina application be applied to all towers on the line as stated in the Interim Agreement, and further moves that the Commission hold its final decision process open for a period of 21 days in order to allow for public comment." On July 31, 2017 and August 2, 2017, respectively, Gercke and Dominion Energy filed responses to the Baumann Motion.

NOW THE COMMISSION, upon consideration of the record in this case, the Hearing Examiner's Report, and the applicable laws and statutes, is of the opinion and finds that the findings and recommendations in the Hearing Examiner's Report should be approved, and the Final Settlement should be accepted. We further find that, based on the specific facts and evidence presented in these consolidated proceedings, that no amendment of the certificates of public convenience and necessity for the Dooms-Lexington 500/230 kV transmission line is necessary.

We will deny Baumann's motion to intervene in these proceedings. Gercke initiated these consolidated proceedings pursuant to Rule 100 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-100. This is not a proceeding under Rule 80, which specifically provides for participation by respondents. Rather, this is a consolidated complaint proceeding initiated by Mr. Gercke against Dominion Energy. Accordingly, the Commission has not provided for notices of participation and for intervention by respondents as part of this proceeding, and we find that the proposed settlement of this case, entered into between the complainant and the defendant, should be approved.

Accordingly, IT IS ORDERED THAT:

(1) The Motion to Intervene filed on July 20, 2017 by Kristopher K. Baumann & Baumann Farm, LLC is denied.

(2) The Final Settlement filed by Gercke and Dominion Energy is approved.

(3) This case is dismissed.

CASE NOS. PUE-2015-00074
FEBRUARY 16, 2018

PETITION OF
JAMES W. GERCKE
v.
VIRGINIA ELECTRIC AND POWER COMPANY
and
STATE CORPORATION COMMISSION

CASE NOS. PUE-2015-00073
PUE-2015-00074
PUE-2015-00080
PUE-2015-00087
(consolidated)

ORDER

On June 17, 2015, James W. Gercke ("Gercke") filed a Petition for Injunctive and Other Relief ("Gercke Petition #1") against Virginia Electric and Power Company ("Dominion Energy" or "Company"). On June 18, 2015, Gercke filed a second Petition for Injunctive and Other Relief ("Gercke Petition #2") against Dominion Energy. On July 21, 2015, Gercke filed a Petition for Revocation of Certificates Issued in PUE-2013-00118 on Constitutional Grounds and Request for Injunctive and Other Relief ("Gercke Petition #3") against Dominion Energy and the State Corporation Commission ("Commission"). On August 13, 2015, Gercke filed a Petition to Void Certificates issued in PUE-2013-00118, *Ab Initio*, and Other Relief ("Gercke Petition #4") against Dominion Energy and the Commission (collectively, "Gercke Petitions").

In Case No. PUE 2015-00049, on May 1, 2015, Baumann Farm, LLC, and Kristopher K. Baumann (collectively, "Baumann") filed a Petition for Injunctive and Other Relief with the Commission ("Baumann Petition") against Dominion Energy.

The Gercke Petitions and the Baumann Petition concerned Dominion Energy's Dooms-Lexington transmission line which consists of: (i) a rebuilt 500 kV transmission line, for which the Commission granted a certificate of public convenience and necessity ("Certificate") in its 500 kV Rebuild Order; and (ii) a 230 kV transmission line underbuilt on the same structures as the 500 kV line, for which the Commission granted a Certificate in its 230 kV Underbuild Order.

On October 30, 2015, the Commission issued its Preliminary Order in which, among other things, the Commission assigned a hearing examiner to conduct further proceedings limited to the following issues: (1) whether Dominion Energy has violated the Commission's Certificate orders, and/or the terms of the Certificates approved in the 500 kV Rebuild Order and the 230 kV Underbuild Order; and (2) whether Dominion Energy has willfully made a misrepresentation of a material fact in obtaining such Certificates in violation of § 56-265.6 of the Code of Virginia ("Code"). The Commission directed that "[t]hese further proceedings shall also address the potential remedies in the event the Commission finds against [Dominion Energy] on either issue." Finally, the Commission directed that the Gercke Petitions and the Baumann Petition be considered in a single proceeding.

On November 9, 2015, Gercke filed an Objection to Dispositive Rulings of the State Corporation Commission and Petition for Reconsideration of the Commission's Preliminary Order. On November 23, 2015, the Commission issued an Order in which it held that its Preliminary Order of October 30, 2015, was not a final order and denied Gercke's Petition for Reconsideration.

On November 19, 2015, Baumann filed a Motion to Sever asking that the Baumann Petition and the Gercke Petitions be considered in separate proceedings.

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On March 31, 2016, the Commission issued its Order Lifting Stay. The Commission limited this proceeding to whether Dominion Energy "has violated the Commission's certificate Orders, and/or the terms of the certificates from Case Nos. PUE-2012-00134 or PUE-2013-00118." The Commission also directed that further proceedings address potential remedies and noted the following:

> While the Preliminary Order also set for hearing the issue of whether [Dominion Energy] "has willfully made a misrepresentation of a material fact in obtaining such certificate[s]," this issue was not raised by Gercke's petitions and therefore is not within the scope of the proceedings hereby recommenced. Rather, this additional issue was raised by a petition filed by [Baumann] . . . .

On August 24, 2016, the hearing for this matter was convened as scheduled. However, at the request of the parties, the proceeding was continued until further ruling to provide the parties with the opportunity to conduct settlement discussions. On October 17, 2016, Gercke and Dominion Energy ("Stipulating Parties") filed an Interim Settlement ("Interim Settlement") in which the Company agreed to conduct a limited pilot of coating Tower No. 154 with one coat of a darkening chemical called Natina®, and coating Tower No. 155 with two coats of Natina® ("Natina® Pilot"). On October 18, 2016, the Stipulating Parties filed a revised copy of the Interim Settlement ("Revised Interim Settlement"). The Stipulating Parties stated that they will observe the color, aging, and any effects on the galvanized steel structures for a period of six months "in order to ensure that the galvanized coating continues to satisfy specification thickness requirements and to confirm that the Natina® treatment achieves the desired visual mitigation." The Stipulating Parties affirmed they will endeavor to reach a comprehensive solution "no later than [seven] months after the Natina® coatings are complete." The Stipulating Parties further committed to entering a full settlement of all issues no later than eight months after the completion of the Natina® coatings. Finally, the Company agreed to apply for the required authority and approval necessary to implement the comprehensive solution no later than nine months after the completion of the Natina® coatings.

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(1) The Company shall apply one coat of Natina® on Tower Nos. 130-183 ("Natina® Application"), subject to Paragraph (2).

(2) Consistent with the Revised Interim Settlement should the Commission approve the Final Settlement but determine that authority to implement the application of the [Natina®] coating requires that the Company seek approval and authority pursuant to Virginia Code § 56-46.1 and/or § 56-265.2 in a new proceeding to amend its certificates of public convenience and necessity for the Dooms-Lexington 500/230 kV transmission line, the Company agrees to make this filing for the [Natina® Application] no later than nine months after the Natina® coatings were complete – or by August 4, 2017, or within ten (10) business days following approval and a determination by the Commission that a certificate proceeding is necessary (whichever is later). If the Commission determines that no additional authority beyond [the Commission's] their approval of the Final Settlement is required the Company shall proceed forthwith to implement its terms.

(3) In order to achieve the best results with the Natina® product, the Company agrees to use its best efforts to apply any Natina® coatings approved by the Commission in optimal weather conditions, which the Natina® manufacturer specifies as dry and hot days in which the galvanized steel is able to reach a temperature of at least 60 plus degrees.

(4) Gercke agrees to withdraw all claims and allegations raised in Case Nos. PUE 2015-00073, -00074, -00080, and -00087 ("Current Proceedings") within ten (10) business days after completion of the terms of [Paragraph] (2) above. Gercke further agrees that he will not bring or assist in filing any further complaints at the Commission related to the Dooms-Lexington 500/230 kV transmission line. Consistent with the Interim Settlement, should this Final Settlement not be approved by the Commission as agreed, then the Stipulating Parties shall be free to resume the Current Proceedings without prejudice from any representations or arguments recited herein.

(5) The Company accepts its duty to act in good faith and use its best efforts to secure the amendments, certificates, or other approvals sought in the [Natina® Application], but the Stipulating Parties acknowledge that the outcome of this new proceeding cannot be guaranteed by the Company. The Stipulating Parties agree that once the Commission has approved the Final Settlement, and if the Company has been required to undertake additional authority to implement the agreement, the ultimate approval, disapproval, or amendment of the [Natina® Application] in a new proceeding, or the results of any appeal thereof, will not affect the terms and conditions agreed to by the Stipulating Parties in this Final Settlement in the Current Proceedings. The Stipulating Parties further agree that Gercke may participate fully in the new proceeding in support of the [Natina® Application], and to address any other matters which may arise, but Gercke agrees not to bring forward any claims from the Current Proceedings unrelated to the visual mitigation of the existing tower structures.

(6) The Company agrees to file this Final Settlement for Commission approval within two (2) business days of its execution by the Stipulating Parties.

On July 12, 2017, Senior Hearing Examiner Alexander F. Skirpan, Jr. issued his Hearing Examiner's Report, in which he recommended that the Commission issue an order approving the Final Settlement.

On July 20, 2017, Baumann filed a Motion to Intervene ("Baumann Motion") in which he requested that "the Final Agreement be modified to require that the Natina application be applied to all towers on the line as stated in the Interim Agreement, and further moves that the Commission hold its final decision process open for a period of 21 days in order to allow for public comment." On July 31, 2017 and August 2, 2017, respectively, Gercke and Dominion Energy filed responses to the Baumann Motion.

NOW THE COMMISSION, upon consideration of the record in this case, the Hearing Examiner's Report, and the applicable laws and statutes, is of the opinion and finds that the findings and recommendations in the Hearing Examiner's Report should be approved, and the Final Settlement should be accepted. We further find that, based on the specific facts and evidence presented in these consolidated proceedings, that no amendment of the certificates of public convenience and necessity for the Dooms-Lexington 500/230 kV transmission line is necessary.

We will deny Baumann's motion to intervene in these proceedings. Gercke initiated these consolidated proceedings pursuant to Rule 100 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-100. This is not a proceeding under Rule 80, which specifically provides for participation by respondents. Rather, this is a consolidated complaint proceeding initiated by Mr. Gercke against Dominion Energy. Accordingly, the Commission has not provided for notices of participation and for intervention by respondents as part of this proceeding, and we find that the proposed settlement of this case, entered into between the complainant and the defendant, should be approved.

Accordingly, IT IS ORDERED THAT:

(1) The Motion to Intervene filed on July 20, 2017 by Kristopher K. Baumann & Baumann Farm, LLC is denied.

(2) The Final Settlement filed by Gercke and Dominion Energy is approved.

(3) This case is dismissed.

CASE NOS. PUE-2015-00080
FEBRUARY 16, 2018

PETITION OF
JAMES W. GERCKE
v.
VIRGINIA ELECTRIC AND POWER COMPANY
and
STATE CORPORATION COMMISSION

CASE NOS. PUE-2015-00073
PUE-2015-00074
PUE-2015-00080
PUE-2015-00087
(consolidated)

ORDER

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> While the Preliminary Order also set for hearing the issue of whether [Dominion Energy] "has willfully made a misrepresentation of a material fact in obtaining such certificate[s]," this issue was not raised by Gercke's petitions and therefore is not within the scope of the proceedings hereby recommenced. Rather, this additional issue was raised by a petition filed by [Baumann] . . . .

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(1) The Company shall apply one coat of Natina® on Tower Nos. 130-183 ("Natina® Application"), subject to Paragraph (2).

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(3) In order to achieve the best results with the Natina® product, the Company agrees to use its best efforts to apply any Natina® coatings approved by the Commission in optimal weather conditions, which the Natina® manufacturer specifies as dry and hot days in which the galvanized steel is able to reach a temperature of at least 60 plus degrees.

(4) Gercke agrees to withdraw all claims and allegations raised in Case Nos. PUE 2015-00073, -00074, -00080, and -00087 ("Current Proceedings") within ten (10) business days after completion of the terms of [Paragraph] (2) above. Gercke further agrees that he will not bring or assist in filing any further complaints at the Commission related to the Dooms-Lexington 500/230 kV transmission line. Consistent with the Interim Settlement, should this Final Settlement not be approved by the Commission as agreed, then the Stipulating Parties shall be free to resume the Current Proceedings without prejudice from any representations or arguments recited herein.

(5) The Company accepts its duty to act in good faith and use its best efforts to secure the amendments, certificates, or other approvals sought in the [Natina® Application], but the Stipulating Parties acknowledge that the outcome of this new proceeding cannot be guaranteed by the Company. The Stipulating Parties agree that once the Commission has approved the Final Settlement, and if the Company has been required to undertake additional authority to implement the agreement, the ultimate approval, disapproval, or amendment of the [Natina® Application] in a new proceeding, or the results of any appeal thereof, will not affect the terms and conditions agreed to by the Stipulating Parties in this Final Settlement in the Current Proceedings. The Stipulating Parties further agree that Gercke may participate fully in the new proceeding in support of the [Natina® Application], and to address any other matters which may arise, but Gercke agrees not to bring forward any claims from the Current Proceedings unrelated to the visual mitigation of the existing tower structures.

(6) The Company agrees to file this Final Settlement for Commission approval within two (2) business days of its execution by the Stipulating Parties.

On July 12, 2017, Senior Hearing Examiner Alexander F. Skirpan, Jr. issued his Hearing Examiner's Report, in which he recommended that the Commission issue an order approving the Final Settlement.

On July 20, 2017, Baumann filed a Motion to Intervene ("Baumann Motion") in which he requested that "the Final Agreement be modified to require that the Natina application be applied to all towers on the line as stated in the Interim Agreement, and further moves that the Commission hold its final decision process open for a period of 21 days in order to allow for public comment." On July 31, 2017 and August 2, 2017, respectively, Gercke and Dominion Energy filed responses to the Baumann Motion.

NOW THE COMMISSION, upon consideration of the record in this case, the Hearing Examiner's Report, and the applicable laws and statutes, is of the opinion and finds that the findings and recommendations in the Hearing Examiner's Report should be approved, and the Final Settlement should be accepted. We further find that, based on the specific facts and evidence presented in these consolidated proceedings, that no amendment of the certificates of public convenience and necessity for the Dooms-Lexington 500/230 kV transmission line is necessary.

We will deny Baumann's motion to intervene in these proceedings. Gercke initiated these consolidated proceedings pursuant to Rule 100 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-100. This is not a proceeding under Rule 80, which specifically provides for participation by respondents. Rather, this is a consolidated complaint proceeding initiated by Mr. Gercke against Dominion Energy. Accordingly, the Commission has not provided for notices of participation and for intervention by respondents as part of this proceeding, and we find that the proposed settlement of this case, entered into between the complainant and the defendant, should be approved.

Accordingly, IT IS ORDERED THAT:

(1) The Motion to Intervene filed on July 20, 2017 by Kristopher K. Baumann & Baumann Farm, LLC is denied.

(2) The Final Settlement filed by Gercke and Dominion Energy is approved.

(3) This case is dismissed.

CASE NOS. PUE-2015-00087
FEBRUARY 16, 2018

PETITION OF	
JAMES W. GERCKE	CASE NOS. PUE-2015-00073
v.	PUE-2015-00074
VIRGINIA ELECTRIC AND POWER COMPANY	PUE-2015-00080
and	PUE-2015-00087
STATE CORPORATION COMMISSION	(consolidated)

ORDER

On June 17, 2015, James W. Gercke ("Gercke") filed a Petition for Injunctive and Other Relief ("Gercke Petition #1") against Virginia Electric and Power Company ("Dominion Energy" or "Company"). On June 18, 2015, Gercke filed a second Petition for Injunctive and Other Relief ("Gercke Petition #2") against Dominion Energy. On July 21, 2015, Gercke filed a Petition for Revocation of Certificates Issued in PUE-2013-00118 on Constitutional Grounds and Request for Injunctive and Other Relief ("Gercke Petition #3") against Dominion Energy and the State Corporation Commission ("Commission"). On August 13, 2015, Gercke filed a Petition to Void Certificates issued in PUE-2013-00118, *Ab Initio*, and Other Relief ("Gercke Petition #4") against Dominion Energy and the Commission (collectively, "Gercke Petitions").

In Case No. PUE 2015-00049, on May 1, 2015, Baumann Farm, LLC, and Kristopher K. Baumann (collectively, "Baumann") filed a Petition for Injunctive and Other Relief with the Commission ("Baumann Petition") against Dominion Energy.

The Gercke Petitions and the Baumann Petition concerned Dominion Energy's Dooms-Lexington transmission line which consists of: (i) a rebuilt 500 kV transmission line, for which the Commission granted a certificate of public convenience and necessity ("Certificate") in its 500 kV Rebuild Order; and (ii) a 230 kV transmission line underbuilt on the same structures as the 500 kV line, for which the Commission granted a Certificate in its 230 kV Underbuild Order.

On October 30, 2015, the Commission issued its Preliminary Order in which, among other things, the Commission assigned a hearing examiner to conduct further proceedings limited to the following issues: (1) whether Dominion Energy has violated the Commission's Certificate orders, and/or the terms of the Certificates approved in the 500 kV Rebuild Order and the 230 kV Underbuild Order; and (2) whether Dominion Energy has willfully made a misrepresentation of a material fact in obtaining such Certificates in violation of § 56-265.6 of the Code of Virginia ("Code"). The Commission directed that "[t]hese further proceedings shall also address the potential remedies in the event the Commission finds against [Dominion Energy] on either issue." Finally, the Commission directed that the Gercke Petitions and the Baumann Petition be considered in a single proceeding.

On November 9, 2015, Gercke filed an Objection to Dispositive Rulings of the State Corporation Commission and Petition for Reconsideration of the Commission's Preliminary Order. On November 23, 2015, the Commission issued an Order in which it held that its Preliminary Order of October 30, 2015, was not a final order and denied Gercke's Petition for Reconsideration.

On November 19, 2015, Baumann filed a Motion to Sever asking that the Baumann Petition and the Gercke Petitions be considered in separate proceedings.

On November 23, 2015, Gercke filed a Notice of Appeal from the Commission's Preliminary Order of October 30, 2015 ("Gercke Appeal"). On December 9, 2015, the Commission issued an Order Staying Case Nos. PUE-2015-00073, PUE-2015-00074, PUE-2015-00080, and PUE-2015-00087 (consolidated) in which the Commission stayed the Gercke Petitions pending the Gercke Appeal. In addition, the Commission ruled that the Gercke Petitions shall no longer be combined with the Baumann Petition and that the Baumann Petition shall continue as currently scheduled. On March 21, 2016, the Supreme Court of Virginia dismissed the Gercke Appeal, without prejudice to his right to appeal from a final order of the Commission.

On March 31, 2016, the Commission issued its Order Lifting Stay. The Commission limited this proceeding to whether Dominion Energy "has violated the Commission's certificate Orders, and/or the terms of the certificates from Case Nos. PUE-2012-00134 or PUE-2013-00118." The Commission also directed that further proceedings address potential remedies and noted the following:

> While the Preliminary Order also set for hearing the issue of whether [Dominion Energy] "has willfully made a misrepresentation of a material fact in obtaining such certificate[s]," this issue was not raised by Gercke's petitions and therefore is not within the scope of the proceedings hereby recommenced. Rather, this additional issue was raised by a petition filed by [Baumann] . . . .

On August 24, 2016, the hearing for this matter was convened as scheduled. However, at the request of the parties, the proceeding was continued until further ruling to provide the parties with the opportunity to conduct settlement discussions. On October 17, 2016, Gercke and Dominion Energy ("Stipulating Parties") filed an Interim Settlement ("Interim Settlement") in which the Company agreed to conduct a limited pilot of coating Tower No. 154 with one coat of a darkening chemical called Natina®, and coating Tower No. 155 with two coats of Natina® ("Natina® Pilot"). On October 18, 2016, the Stipulating Parties filed a revised copy of the Interim Settlement ("Revised Interim Settlement"). The Stipulating Parties stated that they will observe the color, aging, and any effects on the galvanized steel structures for a period of six months "in order to ensure that the galvanized coating continues to satisfy specification thickness requirements and to confirm that the Natina® treatment achieves the desired visual mitigation." The Stipulating Parties affirmed they will endeavor to reach a comprehensive solution "no later than [seven] months after the Natina® coatings are complete." The Stipulating Parties further committed to entering a full settlement of all issues no later than eight months after the completion of the Natina® coatings. Finally, the Company agreed to apply for the required authority and approval necessary to implement the comprehensive solution no later than nine months after the completion of the Natina® coatings.

The Revised Interim Settlement was approved for implementation in a Hearing Examiner's Ruling dated October 20, 2016. On July 5, 2017, the Stipulating Parties filed a Final Settlement in which they stated that based on observing the color, aging, and effects on the galvanized steel structures for a period of six months, and based on the investigation of an outside consultant, ReliaPOLE Inspection Services Company ("RISC") and Stress Engineering Services, Inc., Corrosion Technology Center ("Stress Engineering"), the Stipulating Parties have agreed:

(1) The Company shall apply one coat of Natina® on Tower Nos. 130-183 ("Natina® Application"), subject to Paragraph (2).

(2) Consistent with the Revised Interim Settlement should the Commission approve the Final Settlement but determine that authority to implement the application of the [Natina®] coating requires that the Company seek approval and authority pursuant to Virginia Code § 56-46.1 and/or § 56-265.2 in a new proceeding to amend its certificates of public convenience and necessity for the Dooms-Lexington 500/230 kV transmission line, the Company agrees to make this filing for the [Natina® Application] no later than nine months after the Natina® coatings were complete – or by August 4, 2017, or within ten (10) business days following approval and a determination by the Commission that a certificate proceeding is necessary (whichever is later). If the Commission determines that no additional authority beyond [the Commission's] their approval of the Final Settlement is required the Company shall proceed forthwith to implement its terms.

(3) In order to achieve the best results with the Natina® product, the Company agrees to use its best efforts to apply any Natina® coatings approved by the Commission in optimal weather conditions, which the Natina® manufacturer specifies as dry and hot days in which the galvanized steel is able to reach a temperature of at least 60 plus degrees.

(4) Gercke agrees to withdraw all claims and allegations raised in Case Nos. PUE 2015-00073, -00074, -00080, and -00087 ("Current Proceedings") within ten (10) business days after completion of the terms of [Paragraph] (2) above. Gercke further agrees that he will not bring or assist in filing any further complaints at the Commission related to the Dooms-Lexington 500/230 kV transmission line. Consistent with the Interim Settlement, should this Final Settlement not be approved by the Commission as agreed, then the Stipulating Parties shall be free to resume the Current Proceedings without prejudice from any representations or arguments recited herein.

(5) The Company accepts its duty to act in good faith and use its best efforts to secure the amendments, certificates, or other approvals sought in the [Natina® Application], but the Stipulating Parties acknowledge that the outcome of this new proceeding cannot be guaranteed by the Company. The Stipulating Parties agree that once the Commission has approved the Final Settlement, and if the Company has been required to undertake additional authority to implement the agreement, the ultimate approval, disapproval, or amendment of the [Natina® Application] in a new proceeding, or the results of any appeal thereof, will not affect the terms and conditions agreed to by the Stipulating Parties in this Final Settlement in the Current Proceedings. The Stipulating Parties further agree that Gercke may participate fully in the new proceeding in support of the [Natina® Application], and to address any other matters which may arise, but Gercke agrees not to bring forward any claims from the Current Proceedings unrelated to the visual mitigation of the existing tower structures.

(6) The Company agrees to file this Final Settlement for Commission approval within two (2) business days of its execution by the Stipulating Parties.

On July 12, 2017, Senior Hearing Examiner Alexander F. Skirpan, Jr. issued his Hearing Examiner's Report, in which he recommended that the Commission issue an order approving the Final Settlement.

On July 20, 2017, Baumann filed a Motion to Intervene ("Baumann Motion") in which he requested that "the Final Agreement be modified to require that the Natina application be applied to all towers on the line as stated in the Interim Agreement, and further moves that the Commission hold its final decision process open for a period of 21 days in order to allow for public comment." On July 31, 2017 and August 2, 2017, respectively, Gercke and Dominion Energy filed responses to the Baumann Motion.

NOW THE COMMISSION, upon consideration of the record in this case, the Hearing Examiner's Report, and the applicable laws and statutes, is of the opinion and finds that the findings and recommendations in the Hearing Examiner's Report should be approved, and the Final Settlement should be accepted. We further find that, based on the specific facts and evidence presented in these consolidated proceedings, that no amendment of the certificates of public convenience and necessity for the Dooms-Lexington 500/230 kV transmission line is necessary.

We will deny Baumann's motion to intervene in these proceedings. Gercke initiated these consolidated proceedings pursuant to Rule 100 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-100. This is not a proceeding under Rule 80, which specifically provides for participation by respondents. Rather, this is a consolidated complaint proceeding initiated by Mr. Gercke against Dominion Energy. Accordingly, the Commission has not provided for notices of participation and for intervention by respondents as part of this proceeding, and we find that the proposed settlement of this case, entered into between the complainant and the defendant, should be approved.

Accordingly, IT IS ORDERED THAT:

(1) The Motion to Intervene filed on July 20, 2017 by Kristopher K. Baumann & Baumann Farm, LLC is denied.

(2) The Final Settlement filed by Gercke and Dominion Energy is approved.

(3) This case is dismissed.

CASE NO. PUE-2015-00107
JUNE 12, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of electric transmission facilities: Haymarket 230 kV Double Circuit Transmission Line and 230-34.5 kV Haymarket Substation

ORDER ON REMAND

On November 6, 2015, Virginia Electric and Power Company ("Dominion " or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") for a certificate of public convenience and necessity for the proposed Haymarket 230 kilovolt ("kV") double circuit transmission line and 230-34.5 kV Haymarket Substation. Dominion filed the Application pursuant to § 56-46.1 of the Code of Virginia ("Code") and the Utility Facilities Act, Code § 56-265.1 *et seq*.

Through its Application, the Company requests Commission authority to: (i) construct a new 230-34.5 kV Haymarket Substation in Prince William County; (ii) convert its existing 115 kV Gainesville-Loudoun Line #124, located in Prince William and Loudoun Counties, to 230 kV operation ("Line #124 conversion"); and (iii) construct in Prince William County and the Town of Haymarket a new 230 kV double circuit transmission line from a tap point approximately 0.5 mile north of the Company's existing Gainesville Substation on the Line #124 conversion to the new Haymarket Substation (the "Haymarket Loop").[1] The Line #124 conversion, the Haymarket Loop and Haymarket Substation are referred to herein as the "Project." In the Application, the Company proposed the following five alternative routes for the Haymarket Loop: (1) I-66 Overhead Route ($51 million); (2) I-66 Hybrid Route ($167 million); (3) Railroad Route ($55 million); (4) Carver Road Route ($62 million); and (5) Madison Route ($68 million).[2]

The Company states in its Application that the Project is necessary to provide service to a new data center campus in Prince William County and to maintain reliable electric service to its customers in the area in accordance with mandatory North American Electric Reliability Corporation Reliability Standards for transmission facilities and the Company's transmission planning criteria.[3]

On December 11, 2015, the Commission issued an Order for Notice and Hearing in this proceeding that, among other things, established a procedural schedule and assigned a Hearing Examiner to conduct all further proceedings in this case, including the filing of a final report with the Hearing Examiner's findings and recommendations. The following parties filed notices of participation in this proceeding: Southview 66, LLC; FST Properties, LLC; Somerset Crossing Home Owners Association, Inc. ("Somerset"); the Coalition to Protect Prince William County ("Coalition"); Old Dominion Electric Cooperative; Heritage Hunt HT, LLC, Heritage Hunt Commercial, LLC, Heritage Hunt Retail, LLC, Heritage Hunt Office Condominium, LLC, Heritage Sport & Health, LLC, RBS Holdings, LLC, and BKM at Heritage Hunt, LLC (collectively, "Heritage Hunt"); and Prince William County Board of Supervisors. Heritage Hunt and Prince William County Board of Supervisors subsequently withdrew their notices of participation.

Following several local hearings in the Town of Haymarket and an evidentiary hearing on June 21 and 22, 2016, in Richmond, Virginia, on November 15, 2016, the Hearing Examiner issued the Report of Glenn P. Richardson, Hearing Examiner ("Report"). The Hearing Examiner found, among other things, that "[t]he Project is needed so [Dominion] can continue to provide reasonably adequate service to its customers at reasonable and just rates" and "[t]he Carver Road Route reasonably minimizes the Project's impact on the environment, scenic assets, and historic resources."[4]

On April 6, 2017, the Commission issued an Interim Order finding that the Project is needed and that both the Railroad Route and the Carver Road Route meet the statutory criteria in this case.[5] The Commission directed the Company "to request Prince William County to take the actions necessary to remove any legal constraints blocking construction of the Railroad Route" and explained that the Project would need to be constructed along the Carver Road Route if Prince William County was unwilling to remove the legal constraints that blocked construction of the transmission line along the Railroad Route.[6]

On June 5, 2017, the Company filed an Update to the Commission stating that it was not feasible to construct the Railroad Route due to the legal inability to procure the necessary rights-of-way. On June 23, 2017, the Commission issued its Final Order, reiterating that the Project is needed and approving construction of the Carver Road Route.[7]

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[1] Ex. 3 (Application) at 2.

[2] *Id.* at 3; Ex. 3 (Appendix) at 31-34. Ex. 19 (Joshipura Direct) at 16 contains the approximate cost for each alternative.

[3] Ex. 3 (Application) at 2.

[4] Report at 79.

[5] *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Haymarket 230 kV Double Circuit Transmission Line and 230-34.5 kV Haymarket Substation*, Case No. PUE-2015-00107, Doc. Con. Cen. No. 170420047, Interim Order at 10, 11 (Apr. 6, 2017).

[6] *Id.* at *14-15*.

[7] *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Haymarket 230 kV Double Circuit Transmission Line and 230-34.5 kV Haymarket Substation*, Case No. PUE-2015-00107, Doc. Con. Cen. No. 170630252, Final Order at 3 (June 23, 2017).

Following separate requests for rehearing or reconsideration filed by the Coalition and Somerset, the Commission issued an Order Granting Reconsideration on July 14, 2017 (which suspended the Final Order) and an Order Directing Additional Pleadings on July 24, 2017. In response to a Company motion on July 25, 2017, the Commission issued an Order on Requested Abeyance, directing the Company to file a report with the Commission on or before September 22, 2017, advising whether the Carver Road Route is constructible ("Update"), and extending the pleading cycle established for the requests for rehearing or reconsideration.

On September 22, 2017, Dominion filed its Update to the Commission, advising that the Company was not able to secure the necessary approvals from Prince William County to construct the Carver Road Route and requesting that the Commission authorize construction of the I-66 Overhead Route. Following Dominion's September 22, 2017 Update to the Commission and the pleadings filed by Dominion, Somerset and the Coalition regarding the requests for rehearing or reconsideration, the Commission issued its Order Remanding for Further Proceedings ("Remand Order") on December 6, 2017. Therein the Commission noted that the parties' pleadings "seek to introduce new information regarding the need for" the Project and that Dominion's Update "also contains new information on additional variations to the routes proposed in the record."[8] The Remand Order, among other things, directed the Hearing Examiner to "conduct additional proceedings to receive evidence and legal analysis regarding: (1) new information as proffered by the parties that the Hearing Examiner finds relevant to the issue of the need for " the Project; and "(2) Dominion's additional variations to the routes proposed in the record."[9] The Remand Order further directed the Hearing Examiner to recommend whether the Commission should continue to find that the Project is needed.[10]

Pursuant to Hearing Examiner's Rulings dated December 13, 2017, and January 23, 2018, the Company and the Commission Staff ("Staff") filed remand direct testimony and exhibits; a public hearing was held on February 8, 2018, to receive testimony from public witnesses; and an evidentiary hearing was convened on April 30, 2018. As part of its testimony, Staff provided updated cost information for the remaining routes under consideration, including additional costs associated with variations proposed by the Company. Staff reported the following estimated costs: (1) I-66 Overhead Route ($51 million); (2) I-66 Hybrid Route ($172 million); and (3) Madison Route ($68 million).[11]

On March 22, 2018, Dominion filed a Motion for Expedited Consideration of a Stipulated Settlement Regarding the Haymarket Project. On March 26, 2018, the Hearing Examiner entered a Ruling granting expedited consideration but denying the Company's request to consider the Stipulated Settlement Regarding the Haymarket Project ("Stipulation") prior to the April 30, 2018 evidentiary hearing. At the hearing on April 30, 2018, the Stipulation and pre-filed remand direct testimony of Dominion and Staff were entered into the record without cross-examination.

The Stipulation was signed by counsel for Dominion, the Coalition and Somerset and was filed in response to Senate Bill 966 ("SB 966"),[12] which was signed by the Governor on March 9, 2018, to go into effect July 1, 2018.[13] In the Stipulation, the Coalition and Somerset agreed not to contest the need for the Project or to seek to enter additional evidence into the case record in return for the Company's agreement to file, on or before July 2, 2018, a written request for approval of the I-66 Hybrid Route under the Pilot Program and for issuance of a certificate of public convenience and necessity for the I-66 Hybrid Route, upon a Commission order affirming that the Project is needed.[14] The Company also agreed to other conditions related to the construction of the Project.[15]

On May 7, 2018, the Hearing Examiner issued the Report on Remand of Glenn P. Richardson, Hearing Examiner ("Report on Remand"). The Hearing Examiner found that the Project continues to be needed "to serve the significant load growth projected in the Haymarket Load Area."[16] The Hearing Examiner also found, however, that he had no authority to determine whether the Stipulation should be approved, as the Remand Order directed the Hearing Examiner to address only the continuing need for the Project and receive evidence on the various route variations proposed by the Company and contained in the record.[17] Accordingly, the Hearing Examiner did not recommend approval or disapproval of the Stipulation. Instead, the Hearing Examiner recommended that the Commission adopt the Hearing Examiner's finding that the Project continues to be needed and grant such other relief that the Commission finds appropriate in this case.[18]

On May 18, 2018, the Coalition, Somerset and Dominion ("Joint Parties") filed Joint Comments on the Report on Remand. The Joint Parties reiterated their commitment to the Stipulation and asked that the Commission expeditiously accept and approve the Stipulation.[19]

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[8] *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Haymarket 230 kV Double Circuit Transmission Line and 230-34.5 kV Haymarket Substation*, Case No. PUE-2015-00107, Doc. Con. Cen. No. 171210061, Order Remanding for Further Proceedings at 2 (Dec. 6, 2017).

[9] *Id.*

[10] *Id.*

[11] Ex. 54 (Joshipura Remand Direct) at 8-9.

[12] 2018 Va. Acts chapter 296.

[13] *Id.*

[14] *See generally* Ex. 50.

[15] *Id.* The non-stipulating parties did not object to the Stipulation.

[16] Report on Remand at 14.

[17] *Id.* Though the Hearing Examiner did not make any recommendation that the Commission adopt a specific transmission line route, he noted that based on Staff's updated cost estimates, ratepayers would incur an additional $120.7 million in costs if the Stipulation were approved. *Id.* at 12, n.91.

[18] *Id.* at 14-15.

[19] Joint Comments at 2.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

Enactment Clause 2 of SB 966 provides:

> Notwithstanding any other law to the contrary, as a part of the pilot program established pursuant to this act, the State Corporation Commission shall approve as a qualifying project a transmission line of 230 kilovolts or less that is pending final approval of a certificate of public convenience and necessity from the State Corporation Commission as of December 31, 2017, for the construction of an electrical transmission line approximately 5.3 miles in length utilizing both overhead and underground transmission facilities, of which the underground portion shall be approximately 3.1 miles in length, which has been previously proposed for construction within or immediately adjacent to the right-of-way of an interstate highway. Once the State Corporation Commission has affirmed the project need through an order, the project shall be constructed in part underground, and the underground portion shall consist of a double circuit.
>
> The State Corporation Commission shall approve such underground construction within 30 days of receipt of the written request of the public utility to participate in the pilot program pursuant to this section. The State Corporation Commission shall not require the submission of additional technical and cost analyses as a condition of its approval but may request such analyses for its review. The State Corporation Commission shall approve the underground construction of one contiguous segment of the transmission line that is approximately 3.1 miles in length that was previously proposed for construction within or immediately adjacent to the right-of-way of the interstate highway, for which, by resolution, the locality has indicated general community support. The remainder of the construction for the transmission line shall be aboveground. The Commission shall not be required to perform any further analysis as to the impacts of this route, including environmental impacts or impacts upon historical resources.
>
> The electric utility may proceed to acquire right-of-way and take such other actions as it deems appropriate in furtherance of the construction of the approved transmission line, including acquiring the cables necessary for the underground installation.[20]

The above statutory language appears to fit the description of the I-66 Hybrid Route. Accordingly, we adopt the Hearing Examiner's finding that the proposed Project continues to be needed to provide reasonably adequate service in the Haymarket Load Area for the reasons set forth in the Report on Remand[21] and in the Commission's Interim Order dated April 6, 2017.[22]

Accordingly, IT IS ORDERED THAT:

(1) We adopt the Hearing Examiner's finding of need in the Report on Remand.

(2) This case is continued generally.

[20] 2018 Va. Acts chapter 296 at lines 1390-1413.

[21] *See* Report on Remand at 5-8, 12-13, 14.

[22] *See* Interim Order at 10.

CASE NO. PUE-2015-00107
JULY 26, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of electric transmission facilities: Haymarket 230 kV Double Circuit Transmission Line and 230-34.5 kV Haymarket Substation

ORDER ON REQUEST TO PARTICIPATE IN PILOT PROGRAM

On November 6, 2015, Virginia Electric and Power Company ("Dominion " or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") for a certificate of public convenience and necessity for the proposed Haymarket 230 kilovolt ("kV") double circuit transmission line and 230-34.5 kV Haymarket Substation. Dominion filed the Application pursuant to § 56-46.1 of the Code of Virginia ("Code") and the Utility Facilities Act, Code § 56-265.1 *et seq*.

Through its Application, the Company requests Commission authority to: (i) construct a new 230-34.5 kV Haymarket Substation in Prince William County; (ii) convert its existing 115 kV Gainesville-Loudoun Line #124, located in Prince William and Loudoun Counties, to 230 kV operation ("Line #124 conversion"); and (iii) construct in Prince William County and the Town of Haymarket a new 230 kV double circuit transmission line from a tap point approximately 0.5 mile north of the Company's existing Gainesville Substation on the Line #124 conversion to the new Haymarket Substation (the "Haymarket Loop").[1] The Line #124 conversion, the Haymarket Loop and Haymarket Substation are referred to herein as the "Project." In the Application, the Company proposed the following five alternative routes for the Haymarket Loop: (1) I-66 Overhead Route ($51 million); (2) I-66 Hybrid Route ($167 million); (3) Railroad Route ($55 million); (4) Carver Road Route ($62 million); and (5) Madison Route ($68 million).[2]

[1] Ex. 3 (Application) at 2.

[2] *Id.* at 3; Ex. 3 (Appendix) at 31-34. Ex. 19 (Joshipura Direct) at 16 sets forth the approximate cost for each alternative.

The Company states in its Application that the Project is necessary to provide service to a new data center campus in Prince William County and to maintain reliable electric service to its customers in the area in accordance with mandatory North American Electric Reliability Corporation Reliability Standards for transmission facilities and the Company's transmission planning criteria.[3]

On December 11, 2015, the Commission issued an Order for Notice and Hearing in this proceeding that, among other things, assigned a Hearing Examiner to conduct all further proceedings in this case and permitted interested persons to comment or participate in this case. The following parties filed notices of participation in this proceeding: Southview 66, LLC ("Southview"); FST Properties, LLC ("FST"); Somerset Crossing Home Owners Association, Inc. ("Somerset"); the Coalition to Protect Prince William County ("Coalition"); Old Dominion Electric Cooperative ("ODEC"); Heritage Hunt HT, LLC, Heritage Hunt Commercial, LLC, Heritage Hunt Retail, LLC, Heritage Hunt Office Condominium, LLC, Heritage Sport & Health, LLC, RBS Holdings, LLC, and BKM at Heritage Hunt, LLC (collectively, "Heritage Hunt"); and Prince William County Board of Supervisors. Heritage Hunt and Prince William County Board of Supervisors subsequently withdrew their notices of participation.

Following several local hearings in the Town of Haymarket and an evidentiary hearing on June 21 and 22, 2016, in Richmond, Virginia, on November 15, 2016, the Hearing Examiner issued the Report of Glenn P. Richardson, Hearing Examiner ("Report"). The Hearing Examiner found, among other things, that "[t]he Project is needed so [Dominion] can continue to provide reasonably adequate service to its customers at reasonable and just rates" and "[t]he Carver Road Route reasonably minimizes the Project's impact on the environment, scenic assets, and historic resources."[4]

On April 6, 2017, the Commission issued an Interim Order finding that the Project is needed and that both the Railroad Route and the Carver Road Route meet the statutory criteria in this case.[5] After receiving information from Dominion that it was not feasible to construct the Railroad Route, on June 23, 2017, the Commission issued its Final Order, reiterating that the Project is needed and approving construction of the Carver Road Route.[6]

On September 22, 2017, Dominion filed an update with the Commission, advising that the Company was not able to secure the necessary approvals from Prince William County to construct the Carver Road Route and requesting that the Commission authorize construction of the I-66 Overhead Route. Following this update to the Commission and certain pleadings filed by Dominion, Somerset and the Coalition regarding requests for rehearing or reconsideration, the Commission issued its Order Remanding for Further Proceedings ("Remand Order") on December 6, 2017. Therein the Commission noted that the parties' pleadings "seek to introduce new information regarding the need for" the Project and that Dominion's Update "also contains new information on additional variations to the routes proposed in the record."[7] The Remand Order, among other things, directed the Hearing Examiner to "conduct additional proceedings to receive evidence and legal analysis regarding: (1) new information as proffered by the parties that the Hearing Examiner finds relevant to the issue of the need for" the Project; and "(2) Dominion's additional variations to the routes proposed in the record."[8] The Remand Order further directed the Hearing Examiner to recommend whether the Commission should continue to find that the Project is needed.[9]

Pursuant to Hearing Examiner's Rulings dated December 13, 2017, and January 23, 2018, the Company and the Commission Staff ("Staff") filed remand direct testimony and exhibits; a public hearing was held on February 8, 2018, to receive testimony from public witnesses; and an evidentiary hearing was convened on April 30, 2018.

On March 22, 2018, Dominion filed a Motion for Expedited Consideration of a Stipulated Settlement Regarding the Haymarket Project. At the hearing on April 30, 2018, the Stipulated Settlement Regarding the Haymarket Project ("Stipulation") and pre-filed remand direct testimony of Dominion and Staff were entered into the record without cross-examination.[10]

The Stipulation was signed by counsel for Dominion, the Coalition and Somerset and was filed in response to Senate Bill 966 ("SB 966"),[11] which was signed by the Governor on March 9, 2018, to go into effect July 1, 2018.[12] In the Stipulation, the Coalition and Somerset agreed not to contest the need for the Project or to seek to enter additional evidence into the case record in return for the Company's agreement to file, on or before July 2, 2018, a written request for approval of the I-66 Hybrid Route under the Pilot Program established in the GTSA[13] and for issuance of a certificate of public

[3] Ex. 3 (Application) at 2.

[4] Report at 79.

[5] *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Haymarket 230 kV Double Circuit Transmission Line and 230-34.5 kV Haymarket Substation*, Case No. PUE-2015-00107, Doc. Con. Cen. No. 170420047, Interim Order at 10, 11 (Apr. 6, 2017).

[6] *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Haymarket 230 kV Double Circuit Transmission Line and 230-34.5 kV Haymarket Substation*, Case No. PUE-2015-00107, Doc. Con. Cen. No. 170630252, Final Order at 3 (June 23, 2017).

[7] *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Haymarket 230 kV Double Circuit Transmission Line and 230-34.5 kV Haymarket Substation*, Case No. PUE-2015-00107, Doc. Con. Cen. No. 171210061, Order Remanding for Further Proceedings at 2 (Dec. 6, 2017).

[8] *Id.*

[9] *Id.*

[10] On March 26, 2018, the Hearing Examiner entered a Ruling granting expedited consideration but denying the Company's request to consider the Stipulation prior to the April 30, 2018 evidentiary hearing.

[11] 2018 Va. Acts chapter 296. This is also known as the Grid Transformation and Security Act of 2018 ("GTSA").

[12] *Id.*

[13] *See* Enactment Clause 2 of SB 966, codified as Code § 56-585.1:5.

convenience and necessity for the I-66 Hybrid Route, upon a Commission order affirming that the Project is needed.[14] The Company also agreed to other conditions related to the construction of the Project.[15]

On May 7, 2018, the Hearing Examiner issued the Report on Remand of Glenn P. Richardson, Hearing Examiner ("Report on Remand"). The Hearing Examiner found that the Project continues to be needed "to serve the significant load growth projected in the Haymarket Load Area"[16] and recommended that the Commission adopt the Hearing Examiner's finding that the Project continues to be needed and grant such other relief that the Commission finds appropriate in this case.[17]

On June 12, 2018, the Commission issued its Order on Remand, adopting the Hearing Examiner's finding that the proposed Project continues to be needed to provide reasonably adequate service in the Haymarket Load Area for the reasons set forth in the Report on Remand and in the Commission's Interim Order dated April 6, 2017.[18] The Commission also noted that the language in Enactment Clause 2 of SB 966 appears to fit the description of the I-66 Hybrid Route.[19]

On July 2, 2018, Dominion filed the Request to Participate in the Pilot Program Established by Enactment Clause 2 of the Grid Transformation and Security Act of 2018 ("Written Pilot Program Request"). The Company requests approval of the Project, specifically the I-66 Hybrid Route, as a qualifying project under Section 2 of Enactment Clause 2 of SB 966.[20] Attached to Dominion's Written Pilot Program Request is a map showing the route agreed to in the Stipulation. The Company requests approval of the route, "subject to final engineering and with approval to make minor adjustments to the route as may be necessary based on coordination with Virginia Department of Transportation ('VDOT') and based on a good faith effort to further reasonably minimize adverse impacts to property owners and developers."[21] Dominion states further that its work with engineers, underground contractors, experts, VDOT and local property owners and developers "has yielded additional potential variations to the I-66 Hybrid Route that need to be explored further with VDOT and affected property owners."[22] Dominion identifies five corridors ("Variation Corridors")[23] for Commission approval, to allow the Company the "flexibility to make engineering and impact minimization variations in these identified corridors," which "may allow the Company to implement construction methods in line with the stated goals of the Pilot Program and to make changes where feasible to maximize the separation from and/or reduce the impact to private property, including dwellings…[and] environmental resources…"[24] Dominion represents that the Variation Corridors "are all within the scope of the property owner notice provided by the Company in this proceeding."[25]

Dominion represents that it shared the Written Pilot Program Request, including the proposed Variation Corridors, with Staff, the Coalition, Somerset, FST, ODEC, and Southview. Dominion states that Staff does not oppose the Written Pilot Program Request; the Coalition and Somerset, respectively, support and consent to the Written Pilot Program Request; ODEC neither supports nor opposes the Written Pilot Program Request; and Southview takes no position on the Written Pilot Program Request.[26] On July 3, 2018, Dominion filed a letter with the Clerk of the Commission stating that FST has represented to the Company that it does not object to the Written Pilot Program Request.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

Code § 56-585.1:5 B provides, in part:

> Notwithstanding any other law to the contrary, as a part of the pilot program established pursuant to this section, the Commission shall approve as a qualifying project a transmission line of 230 kilovolts or less that is pending final approval of a certificate of public convenience and necessity from the Commission as of December 31, 2017, for the construction of an electrical transmission line approximately 5.3 miles in length utilizing both overhead and underground transmission facilities, of which the underground portion shall be approximately 3.1 miles in length, which has been previously proposed for construction within or immediately adjacent to the right-of-way of an interstate highway. Once the Commission has affirmed the project need through an order, the project shall be constructed in part underground, and the underground portion shall consist of a double circuit.

[14] *See generally* Ex. 50 (Stipulation).

[15] *Id.* The non-stipulating parties did not object to the Stipulation.

[16] Report on Remand at 14.

[17] *Id.* at 14-15. The Hearing Examiner found that he had no authority to determine whether the Stipulation should be approved, as the Remand Order directed the Hearing Examiner to address only the continuing need for the Project and receive evidence on the various route variations proposed by the Company and contained in the record. *Id.* at 14. Accordingly, the Hearing Examiner did not recommend approval or disapproval of the Stipulation.

[18] Order on Remand at 8. *See* Report on Remand at 5-8, 12-13, 14, and Interim Order at 10.

[19] Order on Remand at 8.

[20] Code § 56-585.1:5 B.

[21] Written Pilot Program Request at 4, citing Ex. 50 (Stipulation), ¶ 6.

[22] *Id.* at 5.

[23] *See id.* at 6-9 for detailed descriptions of the five Variation Corridors.

[24] *Id.* at 5-6.

[25] *Id.* at 5.

[26] *Id.* at 9.

> The Commission shall approve such underground construction within 30 days of receipt of the written request of the public utility to participate in the pilot program pursuant to this subsection. The Commission shall not require the submission of additional technical and cost analyses as a condition of its approval but may request such analyses for its review. The Commission shall approve the underground construction of one contiguous segment of the transmission line that is approximately 3.1 miles in length that was previously proposed for construction within or immediately adjacent to the right-of-way of the interstate highway, for which, by resolution, the locality has indicated general community support. The remainder of the construction for the transmission line shall be aboveground. The Commission shall not be required to perform any further analysis as to the impacts of this route, including environmental impacts or impacts upon historical resources.

As we stated in the Order on Remand, the language in Code § 56-585.1:5 B appears to fit the description of the I-66 Hybrid Route. We note that the Commission has previously approved transmission lines to be built within corridors that are wider than the final right-of-way of the route, in order to give the transmission line owner the flexibility to adjust project routes to address final engineering recommendations and to minimize impacts of the route.[27] We further note that none of the parties in this case objected to the route as proposed in the Written Pilot Program Request, including the Variation Corridors. Accordingly, pursuant to Code § 56-585.1:5 B, we approve the Company's Written Pilot Program Request, including the described Variation Corridors, as a qualifying project under the Pilot Program established in SB 966.

We also note the following for the record. The Carver Road Route, which we approved in our Final Order on June 23, 2017, would have cost consumers approximately $62 million.[28] Given the unavailability of this route, on remand the Hearing Examiner received from Commission Staff updated estimated cost information on the remaining available routes, as follows: I-66 Overhead Route, $51.2 million; Madison Route, $67.8 million; and I-66 Hybrid Route, $171.9 million.[29] Based on these updated cost estimates, the I-66 Hybrid Route, which is the route required under the provisions of SB 966, will cost ratepayers an additional $120.7 million.[30]

Finally, the findings of the June 23, 2017 Final Order stand, except as modified by SB 966 and by this Order.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-585.1:5, the Commission issues the following certificates of public convenience and necessity:

> Certificate No. ET-105ad, which authorizes Virginia Electric and Power Company under the Utility Facilities Act and Code § 56-585.1:5 to operate certificated transmission lines and facilities in Prince William County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUE-2015-00107, cancels Certificate No. ET-105ac, issued to Virginia Electric and Power Company in Case No. PUE-2014-00025 on February 11, 2016.
>
> Certificate No. ET-91ab, which authorizes Virginia Electric and Power Company under the Utility Facilities Act and Code § 56-585.1:5 to operate certificated transmission lines and facilities in Loudoun County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUE-2015-00107, cancels Certificate No. ET-91aa, issued to Virginia Electric and Power Company in Case Nos. PUE-2015-00053 and PUE-2015-00054 on August 23, 2016.

(2) The findings of the June 23, 2017 Final Order stand, except as modified by SB 966 and by this order.

(3) Within thirty (30) days from the date of this Order on Request to Participate in Pilot Program, the Company shall provide to the Commission's Division of Public Utility Regulation three copies of an appropriate map that shows the routing of the Project approved herein.

(4) Upon receiving the map directed in Ordering Paragraph (3), the Commission's Division of Public Utility Regulation forthwith shall provide the Company copies of the certificates of public convenience and necessity issued in Ordering Paragraph (1) with the map attached.

(5) The Project approved herein must be constructed and in service by December 31, 2021. The Company, however, is granted leave to apply for an extension for good cause shown.

(6) This matter is dismissed.

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[27] *See, e.g., Application of Appalachian Power Company, For approval and certification of the Bland Area Improvements – 138 kV Transmission Line Rebuild Project Under Title 56 of the Code of Virginia*, Case No. PUE-2015-00090, 2016 S.C.C. Ann. Rept. 280, Final Order (June 7, 2016).

[28] Interim Order at 15.

[29] Report on Remand at 12.

[30] *Id* at 12, n.91.

CASE NO. PUE-2016-00001
AUGUST 3, 2018

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For a general increase in rates and charges and to revise the terms and conditions applicable to gas service

ORDER

On January 19, 2018, Washington Gas Light Company ("Washington Gas," "WGL," or "Company") filed with the State Corporation Commission ("Commission") its Interim Report of Washington Gas Light Company ("Interim Report") in accordance with Ordering Paragraph (2) of the Commission's Order Granting Motion issued on December 22, 2017, in this proceeding. On January 26, 2018, the Staff of the Commission ("Staff") filed its Motion of Commission Staff for Leave to Respond to Interim Report of Washington Gas Light Company ("Staff's Motion"). Attached to the Staff Motion was the Response of Commission Staff to Interim Report of Washington Gas Light Company ("Response").

On January 30, 2018, the Fairfax County Board of Supervisors, a respondent in this proceeding, filed its Motion of Fairfax County Board of Supervisors to Join Commission Staff's Response to Interim Report of Washington Gas Light Company ("Board's Motion").

On February 2, 2018, the Commission issued an Order directing Washington Gas to file any response to Staff's Motion and Response and the Board's Motion on or before February 7, 2018.

On February 7, 2018, Washington Gas filed its Reply to Response of the Commission Staff ("Reply"). Also on February 7, 2018, Virginia Natural Gas, Inc. ("VNG"), filed a Motion for Leave to File a Notice of Participation Out of Time ("VNG's Motion"), a Notice of Participation, and the Consolidated Response of Virginia Natural Gas, Inc. to the Motions of Commission Staff and Fairfax County Board of Supervisors.

On February 8, 2018, Columbia Gas of Virginia, Inc., filed comments on the Interim Report, Staff's Response, and the Reply.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds as follows.

The Company shall comply with Code § 56-238 and the plain language of the Commission's September 8, 2017 Order ("Order"). The Order directs WGL: (1) to recalculate "each bill" using the approved rates and charges; and (2) to refund the difference if that recalculation results in a "reduced bill."[1] There is no ambiguity in this language. Refunds must be determined on a *per bill* basis: (1) WGL shall recalculate "each bill" based on the new rates and charges; and (2) where the substitution of the new rates and charges results in a "reduced bill," WGL shall refund the difference.

Next, there is nothing in the plain language of the Order – or any order in this case – that permits WGL to *charge* customers the difference if the above recalculation does not result in a reduced bill.

Finally, there is no statute that prohibits implementation of the plain language of the Order. WGL's objections herein implicate the specific requirements and authority contained in Code § 56-238. This statute governs the use of what is traditionally referred to as "interim rates" (although Code § 56-238 does not contain that term). This statute directs, among other things, that: (1) WGL's proposed rates shall go into effect 150 days after filing; and (2) the Commission shall order WGL "to refund," with interest, "the portion of such increased rates, tolls or charges by its decision found not justified." This statute serves as an exception to general ratemaking principles. For example, it is an explicit exception to the general prohibition against retroactive rates. That is, the statute directs the Commission to apply the approved rates retroactively in order to issue a "refund" if the utility collected more revenue from the customer, during the interim period, than ultimately approved. Conversely, the statute does *not* direct the Commission to apply the approved rates retroactively in order to collect an additional "charge" from the customer.[2]

The Company also cites Code § 56-234 B, which requires the utility "to charge uniformly therefor all persons, corporations or municipal corporations using such service under like conditions." The Commission's Order does not violate this provision as applied to interim rates required by Code § 56-238. All customers will have their bills recalculated using the newly approved rates and charges. All customers with a total bill during the interim period that was higher than it would have been under the new rates and charges will receive a refund with interest. All customers with a total bill during the interim period that was not higher than it would have been under the new rates and charges will not be charged the difference. In short, for purposes of interim rates required under Code § 56-238 (which, again, modifies traditional ratemaking requirements for the specific purpose of interim rates), customers who were overcharged during the interim period used service under "like conditions."

Therefore, WGL shall issue refunds, with interest, to all customers that were billed by WGL when the substitution of final rates resulted in an amount greater than the amount collected during the interim period.[3]

Accordingly, IT IS ORDERED that:

(1) Within sixty (60) days of the issuance of this Final Order, the Company shall issue refunds, with interest as set out below, to all customers that were billed by Washington Gas when the substitution of final rates resulted in an amount greater than the amount collected during the interim period.

[1] Order at 8.

[2] Indeed, WGL's Application only requests authority to implement its "proposed rates on an interim basis and subject to refund," not subject to refund and/or charge. *See* Application at 14; Staff's Motion at 4. Similarly, "[a]lthough ratepayers were given notice that the final rates could be different than the proposed rates, nothing in the Procedural Order gives the Company or the ratepayers notice that the rates collected during the interim period were subject to any revision other than a refund." Staff's Motion at 4.

[3] In addition, Staff's Motion, the Board's Motion, and VNG's Motion, none of which were opposed herein, shall be granted.

(2) 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, using the average prime rate values published in the Federal Reserve Bulletin or in the Federal Reserve's Selected Interest Rates (Statistical Release H. 15) for the three (3) months of the preceding calendar quarter.

(3) The refunds ordered herein may be credited to the current customers' accounts. 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. The Company 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. The Company may retain refunds to former customers when such refund is less than $1; however, such refunds shall be promptly made upon request. All unclaimed refunds shall be subject to Code
§ 55-210.6:2.

(4) Within thirty (30) days of completing the refunds ordered herein, the Company shall deliver to the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance a report showing that all refunds have been made pursuant to this Final Order and detailing the costs incurred in effecting such refunds and the accounts charged.

(5) The Company shall bear all costs incurred in effecting the refunds ordered herein.

(6) This case is dismissed.

CASE NO. PUE-2016-00021
MAY 29, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of electric transmission facilities: Line # 65 rebuild across the Rappahannock River

FINAL ORDER

On February 29, 2016, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an Application for approval and for a certificate of public convenience and necessity to construct and operate an electric transmission line in the counties of Lancaster, Virginia, and Middlesex, Virginia, and across the Rappahannock River (the "Project"). Dominion filed the Application pursuant to § 56-46.1 of the Code of Virginia ("Code") and the Utility Facilities Act, Code § 56-265.1 *et seq.*

By order entered December 21, 2017 ("December 21, 2017 Order"), the Commission found that underwater construction of a transmission line designed for 217 megavolt amperes satisfied the applicable statutory requirements and best served the total public interest within the parameters of the Code.[1] The Commission's approval was conditioned upon Dominion receiving the additional approvals necessary for underwater construction, including, among others, authorization from the Virginia Marine Resources Commission ("VMRC"), from the United States Army Corps of Engineers, and from the Virginia General Assembly, the latter of which concerned vacating certain public oyster grounds.[2]

On April 20, 2018, pursuant to the December 21, 2017 Order, [3] Dominion filed an Update on Status of Approvals ("Update"). Therein the Company indicated that "the 2018 Regular Session of the Virginia General Assembly passed identical Senate Bill 888 (Chapter 634) and House Bill 1491 (Chapter 349) granting the approvals needed to vacate additional Baylor Grounds for underwater construction of the approved route; however, that enactment still requires VMRC approval."[4] The Company further stated that it anticipates filing for the remaining permits necessary for construction during or before July 2018.[5]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that a certificate of public convenience and necessity authorizing the Project approved in our December 21, 2017 Order should be issued, subject to the continuing requirement that the Company receive all necessary approvals and permits for the Project, including but not limited to those identified in the December 21, 2017 Order and the Company's Update.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to §§ 56-46.1, 56.265.2, and related provisions of Title 56 of the Code, the Company's request for a certificate of public convenience and necessity to construct and operate the Project is granted, subject to the requirements set forth herein.

(2) Pursuant to the Utility Facilities Act, § 56-265.1 *et seq*. of the Code, the Commission issues the following certificates of public convenience and necessity to the Company:

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[1] *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Line #65 rebuild across the Rappahannock River*, Case No. PUE-2016-00021, Doc. Con. Ctr. No. 171220286, Order (Dec. 21, 2017) at 12.

[2] *Id*. at 15 (citing the Senior Hearing Examiner's August 21, 2017 Report at 109).

[3] *Id*. at 15, para. 2.

[4] Update at 2.

[5] *Id*.

Certificate No. ET-90d which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in the county of Lancaster, Virginia, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUE-2016-00021; cancels Certificate No. ET-90c, issued to Virginia Electric and Power Company on August 20, 1988, in Case No. PUE880023.

Certificate No. ET-94f which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in the county of Middlesex, Virginia, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUE-2016-00021; cancels Certificate No. ET-94e, issued to Virginia Electric and Power Company on August 20, 1988, in Case No. PUE880023.

(3) Within thirty (30) days from the date of this Final Order, the Company shall provide to the Commission's Division of Public Utility Regulation three (3) copies of an appropriate map that shows the routing of the transmission line approved herein, in addition to the facilities shown on the map for cancelled Certificate Nos. ET-90c and ET-94e.

(4) Upon receiving the map directed in Ordering Paragraph (3), the Commission's Division of Public Utility Regulation forthwith shall provide the Company copies of the certificates of public convenience and necessity issued in Ordering Paragraph (2) with the map attached.

(5) The Project approved herein must be constructed and in service by December 31, 2019. The Company, however, is granted leave to apply for an extension for good cause shown.

(6) This matter is dismissed.

CASE NO. PUR-2017-00031
APRIL 2, 2018

APPLICATION OF
APPALACHIAN POWER COMPANY

For a rate adjustment clause pursuant to § 56-585.1 A 6 of the Code of Virginia

FINAL ORDER

On July 5, 2017, Appalachian Power Company ("APCo" or "Company"), pursuant to § 56-585.1 A 6 of the Code of Virginia ("Code"), filed with the State Corporation Commission ("Commission") an application ("Application") seeking approval of a rate adjustment clause to recover costs associated with the Company's proposed acquisition of the Beech Ridge II and Hardin wind generation facilities (collectively, "Wind Facilities") being constructed in West Virginia and Ohio, respectively.

On July 27, 2017, the Commission issued an Order for Notice and Hearing in this proceeding that, among other things, docketed the Application, scheduled a public hearing on the Application, required APCo to publish notice of its Application, gave interested persons the opportunity to comment on or participate in the proceeding, and appointed a Hearing Examiner to rule on all discovery matters that arose during the course of the proceeding.

Notices of participation were filed by the VML/VACo APCo Steering Committee ("Steering Committee"),[1] the Old Dominion Committee for Fair Utility Rates ("Committee"),[2] Steel Dynamics, Inc. ("SDI"), and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"). On December 5, 2017, the Committee and SDI filed the testimony of their respective witnesses. On December 19, 2017, the Staff of the Commission ("Staff") filed the testimony of its witnesses. On January 16, 2018, APCo filed its rebuttal testimony. On February 1, 2018, the Committee filed a Motion to Dismiss ("Motion") and Brief in Support of its Motion to Dismiss.

The Commission convened the public hearing on February 6, 2018, to receive public witness testimony and evidence on the Company's Application from Staff, respondents, and the Company. No public witnesses appeared.[3] The Commission received testimony from witnesses on behalf of the participants and admitted evidence on the Application. On March 9, 2018, the Company, the Steering Committee, the Committee, SDI, Consumer Counsel and Staff filed post-hearing briefs.

NOW THE COMMISSION, having considered the record, the pleadings, and the applicable law, is of the opinion and finds that the Application is denied. Put simply, the capacity and energy from these generating facilities is not needed by APCo to serve its Virginia customers. Thus, we find that it is neither reasonable nor prudent for APCo to acquire the Wind Facilities and then recover the costs from Virginia customers based on the record before us. Accordingly, we do not approve the rate adjustment clause requested in this proceeding.

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[1] The Steering Committee was established by the Virginia Municipal League and the Virginia Association of Counties, and it is comprised of "representatives of local governments and other political subdivisions of the Commonwealth served by the Company." Steering Committee Notice of Participation at 1.

[2] The "members of the Committee are customers of [APCo]." Committee Notice of Participation at 1.

[3] Tr. 12.

Code of Virginia

Section 56-585.1 A 6 of the Code states in part as follows:

> 6. To ensure the generation and delivery of a reliable and adequate supply of electricity, to meet the utility's projected native load obligations and to promote economic development, a utility may at any time, after the expiration or termination of capped rates, petition the Commission for approval of a rate adjustment clause for recovery on a timely and current basis from customers of the costs of . . . (ii) one or more other generation facilities . . . . A utility that constructs or makes modifications to any such facility, or purchases any facility consisting of at least one megawatt of generating capacity using energy derived from sunlight and located in the Commonwealth and that utilizes goods or services sourced, in whole or in part, from one or more Virginia businesses, shall have the right to recover the costs of the facility, as accrued against income, through its rates, including projected construction work in progress, and any associated allowance for funds used during construction, planning, development and construction or acquisition costs, life-cycle costs, costs related to assessing the feasibility of potential sites for new underground facilities, and costs of infrastructure associated therewith, plus, as an incentive to undertake such projects, an enhanced rate of return on common equity calculated as specified below . . . . A utility seeking approval to construct or purchase a generating facility described in clause (i) or (ii) shall demonstrate that it has considered and weighed alternative options, including third-party market alternatives, in its selection process.

In addition, Code § 56-585.1 A 7 provides, among other things:

> Any petition filed pursuant to subdivision 4, 5, or 6 shall be considered by the Commission on a stand-alone basis without regard to the other costs, revenues, investments, or earnings of the utility.

Finally, § 56-585.1 D provides:

> The Commission may determine, during any proceeding authorized or required by this section, the reasonableness or prudence of any cost incurred or projected to be incurred, by a utility in connection with the subject of the proceeding. A determination of the Commission regarding the reasonableness or prudence of any such cost shall be consistent with the Commission's authority to determine the reasonableness or prudence of costs in proceedings pursuant to the provisions of Chapter 10 (§ 56-232 et seq.). In determining the reasonableness or prudence of a utility providing energy and capacity to its customers from renewable energy resources, the Commission shall consider the extent to which such renewable energy resources, whether utility-owned or by contract, further the objectives of the Commonwealth Energy Policy set forth in §§ 67-101 and 67-102, and shall also consider whether the costs of such resources is likely to result in unreasonable increases in rates paid by consumers.

Need

We find that the Company has failed to establish that the Wind Facilities are needed at this time.[4] Without such a need, it is neither reasonable nor prudent for APCo to recover the costs of the Wind Facilities from its Virginia customers through a rate adjustment clause.

We agree with Consumer Counsel and the Steering Committee that the evidence demonstrates APCo does not have a current need for capacity and is expected to continue to have sufficient capacity to serve its native load until 2026.[5] Indeed, APCo does not assert a capacity need for the Wind Facilities.[6] Rather, APCo asserts that the Wind Facilities are needed to provide a lower cost source of energy compared to purchases from the PJM Interconnection, L.L.C. ("PJM"), wholesale market, particularly during the winter months when APCo traditionally experiences its peak demand.[7]

Based on the record in this case, we find that APCo has not established that the Wind Facilities are needed to address an energy deficiency. APCo does not assert, for example, that it is without access to sufficient energy to serve its native load.[8] The record shows that APCo is a winter-peaking utility with access to purchases through PJM, a summer-peaking regional transmission organization, which allows APCo access to excess energy during the winter months when PJM is off-peak.[9] Nor has APCo established that the Wind Facilities are likely to provide energy at a lower overall cost to customers. The record calls into question APCo's forecasted energy and natural gas prices used to support its economic analysis of the Wind Facilities.[10] APCo's forecasted energy and natural gas prices appear to be inflated when compared to the current market and other independent forecasts.[11] For example, APCo

[4] APCo's Application was filed pursuant to Code § 56-585.1 A 6 and we have evaluated it under that statute. APCo does not request approval to include the Wind Facilities in its Renewable Portfolio Standard ("RPS") program, *see* Ex. 3 (Castle direct) at 8, and accordingly, the Commission has not evaluated the Application under the standards set forth in Code § 56-585.2. Notwithstanding, APCo acknowledges that "the Company does not plan (or need) to incorporate the Wind Facilities into its RPS generation portfolio at this time." *See* APCo Post-hearing Brief at 7.

[5] *See, e.g.,* Ex. 24 (Samuel) at 6; Ex. 37 (Torpey rebuttal) at 5; Consumer Counsel Post-hearing Brief at 6-8; Staff Post-hearing Brief at 9-10; Steering Committee Post-hearing Brief at 6-7.

[6] *See, e.g.,* Ex. 24 (Samuel) at Attachment AFS-1 (APCo's Response to Staff Interrogatory No. 1-26); Tr. 44-45.

[7] *See, e.g.,* Ex. 2 (Application) at 2-3, 5; Ex. 3 (Castle direct) at 4-5, 7-8; Ex. 24 (Samuel) at Attachment AFS-1 (APCo's Response to Staff Interrogatory No. 1-26).

[8] *See, e.g.,* Staff Post-hearing Brief at 11.

[9] *See, e.g.,* Ex. 31 (Abbott) at 8.

[10] *See, e.g.,* Ex. 25 (Johnson) at Summary Report & Findings, pp. 7-15.

[11] *See, e.g., id.*; Ex. 13.

forecasts natural gas prices (Henry Hub) at $4.89/MMBtu for 2018, compared to EIA's forecast of $2.88/MMBtu for 2018.[12] Incorporating inflated forecasts of energy and natural gas prices results in overstated customer benefits in APCo's economic analysis.[13] In addition, APCo's updated economic analysis presented in rebuttal shows a significant reduction in the level of proffered benefits as a result of the passage of the federal Tax Cuts and Jobs Act.[14] In reaching our decision, we fully considered that one of the benefits of the Wind Facilities is qualification for the Production Tax Credit, the value of which is incorporated into the Company's economic analysis.[15]

Based on the record in this case, we also find that APCo has not established the Wind Facilities are needed at this time as a hedge against market volatility. The record reflects that APCo conducted no analysis of the costs and benefits of such a hedge, and thus did not establish that these Wind Facilities provide a superior hedge compared to other available alternatives.[16] Moreover, as noted above, APCo has access to the PJM market, particularly during the winter months when APCo experiences its peak, which provides a hedge against PJM peak prices occurring during the summer months.

Other Statutory Requirements, the Committee's Motion and Cost Allocation

Having found that it is neither reasonable nor prudent under Virginia law for APCo to acquire the Wind Facilities based on the record before us, we need not make findings related to the other statutory requirements attendant to this Application, including consideration of alternatives. Similarly, we do not reach the merits of the Committee's Motion, nor do we reach cost allocation issues raised by the participants.

Senate Bill 966

Finally, the Commission takes judicial notice of Senate Bill 966 ("SB 966"), which was passed by the 2018 Regular Session of the Virginia General Assembly and signed into law by the Governor.[17] SB 966 includes a legislative predetermination that the construction or purchase of power generated from solar or wind generating facilities up to certain quantities is "in the public interest," and the Commission is mandated to make such a finding in applicable cases.[18] SB 966 does not take effect until July 1, 2018, and whether SB 966 would affect the outcome of this Application was not considered herein. There are at least two issues that may be pertinent if raised in future cases in which SB 966 is applicable for the construction or purchase of wind power such as proposed in this proceeding: first, whether SB 966's solar and wind mandate provisions require this Commission to approve wind or solar projects regardless of any finding as to need; and, second, whether the language in SB 966 restricting the benefit of the solar and wind mandate only to facilities that are "located in the Commonwealth [of Virginia]"[19] (thus denying the benefit of the solar and wind mandate to out-of-state facilities such as APCo proposes in this Application) represents a violation of the United States Constitution under the United States Supreme Court's "dormant Commerce Clause" jurisprudence.[20] Neither of these issues were litigated herein.

Accordingly, IT IS ORDERED THAT the Application is denied and this matter is dismissed.

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[12] *See, e.g.,* Ex. 10 (Bletzacker direct) at Schedule 1, p. 3; Ex. 13.

[13] *See, e.g.,* Tr. 47.

[14] Pub. L. No. 115-97, 131 Stat. 2054 (2017). *See, e.g.,* Ex. 14ES (Torpey direct) at Schedules 2-5; Ex. 37ES (Torpey rebuttal) at Schedules 1-4; Staff Post-hearing Brief at 18-19.

[15] *See, e.g.,* Tr. 48.

[16] *See, e.g.,* Tr. 243-244; Tr. 280.

[17] SB 966 was signed into law by the Governor on March 9, 2018, and is effective July 1, 2018. 2018 Va. Acts Ch. 296.

[18] *See* 2018 Va. Acts Ch. 296, Code §§ 56-585.1 A 6, 56-585.1:1 G, 56-585.1:4. *See also* Enactment Clause 14.

[19] *See* 2018 Va. Acts Ch. 296, Code §§ 56-585.1 A 6, 56-585.1:1 G, 56-585.1:4.

[20] *See, e.g., Illinois Commerce Comm'n v. Federal Energy Regulatory Comm'n*, 721 F.3d 764, 776 (7th Cir. 2013) ("Michigan cannot, without violating the commerce clause of Article I of the Constitution, discriminate against out-of-state renewable energy.") (Opinion by Posner, J.,); *see also Wyoming v. Oklahoma*, 502 U.S. 437 (1992) (striking down Oklahoma law mandating that coal-fired generating plants use at least ten percent Oklahoma-mined coal). *Cf. Application of Virginia Electric and Power Company, For a certificate of public convenience and necessity to construct and operate an electric generation facility in Wise County, Virginia, and for approval of a rate adjustment clause under §§ 56-585.1, 56-580 D, and 56-46.1 of the Code of Virginia*, Case No. PUE-2007-00066, 2008 S.C.C. Ann. Rept. 385, 388, Final Order (Mar. 31, 2008) ("[T]he Virginia statute is factually distinct from the Oklahoma statute found unconstitutional in *Wyoming v. Oklahoma*…."); *Appalachian Voices, et al. v. State Corp. Comm'n*, 277 Va. 509, 519-520 (2009) (affirming SCC decision in PUE-2007-00066) ("Simply stated, the statute in question does not require – and the Commission did not order – that any amount of Virginia coal be used in the proposed coal-fired plant," and "even if the challenged provisions of [the Code] were found to violate the Commerce Clause, severance of the allegedly impermissible language would save the statute from invalidation.").

CASE NO. PUR-2017-00031
APRIL 20, 2018

APPLICATION OF
APPALACHIAN POWER COMPANY

For a rate adjustment clause pursuant to § 56-585.1 A 6 of the Code of Virginia

ORDER DENYING RECONSIDERATION

On July 5, 2017, Appalachian Power Company ("APCo" or "Company"), pursuant to § 56-585.1 A 6 of the Code of Virginia ("Code"), filed with the State Corporation Commission ("Commission") an application ("Application") seeking approval of a rate adjustment clause to recover costs associated with the Company's proposed acquisition of the Beech Ridge II and Hardin wind generation facilities (collectively, "Wind Facilities") being constructed in West Virginia and Ohio, respectively.

On April 2, 2018, the Commission issued a Final Order in this proceeding, which denied the Application. The Commission found as follows: "the capacity and energy from these generating facilities is not needed by APCo to serve its Virginia customers. Thus, we find that it is neither reasonable nor prudent for APCo to acquire the Wind Facilities and then recover the costs from Virginia customers based on the record before us."[1]

On April 9, 2018, APCo filed a Petition for Reconsideration ("Petition") pursuant to 5 VAC 5-20-220 of the Commission's Rules of Practice and Procedure.[2] APCo requests the Commission "reconsider and then approve the Application given the evidence and applicable law."[3]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Petition is denied. We have considered APCo's Petition and find no basis to suspend or change our Final Order, which fully considered the evidentiary record in this case and made findings of fact and law based on that record. We address below three issues raised by the Petition.

Just and Reasonable Rates

APCo claims that the Commission failed to consider whether the cost of the proposed resources is likely to result in "unreasonable increases in rates paid by consumers" under Code § 56-585.1 D.[4] On the contrary, the Final Order did exactly that. The Commission found that neither the capacity nor energy produced by these resources are needed for APCo to serve its Virginia customers at this time, and that "[w]ithout such a need, it is neither reasonable nor prudent for APCo to recover the costs of the Wind Facilities from its Virginia customers through a rate adjustment clause."[5] Thus, we determined that it would result in unreasonable increases in rates paid by consumers if APCo's customers were forced to pay for resources in the absence of a demonstrated need.

APCo similarly claims that the Commission failed to address APCo's evidence that the acquisition of the Wind Facilities will reduce rates for customers.[6] Again, the Final Order did exactly that. The Commission expressly found, based on the record of this matter, that APCo failed to establish that the Wind Facilities are likely to provide energy at a lower overall cost to customers.[7] The record fully supports the Commission's finding in this regard. For example, Staff's net present value calculations show an overall net cost – not a net savings – to customers.[8] In addition, APCo's claimed benefit of the facilities – avoiding higher-priced market purchases – is speculative, dependent upon fluctuating market prices for 25 years, while the increased cost for the facilities is not speculative but, rather, locked in to customers for those 25 years.[9] Indeed, APCo narrowly focuses on the cost of the facilities over the first ten years of their service life,[10] while the Commission properly considered the costs to customers over the full 25-year service life.[11] This is particularly significant because the record reflects that the cost of these facilities and, thus, costs to customers, will significantly increase after the first ten years, when the Production Tax Credit ends.[12]

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[1] Final Order at 2.

[2] 5 VAC 5-20-10 *et seq.*

[3] Petition at 11.

[4] *Id.* at 2, 7-8.

[5] Final Order at 4.

[6] Petition at 8.

[7] Final Order at 5.

[8] *See, e.g.,* Ex. 31ES (Abbott) at 14; Ex. 32ES; Staff Post-hearing Brief at 18.

[9] *See, e.g.,* Ex. 3 (Castle direct) at 6, 8; Ex. 31 (Abbott) at 9-15; Ex. 38 (Castle rebuttal) at 6; Ex. 2ES (Application) at Schedule 46, Section 3, Statement 8. APCo witness Castle acknowledges the "inherent uncertainty associated with any 25-year projection of energy prices." Ex. 38 (Castle rebuttal) at 6.

[10] *See, e.g.,* Petition at 2-5, 10; Ex. 39C.

[11] *See, e.g.,* Ex. 3 (Castle direct) at 6-7; Ex. 31 (Abbott) at 12-15; Staff Post-hearing Brief at 20-21.

[12] *See, e.g.,* Ex. 31 (Abbott) at 15; Ex. 2ES (Application) at Schedule 46, Section 3, Statement 8 (showing, for example, that the anticipated revenue requirement for the facilities increases between years 10 and 11 of the service life by more than 300%).

The evidence cited above also supports the Commission's finding that APCo failed to establish the Wind Facilities are needed as a reasonable hedge against market volatility.[13] The record further reflects, for example, that APCo conducted no quantitative analysis of the cost and benefits of any such hedge relative to the anticipated risk reduction.[14]

In sum, even if APCo could prove – which it has not – that the energy costs for these projects will be consistently lower than market purchases for the initial 10-year period of the rate adjustment clause, over the subsequent 15 years customers will pay substantially higher costs for these projects and APCo has not established that the energy costs of these projects during this subsequent period are reasonably expected to be lower than power purchases in the market.

Commonwealth Energy Policy

APCo further claims that the Commission failed to consider whether its proposal in this matter furthers "the objectives of the Commonwealth Energy Policy set forth in Code §§ 67-101 and 67-102" as required by Code § 56-585.1 D.[15] The Commonwealth Energy Policy gives guidance on its application to this type of proceeding, providing that it "shall not be construed to amend, repeal, or override any contrary provision of applicable law."[16] As the Commission has previously held, the Commonwealth Energy Policy and the Virginia Energy Plan do not supersede the other statutory standards that the Commission must apply in this proceeding.[17] The Commission applied the specific statutory standards attendant to the Application, including the Commonwealth Energy Policy,[18] and found that it is neither reasonable nor prudent for APCo to acquire the Wind Facilities based on the record before us. Consideration of the Commonwealth Energy Policy does not override our statutory obligations, nor our findings in this regard.

As discussed in our Final Order, however, Senate Bill 966 ("SB 966"),[19] passed by the 2018 Regular Session of the Virginia General Assembly and signed into law by the Governor, includes legislative predetermination that the construction and purchase of power generated from solar or wind generating facilities up to certain quantities is "in the public interest" and the Commission is mandated to make such a finding in applicable cases.[20] As we noted, SB 966 does not take effect until July 1, 2018, and whether SB 966 would affect the outcome of this Application was not considered herein.

Late-Filed Evidence

Finally, APCo claims in its Petition that we should consider a letter APCo filed with the Clerk of the Commission on March 29, 2018, that purportedly contains evidence material to the outcome of this proceeding.[21] Because APCo's Application was originally filed and deemed complete on July 5, 2017, this Commission was required to issue our Final Order within nine months, or by April 5, 2018, under Code § 56-585.1 A 7. We issued our Final Order on April 2, 2018.

The Commission conducted an evidentiary hearing on this matter on February 6, 2018. During the course of the hearing, the Commission received into evidence testimony and exhibits of APCo, respondents and Staff, all of which were subject to cross-examination, consistent with Commission rules and practice. The record in this proceeding closed at the conclusion of the evidentiary hearing on February 6, 2018.

Given the current procedural posture, APCo effectively requests to add *new evidence* on an *ex parte* basis to a closed evidentiary record where such request was made for the first time just one week prior to the statutory deadline for the Commission's decision established by the General Assembly.[22] Granting APCo's request and using such new evidence to change the Commission's findings would improperly deny any opportunity for other parties to raise an objection or to cross-examine the sponsoring witness. That would prejudice the due process rights of other parties and violate 5 VAC 5-20-240 of our Rules of Practice and Procedure, which states that all evidence must be verified by a witness before introduction into the record. The Commission will not consider this new evidence under these circumstances.[23]

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[13] Final Order at 5-6.

[14] *See, e.g.,* Staff Post-hearing Brief at 23. *See also* Tr. 243.

[15] Petition at 8-9.

[16] Code § 67-102 D. *See also* Code § 67-101 (providing "[e]xcept as provided in subsection D of § 56-585.1, nothing in this section shall be deemed to abrogate or modify in any way the provisions of the Virginia Electric Utility Regulation Act.").

[17] *Application of Virginia Electric and Power Company, For approval of conversion and operation of Bremo Power Station*, Case No. PUE-2012-00101, 2013 S.C.C. Ann. Rept. 289, 293, Final Order (Sept. 10, 2013); *Application of Virginia Electric and Power Company, For a certificate to construct and operate a generating facility; for certificates of pubic convenience and necessity for a transmission line: Bear Garden Generating Station and Bear Garden-Bremo 230 kV Transmission Interconnection Line*, Case No. PUE-2008-00014, 2009 S.C.C. Ann. Rept. 296, 300, Final Order (Mar. 27, 2009); *Application of Appalachian Power Company, For a rate adjustment clause pursuant to § 56-585.1 A 6 of the Code of Virginia*, Case No. PUE-2008-00068, 2008 S.C.C. Ann. Rept. 411, 412, Order on Reconsideration (May 29, 2008).

[18] Final Order at 3.

[19] *See* 2018 Va. Acts Ch. 296.

[20] Final Order at 6-7.

[21] Petition at 9-10, Attachment A.

[22] APCo's March 29, 2018, letter is not a late-filed exhibit, for example, the contents of which would be typically discussed in detail at the evidentiary hearing, when any party has the right to raise an objection and the exhibit is reserved for a specific document to be filed and made available to all parties.

[23] Any other new evidence in the Petition, not previously admitted into the record in this matter, is not properly before the Commission and will not be considered. *See, e.g.*, Petition at 4 n.16.

Because this proceeding is legislative in nature and our determination is without prejudice, APCo may present new evidence in support of a new application to acquire these resources, with SB 966 applicable to any such application filed on or after July 1, 2018.

Accordingly, IT IS HEREBY ORDERED THAT:

(1) APCo's Petition for Reconsideration is denied.

(2) This matter is dismissed.

CASE NO. PUR-2017-00033
MAY 8, 2018

APPLICATION OF
CHICKAHOMINY POWER, LLC

For certification of an electric generating facility in Charles City County pursuant to § 56-580 D of the Code of Virginia

FINAL ORDER

On August 24, 2017, Chickahominy Power, LLC ("CPLLC" or "Applicant"), filed with the State Corporation Commission ("Commission") an amended application ("Application")[1] for a certificate of public convenience and necessity ("Certificate" or "CPCN") to construct and operate a 1,650 megawatt ("MW") generating facility in Charles City County, Virginia (the "Facility" or "Project").[2] CPLLC filed its Application pursuant to § 56-580 D of the Code of Virginia ("Code") and the Filing Requirements in Support of Applications for Authority to Construct and Operate an Electric Generating Facility.[3]

As proposed, CPLLC would construct the Facility on two parcels located approximately 3,700 feet east of the intersection of Chambers Road and Roxbury Road in Charles City County.[4] In 2016, the Charles City County Board of Supervisors approved the assignment and modification of a Special Use Permit regarding this site that will allow operation of the proposed Facility.[5]

The Facility would be constructed as a combined-cycle generation facility configured with three combustion turbines, natural gas supplementally-fired heat recovery steam generators, and steam turbines.[6] The Applicant represents that the Facility will use dry low nitrogen oxides burner technology, oxidation catalysts, and evaporative-inlet air cooling.[7]

CPLLC represents that acquisition of natural gas production and arrangements for delivery to the Facility will be provided by an independent fuel manager.[8] According to the Applicant, the Facility will receive pipeline quality natural gas from the gas supplier's pipeline interface location situated on site.[9] There are no incremental interstate natural gas pipelines currently related to the Facility.[10]

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[1] CPLLC's August 24, 2017 Application amends CPLLC's April 5, 2017 Application, which replaced CPLLC's initial March 13, 2017 Application. The August 24, 2017 filing also amends Exhibit 1, Responses to 20 VAC 5-302-20. On April 13, 2017, CPLLC filed supplemental Exhibit 4 to its Application, a map identifying the location of the proposed facility for notice purposes. On August 16, 2017, CPLLC filed supplemental Exhibit 5, a July 2017 Environmental Assessment of the Project Site.

[2] CPLLC identifies 1,650 MW as the net nominal generating capacity of the proposed Facility at 95 degrees Fahrenheit ambient temperature. Ex. 2 (Application) at 6.

[3] 20 VAC 5-302-10 *et seq.* CPLLC's Application indicates that the Facility also satisfies other provisions of the Code, including Code §§ 56-46.1 and 56-596. Ex. 2 (Application) at 15-17.

[4] Ex. 2 (Application) at 5.

[5] *Id.*

[6] *Id.* at 5-6.

[7] *Id.* at 6-7.

[8] *Id.* at 7.

[9] *Id.*

[10] *Id.*

CPLLC is a special purpose entity formed to develop, construct, own, and operate the Facility.[11] CPLLC has retained Balico, LLC to support and manage the design, development, and construction of the Facility.[12] CPLLC anticipates that construction of the Facility would begin in the first quarter of 2019 and take approximately 29-30 months.[13]

CPLLC asserts that construction and operation of the Facility will promote the public interest by providing significant economic benefit to the Commonwealth of Virginia and Charles City County.[14] CPLLC further asserts that the Facility would promote the public interest by supporting the goals of the 2010 and 2014 Virginia Energy Plans by helping to meet the rising demand for electricity in the region using environmentally responsible generation technology located in the Commonwealth.[15] Further, according to CPLLC, the Facility would produce low-cost power to the benefit of Virginia customers.[16]

CPLLC further asserts that the Facility will not adversely impact the reliability of electric service provided by any regulated public utility.[17] CPLLC would operate the Facility as an exempt wholesale generator supplying wholesale power to the PJM Interconnection, LLC ("PJM") system.[18] As such, the rates for electricity from the Facility would not be regulated pursuant to Code § 56-585.1, and its costs would not be included in the rate base of any regulated utility whose rates are established pursuant to Chapter 10 of Title 56 of the Code.[19] CPLLC expects PJM to find that the Facility will comply with all applicable reliability planning criteria and will not have a deleterious impact on the network regardless of whether CPLLC chooses to construct the 500 kilovolt ("kV") or 230 kV generation options.[20] CPLLC further represents that Virginia Electric and Power Company ("Dominion") is assessing the Facility for compliance with North American Electric Reliability Corporation Reliability Criteria on Dominion's transmission system and expects to find that the Facility complies with such criteria and will enhance system reliability.[21]

CPLLC has or will apply for any permits from regulatory agencies with oversight responsibilities for all environmental aspects of the Facility. CPLLC indicates that it will continue to be engaged in regulatory review of the Facility.[22]

On September 25, 2017, the Commission issued an Order for Notice and Hearing ("Procedural Order") that, among other things, docketed the Application; required CPLLC to publish notice of its Application; gave interested persons the opportunity to comment on, or participate in, the proceeding; scheduled a public hearing for the purpose of receiving testimony and evidence on the Application; directed the Commission Staff ("Staff") to investigate the Application and file testimony and exhibits containing its findings and recommendations; and assigned a Hearing Examiner to conduct all further proceedings in this matter.

In the Procedural Order, the Commission noted that Staff requested the Department of Environmental Quality ("DEQ") to coordinate an environmental review of the Facility.[23] The DEQ filed a report ("DEQ Report") on the proposed Facility on October 19, 2017.[24] The DEQ Report summarizes the proposed Facility's potential impacts, makes recommendations for minimizing those impacts, and outlines the Applicant's responsibilities for compliance with legal requirements governing environmental protection. The DEQ Report contains the following recommendations:

- Conduct an on-site delineation of all wetlands and stream crossings within the project area with verification by the U.S. Army Corps of Engineers, using accepted methods and procedures, and follow DEQ's recommendations to avoid and minimize impacts to wetlands and streams;

- Coordinate with the DEQ Office of Water Supply prior to submitting a Virginia Water Protection Permit application to discuss the project requirements related to water withdrawals and convene a pre-application panel;

- Consider DEQ's recommendations for the reduction of nonpoint pollution as applicable;

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[11] *Id.* at 2, 8. Development of the facility will be financed by Chickahominy Partners, LLC, which was created to lead the investment activities associated with the Facility. *Id.* at 3, 10.

[12] *Id.* at 2.

[13] *See, e.g., id.* at 12; Ex. 8 (Ali Rebuttal adopted by Jef Freeman) at 3.

[14] Ex. 2 (Application) at 14, 16-17.

[15] *Id.* at 14, 17.

[16] *Id.* at 14.

[17] *Id*. at 15.

[18] *Id.* at 2, 16.

[19] *Id.* at 2.

[20] *Id.* at 16.

[21] *Id*.

[22] *Id.* at 17.

[23] Procedural Order at 4-5.

[24] Ex. 7 (DEQ Report).

- Follow DEQ's recommendations regarding air quality protection, as applicable;
- Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable;
- Coordinate with the Department of Conservation and Recreation's (DCR) Division of Natural Heritage regarding its recommendations to protect natural heritage resources as well as for updates to the Biotics Data System database;
- Coordinate with the Department of Game and Inland Fisheries regarding its recommendations to protect listed species and other wildlife resources;
- Coordinate with the Department of Historic Resources regarding its recommendations to protect historic and archaeological resources;
- Follow the principles and practices of pollution prevention to the maximum extent practicable; and
- Limit the use of pesticides and herbicides to the extent practicable.[25]

On February 20, 2018, Staff filed its testimony. Staff stated that because CPLLC is not a regulated utility, it bears any business risk associated with the Facility.[26] Staff also indicated that the proposed Facility should enhance the reliability of the electricity supply in the Commonwealth of Virginia ("Commonwealth") and the PJM region, particularly during peak demand times.[27]

Staff explained that as a condition of interconnecting the Facility to the transmission system, CPLLC would be responsible for all projects that PJM concludes are necessary to ensure the reliable operation of the transmission system, and that CPLLC's obligation to complete and/or pay for these projects will be set forth in an Interconnection Service Agreement executed between PJM, Dominion and CPLLC.[28] Staff recommended that CPLLC file its Interconnection Facilities Study with the Commission once it has been completed.[29] In addition, Staff determined that the proposed Facility should enhance the competitive market for wholesale electricity in the region and provide several economic benefits for Charles City and the Commonwealth, including the creation of jobs in the area and the generation of tax revenue, as well as other indirect benefits to the local community.[30]

On March 6, 2018, CPLLC filed its rebuttal testimony. In its rebuttal testimony, CPLLC stated that since the filing of the Application, certain elements of the Project timeline have changed, due in part to the application process.[31] CPLLC also updated the estimated electrical interconnection costs of the Project in its rebuttal testimony to reflect the results of the updated PJM System Impact Study for the Project.[32]

The Hearing Examiner convened a hearing on March 26, 2018. CPLLC and Staff participated in the hearing and introduced their testimonies and exhibits into the record. Three public witnesses also testified at the hearing.

On April 13, 2018, Michael D. Thomas, Hearing Examiner, issued his report in this proceeding ("Report"). The Hearing Examiner summarized the record and found that: (1) the Facility will have no material adverse effect upon reliability of electric service provided by any regulated public utility; (2) the Facility will provide significant local and regional economic benefits; (3) the Facility will have no material adverse impact on the environment; (4) the Facility is not contrary to the public interest; (5) the Commission should issue a CPCN to Chickahominy Power authorizing the construction and operation of the Facility; (6) the recommendations from the DEQ Report should be adopted by the Commission as conditions of approval; and (7) the Commission should include in the CPCN a five-year sunset provision, from the date of the Commission's Final Order, for CPLLC to commence construction of the Facility.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds as follows:

Code of Virginia

Section 56-580 D of the Code provides in part:

> The Commission shall permit the construction and operation of electrical generating facilities in Virginia upon a finding that such generating facility and associated facilities (i) will have no material adverse effect upon reliability of electric service provided by any regulated public utility, . . . and (iii) are not otherwise contrary to the public interest.

Further, with regard to generating facilities, § 56-580 D of the Code directs that "the Commission shall give consideration to the effect of the facility and associated facilities on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact as provided in § 56-46.1 . . .." Section 56-46.1 A of the Code provides in part:

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[25] *Id.* at 6-7.

[26] Ex. 6 (Tufaro Direct) at 17.

[27] *Id*.

[28] *Id.* at 12.

[29] *Id*.

[30] *Id*. at 17-18.

[31] Ex. 8 (Ali Rebuttal adopted by Jef Freeman) at 2.

[32] Id. at 3-4.

> 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 every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection; and if requested by any county or municipality in which the facility is proposed to be built, to local comprehensive plans that have been adopted pursuant to Article 3 (§ 15.2-2223 et seq.) of Chapter 22 of Title 15.2.

Subsection 56-46.1 A also provides:

> In order to avoid duplication of governmental activities, any valid permit or approval required for an electric generating plant and associated facilities issued or granted by a federal, state or local governmental entity charged by law with responsibility for issuing permits or approvals regulating environmental impact and mitigation of adverse environmental impact or for other specific public interest issues such as building codes, transportation plans, and public safety, whether such permit or approval is granted prior to or after the Commission's decision, shall be deemed to satisfy the requirements of this section with respect to all matters that (i) are governed by the permit or approval or (ii) are within the authority of, and were considered by, the governmental entity in issuing such permit or approval, and the Commission shall impose no additional conditions with respect to such matters.

Section 56-580 D of the Code contains language that is nearly identical to the language set forth in Code § 56-46.1 A.

The Code also directs the Commission to consider the effect of a proposed facility on economic development in Virginia. Section 56-46.1 A of the Code states in part:

> Additionally, the Commission (a) shall consider the effect of the proposed facility on economic development within the Commonwealth, including but not limited to furtherance of the economic and job creation objectives of the Commonwealth Energy Policy set forth in §§ 67-101 and 67-102, and (b) shall consider any improvements in service reliability that may result from the construction of such facility.

Similarly, § 56-596 A of the Code provides that "[i]n all relevant proceedings pursuant to [the Virginia Electric Utility Regulation] Act, the Commission shall take into consideration, among other things, the goal of economic development in the Commonwealth."

Reliability

We agree with the Hearing Examiner and find that construction of the Facility will have no adverse effect on reliability of electric service provided by regulated public utilities in Virginia.[33] The record indicates that the Facility will enhance the reliability of the electric supply in Virginia and the PJM region.[34] We recognize, however, that CPLLC would be responsible for all projects that PJM concludes are necessary to ensure reliable operation of the transmission system. We recognize that CPLLC's obligation to complete and/or pay for these projects will be set forth in an Interconnection Service Agreement executed between PJM, Dominion, and CPLLC.[35] We therefore find that CPLLC shall file the Interconnection Facilities Study for the Facility in this docket once it has been completed by PJM.

Economic Development

We find that the proposed Facility will likely generate direct and indirect economic benefits to Charles City County and the Commonwealth as a result of employment and spending from construction and operation of the proposed Facility.[36] The Facility is projected to create 800-1,000 jobs during the construction period and thereafter approximately 35-40 full-time jobs.[37] Further, Charles City County will likely benefit from an increase in the local tax base as a result of the property and generation facilities constructed by CPLLC.[38]

Environmental Impact

The statutes direct that the Commission "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."[39]

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[33] Report at 13.

[34] *Id.*; Ex. 2 (Application) at 14-15; Ex. 6 (Tufaro Direct) at 17.

[35] Ex. 6 (Tufaro Direct) at 17.

[36] *See, e.g.,* Ex. 2 (Application) at 14-15; Ex. 3 (Ali Direct adopted by Freeman) at 7; Ex. 6 (Tufaro Direct) at 16-18.

[37] *See, e.g.,* Ex. 3 (Ali Direct adopted by Freeman) at 7; Ex. 6 (Tufaro Direct) at 16.

[38] *See, e.g., id*.

[39] Code § 56-46.1 A. *See also* Code § 56-580 D (stating that "the Commission shall give consideration to the effect of the facility and associated facilities 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 noted above, DEQ coordinated an environmental review of the proposed Facility and submitted a DEQ Report that, among other things, set forth recommendations for the proposed Facility.[40] The Applicant did not oppose any recommendations in the DEQ Report.[41] Based on the record, we agree with the Hearing Examiner that CPLLC should implement DEQ's recommendations and that, with such implementation, any adverse environmental impacts of the Facility would be reasonably minimized.[42] As such, as a condition to the CPCN in this proceeding, CPLLC is required to obtain all necessary environmental permits and approvals that are needed to construct and operate the Facility.

Public Interest

We agree with the Hearing Examiner that the record supports a finding that the Facility is not "contrary to the public interest" as contemplated by § 56-580 D of the Code.[43] Among other things, the record in this case establishes that construction and operation of the proposed Facility will: (i) enhance reliability; (ii) provide local and regional economic benefits; and (iii) comply with all necessary federal, state and local environmental permits.[44] Additionally, as recognized by the Applicant, the business risk associated with constructing, owning, and operating the Facility, which will not provide retail electric service in the Commonwealth and will not be included in the rate base of any incumbent electric utility, rests solely with CPLLC.[45]

Sunset Provision

As a requirement of our approval herein, we find that the authority granted by this Final Order shall expire five (5) years from the date hereof if construction of the Facility has not commenced, though CPLLC subsequently may petition the Commission for an extension of this sunset provision for good cause shown.

Accordingly, IT IS ORDERED THAT:

(1) Subject to the findings and requirements set forth in this Final Order, CPLLC is granted approval and Certificate of Public Convenience and Necessity No. EG-216 to construct and operate the Facility as set forth in this proceeding.

(2) The CPLLC shall forthwith file a map of the Facility within Charles City County for certification.

(3) This case is dismissed.

[40] Ex. 7 (DEQ Report).

[41] Report at 13; Tr. at 16, 52, 55, 74-75, 80.

[42] Report at 14.

[43] *Id.*

[44] *See, e.g.,* Ex. 2 (Application) at 14-15; Ex. 3 (Ali Direct adopted by Freeman) at 7-8; Ex. 6 (Tufaro Direct) at 17-18.

[45] *See, e.g.,* Ex. 2 (Application) at 12.

CASE NO. PUR-2017-00044
JANUARY 9, 2018

APPLICATION OF
RAPPAHANNOCK ELECTRIC COOPERATIVE

For a general increase in rates

FINAL ORDER

On May 23, 2017, Rappahannock Electric Cooperative ("REC" or "Cooperative") filed with the State Corporation Commission ("Commission") an application pursuant to §§ 56-231.33, 56-231.34, 56-235, 56-236, 56-238, and 56-585.3 of the Code of Virginia requesting approval of a proposed increase in rates and charges for bills rendered on and after January 1, 2018, and approval of revised depreciation rates effective with the implementation of the proposed rates ("Application").[1] Concurrent with its Application, the Cooperative filed a Motion for Protective Ruling.

On June 16, 2017, the Commission issued an Order for Notice and Hearing that, among other things, established a procedural schedule for this case, directed the Company to provide public notice of its Application, provided interested persons an opportunity to file comments on the Application or to participate as respondents in this proceeding, scheduled a public evidentiary hearing, permitted the Company to implement its proposed rates, subject to refund with interest, for bills rendered on and after January 1, 2018, and directed the Commission's Staff ("Staff") to investigate the Application. The Commission also assigned a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission, including filing a final report containing the Hearing Examiner's findings and recommendations.

[1] Ex. 3 (Application) at 1, 6, 9. REC filed revised tariff pages on July 11, 2017, and September 14, 2017. REC clarifies that while the majority of the proposed rate schedules filed with the Application indicate an effective date for bills rendered on and after January 1, 2018, Schedules HD-1 and LP-3 indicate that these revised rate schedules would be effective for bills rendered on and after February 1, 2018. Ex. 3 (Application) at 6, n.4.

The Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel"), the Board of Supervisors of Frederick County, Virginia ("Frederick County"), and the Virginia Chapter of the Sierra Club ("Sierra Club") filed notices of participation in this proceeding. On September 19, 2017, the Sierra Club filed testimony and exhibits.[2] On October 3, 2017, Staff filed its testimony and exhibits. On October 17, 2017, the Cooperative filed rebuttal testimony.

On October 31, 2017, Howard P. Anderson, Jr., Hearing Examiner, convened the evidentiary hearing in this proceeding. The Cooperative, Staff, Consumer Counsel, Frederick County, and the Sierra Club participated in the hearing. The Cooperative, Staff, Consumer Counsel, and the Sierra Club[3] presented a Stipulation resolving all issues between them ("Stipulation"). Frederick County did not join in the Stipulation but represented by counsel that it had no objection and concurred with the Stipulation.[4] The Cooperative indicated that it had not placed its proposed rates into effect and requested that the Commission allow the Cooperative to implement its approved rates for bills rendered on and after March 1, 2018.[5]

On December 18, 2017, the Report of Howard P. Anderson, Jr., Hearing Examiner ("Report") was filed with the Clerk of the Commission. In his Report, the Hearing Examiner summarized the record in this proceeding. The Hearing Examiner found that the Stipulation is reasonable and should be adopted, that an increase in REC's net revenues is justified, and that the revenue requirement set forth in the Stipulation results in a TIER of 2.3, which is reasonable.[6] The Hearing Examiner recommended that the Commission adopt the findings in the Report, accept the Stipulation, and grant the Cooperative's Application as modified by the Stipulation.[7]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Report and Stipulation should be adopted and that REC's rates as set forth in the Stipulation should be approved.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the December 18, 2017 Report hereby are adopted as provided for herein.

(2) In accordance with the findings made herein, the Stipulation attached hereto as Attachment A is adopted, and its terms are incorporated herein.

(3) The rates and charges approved herein shall become effective for service rendered on and after March 1, 2018.

(4) Within thirty (30) days of the issuance of this Final Order, the Cooperative shall file revised tariffs, schedules, and terms and conditions of service that reflect the rates and charges approved herein.

(5) This case is dismissed.

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.

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[2] On September 19, 2017, the Sierra Club filed a Motion for Leave to File Notice of Participation Out-Of-Time ("Motion"). On September 29, 2017, REC filed a response to Sierra Club's Motion. On October 2, 2017, the Hearing Examiner issued a ruling granting Sierra Club's Motion and directing the Clerk of the Commission to accept Sierra Club's testimony and exhibits filed with its Motion.

[3] The Sierra Club's participation in the Stipulation was limited to supporting Stipulation Paragraphs (8) and (11). The Sierra Club did not take a position on the remaining provisions of the Stipulation but did not oppose the Commission's approval of the Stipulation. *See* Stipulation at 1 n.1.

[4] Ex. 1 (Stipulation) at 1 n.2; Tr. at 11.

[5] Tr. at 10-11.

[6] Report at 12.

[7] *Id.*

CASE NO. PUR-2017-00044
JANUARY 16, 2017

APPLICATION OF
RAPPAHANNOCK ELECTRIC COOPERATIVE

For a general increase in rates

CORRECTING ORDER

On May 23, 2017, Rappahannock Electric Cooperative filed with the State Corporation Commission ("Commission") an application pursuant to §§ 56-231.33, 56-231.34, 56-235, 56-236, 56-238, and 56-585.3 of the Code of Virginia requesting approval of a proposed increase in rates and charges, and approval of revised depreciation rates effective with the implementation of the proposed rates.

On January 9, 2018, the Commission issued a Final Order in this proceeding. In Ordering Paragraph (3) of the Final Order, the Commission inadvertently directed that the rates and charges become effective for service rendered on and after March 1, 2018, rather than for bills rendered on and after March 1, 2018.

Accordingly, IT IS ORDERED THAT:

(1) Ordering Paragraph (3) of the Final Order hereby is amended to state the following: "The rates and charges approved herein shall become effective for bills rendered on and after March 1, 2018."

(2) All other provisions of the Final Order shall remain in full force and effect.

CASE NO. PUR-2017-00045
MARCH 12, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

In re: Appalachian Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 *et seq*.

FINAL ORDER

On May 1, 2017, Appalachian Power Company ("APCo" or "Company") filed with the State Corporation Commission ("Commission") the Company's Integrated Resource Plan ("IRP") pursuant to § 56-599 of the Code of Virginia ("Code"). APCo's IRP encompasses the 15-year planning period from 2017 to 2031.[1]

On May 11, 2017, the Commission issued an Order for Notice and Hearing in this proceeding that, among other things, established a procedural schedule; set an evidentiary hearing date; directed APCo to provide public notice of its IRP; and provided any interested person an opportunity to file comments on the Company's IRP or to participate in the case as a respondent by filing a notice of participation. Notices of participation were filed by the Office of the Attorney General's Division of Consumer Counsel; the Old Dominion Committee for Fair Utility Rates ("Committee"); the Mid-Atlantic Renewable Energy Coalition ("MAREC"); the VML/VACo APCo Steering Committee and the Chesapeake Climate Action Network, Appalachian Voices, and the Virginia Chapter of the Sierra Club (collectively, "Environmental Respondents").

The Commission's Order for Notice and Hearing also provided for the prefiling of testimony and exhibits by APCo, respondents, and the Commission's Staff ("Staff"). The Company, MAREC, Environmental Respondents, and Staff prefiled testimony in this proceeding.

On September 28, 2017, the Commission convened an evidentiary hearing on the Company's IRP.[2] No public witnesses appeared to testify at the hearing.[3] During the hearing, the Commission received testimony and exhibits from APCo, the respondents, and Staff.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

Legal Sufficiency of APCo's 2017 IRP

Pursuant to § 56-599 C of the Code, the Commission must, after giving notice and an opportunity to be heard, determine whether APCo's IRP is reasonable and in the public interest. The Commission finds, based on the record of this proceeding and applicable statutes, that the Company's IRP is reasonable and in the public interest for the specific and limited purpose of filing the planning document as mandated by § 56-597 *et seq.* of the Code. Consistent with prior final orders issued under these provisions of the Code, we reiterate that approval of an IRP does not create a presumption that resource options contained in the approved IRP will be approved in a future certificate of public convenience and necessity, rate adjustment clause, fuel factor, or other type of proceeding governed by different statutes.[4]

Future IRPs

An extensive record was developed in this matter, including participation by members of the public and respondents that have intervened and presented substantial evidence in this proceeding. The evidence and arguments addressed specific information and analyses that APCo should be required to include in its next IRP filing.

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[1] Exhibit ("Ex.") 2 (IRP) at 2.

[2] Staff and all parties participated in the hearing.

[3] Tr. 10. The Commission considered public comments filed pursuant to the Order for Notice and Hearing.

[4] *See, e.g., Commonwealth of Virginia, ex rel., State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.,* Case No. PUE-2016-00049, 2016 S.C.C. Ann. Rept. 405, 406, Final Order (Dec. 14, 2016); *Commonwealth of Virginia, ex rel., State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUE-2011-00092, 2012 S.C.C. Ann. Rept. 296, 296, Final Order (Oct. 5, 2012); *Commonwealth of Virginia, ex rel., State Corporation Commission, In re: Appalachian Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.,* Case No. PUE-2009-00097, 2010 S.C.C. Ann. Rept. 387, 389, Final Order (Aug. 6, 2010); *Commonwealth of Virginia, ex rel., State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUE-2009-00096, 2010 S.C.C. Ann. Rept. 385, 387, Final Order (Aug. 6, 2010).

The Commission takes judicial notice, however, that the 2018 Regular Session of the General Assembly has passed and the Governor has signed Senate Bill 966,[5] which impacts subsequent IRPs. The Commission therefore directs that APCo's future IRPs, beginning with the IRP due to be filed on May 1, 2018, shall include detailed plans to implement the mandates contained in that legislation, as well as plans that comply with all other legal requirements.[6]

Accordingly, IT IS SO ORDERED, and this matter IS DISMISSED.

[5] 2018 Acts ch. 296.

[6] This includes, for example, the utility's least-cost plan along with plans compliant with proposed federal carbon-control regulations, which are required in accordance with the provisions of both Code § 56-585.1:1 F 1, and Code § 56-599 B 9 (requiring an IRP to include "the most cost effective means of complying with current and pending state and federal environmental regulations, including compliance options to minimize effects on customer rates of such regulations").

CASE NO. PUR-2017-00051
MARCH 12, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 *et seq.*

ORDER

On May 1, 2017, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") the Company's Integrated Resource Plan ("IRP") pursuant to § 56-597 *et seq.* of the Code of Virginia ("Code"). Dominion's 2017 IRP encompasses the planning period from 2018 to 2032.

On May 12, 2017, the Commission issued an Order for Notice and Hearing in this proceeding that, among other things, established a procedural schedule; set an evidentiary hearing date; directed Dominion to provide public notice of its IRP; and provided any interested person an opportunity to file comments on the Company's IRP, or to participate in the case as a respondent by filing a notice of participation. Notices of participation were filed by the Natural Resources Defense Council, Appalachian Voices and the Chesapeake Climate Action Network ("Environmental Respondents"); the Virginia Chapter of the Sierra Club ("Sierra Club"); the Board of Supervisors of Culpeper County, Virginia ("Culpeper County"); the Mid-Atlantic Renewable Energy Coalition ("MAREC"); the Virginia Committee for Fair Utility Rates; and the Virginia Office of the Attorney General, Division of Consumer Counsel.

The Commission's Order for Notice and Hearing also provided for the pre-filing of testimony and exhibits by Dominion, respondents and the Commission's Staff ("Staff"). The Company, Environmental Respondents, Sierra Club, MAREC, and Staff pre-filed testimony in this proceeding.

On September 8, 2017, Dominion filed a Motion *in Limine*. On September 11, 2017, the Environmental Respondents filed a response and a Cross Motion *in Limine*. On September 12, 2017, the Sierra Club filed a joinder to the Environmental Respondents' filing. On September 28, 2017, the Environmental Respondents and Sierra Club filed responses to the Motion *in Limine* on its merits. On October 13, 2017, Dominion filed its reply.[1]

Beginning on September 25, 2017, the Commission convened an evidentiary hearing on the Company's IRP.[2] During the hearing, the Commission received the testimony of public witnesses.[3] The Commission also received testimony and exhibits from Dominion, the respondents, and Staff.[4] The hearing concluded, after closing arguments, on September 27, 2017.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

Legal Sufficiency of Dominion's 2017 IRP

Pursuant to § 56-599 C of the Code, the Commission must, after giving notice and an opportunity to be heard, determine whether Dominion's IRP is reasonable and in the public interest. The Commission finds, based on the record of this proceeding and applicable statutes, that the Company's IRP is reasonable and in the public interest for the specific and limited purpose of filing the planning document as mandated by § 56-597 *et seq.* of the Code.[5] Consistent with prior final orders issued under these provisions of the Code, we reiterate that approval of an IRP does not create a presumption that resource

[1] On October 16, 2017, Sierra Club filed a technical correction to its response.

[2] Staff and all parties except Culpeper County participated in the hearing.

[3] Tr. at 14-26. The Commission also considered public comments filed pursuant to the Order for Notice and Hearing.

[4] At the hearing, the Commission noted that it would rule on the outstanding motions in its Final Order in this proceeding. Tr. at 8.

[5] We deny any objections we took under advisement and admit all evidence, including the testimony of Environmental Respondents witness Lander (Exs. 23 & 24) and Sierra Club witness Penniman (Ex. 10) regarding the Atlantic Coast Pipeline. We have given this evidence the weight due when making our finding herein. The Motion and Cross Motion *in Limine* are denied.

options contained in the approved IRP will be approved in a future certificate of public convenience and necessity, rate adjustment clause, fuel factor, or other type of proceeding governed by different statutes.[6]

Future IRPs

An extensive record was developed in this matter, including robust participation by members of the public and respondents that have intervened and presented substantial evidence in this proceeding. The evidence and arguments addressed specific information and analyses that Dominion should be required to include in its next IRP filing.

The Commission takes judicial notice, however, that the 2018 Regular Session of the General Assembly has passed and the Governor has signed Senate Bill 966,[7] which impacts subsequent IRPs. The Commission therefore directs that Dominion's future IRPs, beginning with the IRP due to be filed on May 1, 2018, shall include detailed plans to implement the mandates contained in that legislation, as well as plans that comply with all other legal requirements.[8]

Accordingly, IT IS SO ORDERED, and this matter IS DISMISSED.

[6] *See, e.g., Commonwealth of Virginia, ex rel., State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.,* Case No. PUE-2016-00049, 2016 S.C.C. Ann. Rept. 405, 406, Final Order (Dec. 14, 2016); *Commonwealth of Virginia, ex rel., State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUE-2011-00092, 2012 S.C.C. Ann. Rept. 296, 296, Final Order (Oct. 5, 2012); *Commonwealth of Virginia, ex rel., State Corporation Commission, In re: Appalachian Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.,* Case No. PUE-2009-00097, 2010 S.C.C. Ann. Rept. 387, 389, Final Order (Aug. 6, 2010); *Commonwealth of Virginia, ex rel., State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUE-2009-00096, 2010 S.C.C. Ann. Rept. 385, 387, Final Order (Aug. 6, 2010).

[7] 2018 Acts ch. 296.

[8] This includes, for example, the utility's least-cost plan along with plans compliant with proposed federal carbon-control regulations, which are required in accordance with the provisions of both Code § 56-585.1:1 F 1, and Code § 56-599 B 9 (requiring an IRP to include "the most cost effective means of complying with current and pending state and federal environmental regulations, including compliance options to minimize effects on customer rates of such regulations").

CASE NO. PUR-2017-00056
FEBRUARY 20, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

In re: Kentucky Utilities Company d/b/a Old Dominion Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 *et seq*.

FINAL ORDER

On May 1, 2017, Kentucky Utilities Company d/b/a Old Dominion Power Company ("KU/ODP" or "Company") filed with the State Corporation Commission ("Commission") the Company's Integrated Resource Plan ("IRP") pursuant to § 56-599 of the Code of Virginia ("Code").[1]

As amended in 2015, Code § 56-599 requires, among other things, that an IRP evaluate: (i) the effect of current and pending environmental regulations upon the continued operation of existing electric generation facilities or options for construction of new electric generation facilities; and (ii) the most cost-effective means of complying with current and pending environmental regulations ("2015 Amendments").[2] The Company indicated that its IRP filing is intended to satisfy the revised requirement that each electric utility file an updated IRP by May 1, 2017.[3]

According to KU/ODP, the Company and its affiliate, Louisville Gas and Electric Company ("LG&E"), collectively control over 8,000 megawatts of combined generating capacity, all of which is located in Kentucky and is subject to the jurisdiction of the Kentucky Public Service Commission ("KPSC").[4] The Company maintained that neither it nor LG&E owns or operates any generating assets in Virginia.[5] KU/ODP stated that in Virginia, the Company provides retail electric service to approximately 28,000 customers in the counties of Wise, Lee, Russell, Scott, and Dickenson,

[1] This filing was accompanied by a Motion for Protective Order in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*.

[2] 2015 Acts ch. 6.

[3] KU/ODP 2017 VA IRP Summary at 1.

[4] *Id*.

[5] *Id.*

supplying those customers with energy from KU/ODP's and LG&E's generating assets in Kentucky.[6] According to KU/ODP, the electric load in the Virginia service territory primarily consists of residential customers and coal mining operations.[7]

On May 12, 2017, the Commission issued an Order for Notice and Comment that, among other things, directed the Company to provide notice of its IRP; provided an opportunity for interested persons to file comments or request a hearing on the IRP; and directed the Commission's Staff ("Staff") to investigate the Company's IRP and present its findings and recommendations in a report ("Staff Report"). No one filed comments on the Company's IRP, and no one requested a hearing.

On August 24, 2017, Staff filed its Staff Report and recommended that the Commission accept the Company's IRP as reasonable and in the public interest.[8] In support of its recommendation, Staff concluded that the Company's IRP complies with the legislative requirements of Code § 56-597 *et seq.* and the guidelines set forth in the Commission's December 23, 2008 Order Establishing Guidelines for Developing Integrated Resource Plans.[9] Staff indicated that the 2015 Amendments require the Company to file its IRP in Virginia annually and, therefore, the Company now must file its IRP in Virginia in years it will not be filing an IRP with the KPSC.[10] In addition, Staff noted that the CPP was on appeal and subject to a stay issued by the United States Supreme Court.[11] In light of the considerable uncertainty associated with the CPP, Staff recommended that the Commission continue to impose the CPP-related requirements from its Final Order in Case No. PUE-2016-00053.[12]

Furthermore, Staff emphasized that the Company's IRP is an ongoing planning process and noted that the results of the Company's IRP are subject to further scrutiny prior to actual implementation.[13] Accordingly, Staff stated that any determination in this proceeding should not preclude the Commission from approving or rejecting a particular supply-side or demand-side resource in the future, nor should the Commission's determination in this case create any presumption in favor, or not in favor, of a particular resource.[14]

On September 15, 2017, KU/ODP filed its response to the Staff Report stating that it has no comments and requesting that the Commission issue an order finding its IRP reasonable and in the public interest under Code § 56-599 C.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

Pursuant to Code § 56-599 C, the Commission must, after giving notice and an opportunity to be heard, determine whether KU/ODP's IRP is reasonable and in the public interest. The Commission finds, based on the record of this proceeding and applicable statutes, that the Company's IRP is reasonable and in the public interest for the specific and limited purpose of filing a planning document as mandated by Code § 56-597 *et seq*. Consistent with every prior final order issued under these provisions of the Code,[15] we reiterate that approval of an IRP does not in any way create the slightest presumption that resource options contained in the approved IRP will be approved in a future certificate of public convenience and necessity, fuel factor, or other type of proceeding governed by different statutes.

Furthermore, while the Commission finds that KU/ODP's IRP is reasonable and in the public interest for filing as a planning document, and not as a document that will determine future Commission decisions on specific resources or the recovery of specific expenditures, we also find that additional analysis of several areas should be required in future filings.

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[6] *Id.*

[7] *Id.*

[8] Staff Report at 16.

[9] *Id.* at 15; s*ee Commonwealth of Virginia, ex rel., State Corporation Commission, Concerning Electric Utility Integrated Resource Planning Pursuant to § 56-597 et seq. [of the] Code of Virginia,* Case No. PUE-2008-00099, 2008 S.C.C. Ann. Rept. 606, Order Establishing Guidelines for Developing Integrated Resource Plans (Dec. 23, 2008).

[10] Staff Report at 15.

[11] *Id.* at 3 (citing *West Virginia v. Environmental Protection Agency*, No. 15-1363 (D.C. Cir.), *stay granted* (U.S. Feb. 9, 2016) (No. 15A776).

[12] Staff Report at 14-16. These CPP-related requirements include: (1) an assessment of KU/ODP's ability to comply with Section 111(d) under a rate-based approach; (2) an assessment of KU/ODP's ability to comply with Section 111(d) under a mass-based approach; (3) an assessment of the rate impacts of the final Section 111(d); and (4) an update on the status of Kentucky's development of a State Implementation Plan ("SIP"). *See* KU/ODP 2016 IRP Final Order at 4.

[13] Staff Report at 15.

[14] *Id.* at 15-16.

[15] *See, e.g., Commonwealth of Virginia, ex rel., State Corporation Commission, In re: Kentucky Utilities Company d/b/a Old Dominion Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUE-2009-00062, 2010 S.C.C. Ann. Rept. 353, 354, Final Order (Aug. 6, 2010); *Commonwealth of Virginia, ex rel., State Corporation Commission, In re: Kentucky Utilities Company d/b/a Old Dominion Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUE-2011-00097, 2012 S.C.C. Ann. Rept. 313, 314, Final Order (Oct. 5, 2012).

As in prior IRP proceedings, the EPA's CPP regulation to control carbon dioxide emissions from existing electric generation units under Section 111(d) of the Clean Air Act continues to be a significant planning consideration for electric utilities. In previous IRP proceedings, we have directed electric utilities in Virginia to consider and update various options for complying with the CPP because of its significance to electric utility resource planning.[16] In doing so, we have recognized that the ability to model options for compliance in Virginia, Kentucky, and other states will, by necessity, require some degree of speculation until all stages of the regulatory, legal, and potentially legislative processes associated with the CPP are complete.

The CPP is currently stayed by the Supreme Court of the United States. Even if the CPP is upheld, it could be several years before a final SIP is approved in either Virginia or Kentucky. Until such time, an IRP can only present scenarios that are based on compliance assumptions, rather than the specific requirements of compliance.

Accordingly, we find that KU/ODP should include in its next IRP filing with the Commission an update regarding the Company's plans and Kentucky's plans to comply with the CPP. This should include: (i) an assessment of the Company's ability to comply with Section 111(d) under a rate-based approach;[17] (ii) an assessment of KU/ODP's ability to comply with Section 111(d) under a mass-based approach; (iii) an assessment of the rate impacts of the final Section 111(d); and (iv) an update on the status of Kentucky's development of a SIP.

Accordingly, IT IS SO ORDERED and this matter is DISMISSED.

[16] *See, e.g., Commonwealth of Virginia, ex rel., State Corporation Commission, In re: Appalachian Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.,* Case No. PUE-2013-00097, 2014 S.C.C. Ann. Rept. 305, 306, Final Order (Nov. 26, 2014): *Commonwealth of Virginia, ex rel., State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to §56-597 et seq. of the Code of Virginia*, Case No. PUE-2013-00088, 2014 S.C.C. Ann. Rept. 301, 303. Final Order (Aug. 27, 2014).

[17] A "rate-based" (or "intensity-based") approach considers compliance on the basis of pounds of carbon dioxide emitted per megawatt hour, while a "mass-based" approach considers compliance based on the totals of carbon dioxide emitted.

CASE NO. PUR-2017-00060
MAY 7, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of 100 percent renewable energy tariffs pursuant to §§ 56-577 A 5 and 56-234 of the Code of Virginia

FINAL ORDER

On May 9, 2017, Virginia Electric and Power Company ("Dominion" or "Company") filed an application ("Application") pursuant to §§ 56-577 A 5 ("Section A 5") and 56-234 of the Code of Virginia ("Code") with the State Corporation Commission ("Commission") for approval of six renewable energy tariffs whereby existing or new non-residential customers with peak measured demands of 1,000 kilowatts or greater can voluntarily elect to purchase 100% of their energy needs from renewable energy resources, collectively designated the CRG Rate Schedules.[1] Dominion requests that the Commission approve the CRG Rate Schedules as 100% renewable energy tariffs under Section A 5.[2]

The Company states that it would develop a portfolio of renewable energy resources ("CRG Portfolio") exclusively to serve CRG Rate Schedule customers based on the participating customers' individual load profiles and preferences.[3] To develop the CRG Portfolio, the Company intends: (i) to solicit the wholesale renewable energy market within the PJM Interconnection, L.L.C. ("PJM"), regional transmission organization footprint and negotiate and execute power purchase agreements ("PPAs") for existing or new facilities; and (ii) to develop new Company-owned renewable energy resources exclusively to serve the needs of CRG Rate Schedule customers.[4]

In the Application, the Company states that it would negotiate and execute a separate requirements contract with each participating customer that would establish an all-inclusive tariff rate for 100% renewable retail electric supply service and would be in lieu of the customer's generation billing under its standard tariff.[5] The requirements contract would have a minimum term of five years.[6] To the extent that the CRG Portfolio includes PPAs, the Company proposes to base its all-inclusive tariff rate on the purchased power costs plus a margin equal to the Company's most recently approved return on equity ("ROE") and, to the extent that the CRG Portfolio includes Company-owned renewable resources, a return on investment would also be tied to the Company's most recently approved ROE.[7] CRG Rate Schedule customers would continue to be subject to distribution service charges and transmission

[1] The CRG Rate Schedules consist of Rate Schedule CRG – GS-1, Rate Schedule CRG – GS-2, Rate Schedule CRG – GS-3, Rate Schedule CRG – GS-4, Rate Schedule CRG – 27, and Rate Schedule CRG – 28.

[2] Ex. 2 (Application) at 14.

[3] *Id*. at 4.

[4] *Id.* at 5.

[5] *Id.* at 6, 10.

[6] *Id.* at 10. If a customer elects to enroll in a Rate Schedule CRG, the customer would be subject to a non-refundable application fee of $2,000, which is intended to defray the Company's costs related to enrollment and the solicitation process. *Id.* at 12.

[7] *Id.* at 6.

demand and energy charges, unless otherwise exempt, but would not be subject to the Company's existing fuel or generation riders.[8] The Company states that the cost of any necessary PPAs or dedicated Company-owned facilities and associated administrative expenses would be directly assigned to customers taking service under the applicable CRG Rate Schedule such that no other Virginia jurisdictional customers nor customers in the Company's other jurisdictions will bear any responsibility for costs incurred to provide service under the CRG Rate Schedules.[9]

Following approval of the CRG Rate Schedules, and upon notification of customer interest to receive service under a CRG Rate Schedule through the enrollment process, the Company states that it plans to conduct solicitation processes involving the wholesale renewable generation market for existing or new construction renewable resources which have the ability to service the customer's hourly energy load profile 24 hours a day, seven days a week, 365 days a year, as well as the capacity requirements of the customer. The Company states it would require the installation of metering equipment and communication technology it deems necessary to properly measure the customer's demand and energy usage at each service location used by the customer to meet the demand threshold, the cost of which would be borne by the customer.[10]

On June 1, 2017, the Commission issued an Order for Notice and Hearing that, among other things, docketed this matter; established a schedule for the filing of notices of participation and prefiled testimony; scheduled a hearing; and assigned a Hearing Examiner to conduct further proceedings in this matter and file a final report.

The following parties filed notices of participation in this proceeding: Direct Energy Services, LLC ("Direct Energy"); Wal-Mart Stores, LP and Sam's East, Inc. (collectively, "Walmart"); Appalachian Power Company; Northern Virginia Electric Cooperative ("NOVEC"); Appalachian Voices ("Environmental Respondents"); the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel"); Secure Futures, LLC; Advanced Energy Economy, Inc. ("AEE"); Mid-Atlantic Renewable Energy Coalition ("MAREC"); National Energy Marketers Association ("NEMA"); and Collegiate Clean Energy, LLC. AEE, Direct Energy, MAREC, Walmart, Commission Staff ("Staff") and the Company pre-filed testimony in this matter.

On October 18, 2017, the Hearing Examiner convened a hearing solely for the receipt of public witness testimony. No public witnesses appeared.[11] Beginning on December 4, 2017, the Hearing Examiner reconvened the hearing for the receipt of evidence on Dominion's Application from Staff, respondents, and the Company.[12] On March 2, 2018, the Hearing Examiner issued her Report, which recommended denial of the Application. The following parties filed comments on the Hearing Examiner's Report: Dominion; Staff; Consumer Counsel; Environmental Respondents; AEE; Direct Energy; NEMA; MAREC; and Walmart.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

Code § 56-577 A 5 ("Section A 5") states in full:

> 5. After the expiration or termination of capped rates, individual retail customers of electric energy within the Commonwealth, regardless of customer class, shall be permitted:
>
> a. To purchase electric energy provided 100 percent from renewable energy from any supplier of electric energy licensed to sell retail electric energy within the Commonwealth, other than any incumbent electric utility that is not the incumbent electric utility serving the exclusive service territory in which such a customer is located, if the incumbent electric utility serving the exclusive service territory does not offer an approved tariff for electric energy provided 100 percent from renewable energy; and
>
> b. To continue purchasing renewable energy pursuant to the terms of a power purchase agreement in effect on the date there is filed with the Commission a tariff for the incumbent electric utility that serves the exclusive service territory in which the customer is located to offer electric energy provided 100 percent from renewable energy, for the duration of such agreement.

Next, Code § 56-576 defines "renewable energy" as follows:

> energy derived from sunlight, wind, falling water, biomass, sustainable or otherwise, (the definitions of which shall be liberally construed), energy from waste, landfill gas, municipal solid waste, wave motion, tides, and geothermal power, and does not include energy derived from coal, oil, natural gas, or nuclear power. Renewable energy shall also include the proportion of the thermal or electric energy from a facility that results from the co-firing of biomass.

Section A 5 allows a customer to purchase "electric energy provided 100 percent from renewable energy" from a competitive service provider ("CSP"), if that customer's utility does not offer "an *approved* tariff for electric energy provided 100 percent from renewable energy" (emphasis added). The Commission has previously noted that "[a]lthough this statute requires the tariff to be 'approved' by the Commission, it does not include an express standard of review for the Commission's approval, nor does it include any express limitations on what the Commission may determine is relevant to such review."[13]

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[8] *Id.* at 7.

[9] *Id.* at 8.

[10] *Id.* at 10-11.

[11] Tr. 4. In addition, the Commission received one set of public comments filed by the Retail Energy Supply Association. Three comment letters received by the Company were also admitted as Exhibit 5.

[12] NOVEC did not participate at the hearing.

[13] *Petition of Appalachian Power Company, For approval of a 100% renewable energy rider*, Case No. PUE-2016-00051, Doc. Con. Cen. No. 170910268, Final Order at 5 (Sept. 13, 2017).

Accordingly, the Commission found (and continues to find) that in determining whether to approve such a tariff, the Commission has the authority to consider whether the proposed tariff is just and reasonable.[14]

The record in this case includes considerable discussion and debate surrounding the fact that if a customer's incumbent utility offers a Commission-approved 100% renewable energy tariff, then that customer can no longer purchase 100% renewable energy from a CSP under Section A 5 (beyond the term of any existing power purchase agreements). This outcome, however, represents a policy decision by the General Assembly and, accordingly, occurs by operation of the statute. There is no statutory basis for the Commission to disfavor incumbent utility tariffs proposed under Section A 5 or, similarly, to apply an unwritten heightened standard before approving a proposed 100% renewable energy tariff. Rather, the Commission will evaluate the facts in this proceeding, as it would any tariff request, to reach a finding as to whether the proposed rate schedules are just and reasonable.

The proposed tariffs include formulas and projections. The use of formulas or projections does not in and of itself mandate rejection of a proposed tariff. Rather, the Commission must evaluate the specific items that comprise the proposed tariffs, which we have done. In this regard, the Company proposes that each customer's rate be derived from the following formula:[15]

$$Rate = [(A - B + C + F) / Q_{load}] * (1+r)$$

Where:

A = Cost of Renewable Generation Procured = $\sum_i [P_{ppa} * Q_{ppa})]_i$
B = Credit for Generation Procured = $\sum_i [P_{node} * Q_{ppa}]_i + PQ_{recs}$
C = Cost of Load in PJM = $P_{dom} * Q_{load}$
F = PJM Admin Fees = Load Ratio Share of PJM Administrative and Ancillary Charges
Pppa = Price of PPA for renewable generation including energy, capacity, and Renewable Energy Credits ("RECs")
P_{node} = Forecasted price of energy and capacity at generator node
PQ_{recs} = Forecasted price and quantity of excess REC sales
P_{dom} = Forecasted price of energy and capacity at Dom Zone
Q_{ppa} = Quantity of renewable generation procured through PPA
Q_{load} = Forecasted quantity of customer load
r = Operating margin equal to Company's most recently-approved ROE
i = Number of PPAs in renewable generation portfolio for customer

Based on the record in this proceeding, the Commission finds that Dominion has not established that its proposed tariffs will result in just and reasonable rates. The Commission has concluded, in exercising its discretion and considering the operation of the proposed rate schedules, that there is simply too much uncertainty and subjectivity in the tariffs for the Commission to find that they will result in just and reasonable rates. The unknown variables and utility discretion include: energy cost; forecasted energy prices at the generator node; forecasted capacity prices at the generator node; forecasted REC prices; forecasted REC sales; forecasted energy prices at DOM Zone; forecasted capacity prices at DOM Zone; quantity and negotiated price of generation procured through each PPA; number of PPAs; forecasted customer load; customer administrative fees; operating margin; and negotiated contract term. Furthermore, Dominion was unable to cite any Commission precedent approving a formula rate combining this amount of uncertainty and utility discretion.[16]

The Commission also finds the Company has not established that it is reasonable to apply its authorized ROE to purchased power costs. To the extent the Company projected that it would incur additional risks under these tariffs for which it is not already compensated, then any proposed return should be based thereon. Similarly, to the extent the Company projected that it would incur specific incremental costs to administer these tariffs for which it is not already compensated, then any proposed administrative fees should likewise be based thereon.[17]

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[14] *Id.* The Commission also noted that it "may further have the duty to consider whether the proposed rate is just and reasonable pursuant to Code § 56-234 A: '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.'" *Id.* at 5 n.5. Moreover, Code § 56-234 B states that "[i]t shall be the duty of every public utility to charge uniformly therefor all persons, corporations or municipal corporations using such service under like conditions."

[15] Ex. 30 (Gaskill rebuttal) at 3-5.

[16] *See, e.g.,* Staff Post-hearing Brief at 3-4; 23-26; Ex. 17; Ex. 27; Ex. 28.

[17] The Commission also finds that the specific CRG Rate Schedules, as proposed, are not "necessary in order to acquire information which is or may be in furtherance of the public interest" under Code § 56-234 B, due to the same concerns supporting our finding that such tariffs are not just and reasonable.

We recognize that the CRG Rate Schedules allow the utility to design a unique renewable energy product for each customer based on the customer's preferences for specific types of renewable resources.[18] We note that parties opposing Dominion's request in this case likewise argued that customers should have such an option.[19] While understandable, this desire cannot supplant the Commission's determination of whether the tariffed rates would be just and reasonable for all customers. The General Assembly has already defined "renewable energy" in Code § 56-576 as it applies to this case, and there is no statutory requirement for the utility's approved tariff to offer any undefined subset of that definition. The Commission must find that the energy provided by the proposed tariffs meets the General Assembly's definition of renewable energy, not an individual customer's preferred definition of such. The requirements of Section A 5, however, do not preclude a utility from proposing – under separate statutes – specific renewable options designed for specific customers.[20]

The Commission also rejects Dominion's suggestion that if the proposed tariffs are denied, then there is no circumstance under which a utility tariff for 100% renewable energy could ever be approved. To the contrary (and not by way of limitation), the Commission's findings herein do not preclude a utility from proposing a rate based on a reasonably estimated cost of providing 100% renewable energy, and demonstrating that the resulting rates, terms, and conditions are just and reasonable. The General Assembly simply did not require the Commission to approve a utility tariff under Section A 5 that it finds to be unreasonable. Similarly, the General Assembly could have directed the Commission to approve a 100% renewable energy tariff if limited minimum requirements were met, but it did not.

In sum, the Commission finds Dominion has not established that the CRG Rate Schedules are just and reasonable. The combination of factors – when taken together – that inform this decision include: the extraordinary discretion delegated to the utility; the magnitude of combined uncertainty and subjectivity in the formula's variables and resulting rates; the proposed use of ROE; unknown administrative fees on a customer-by-customer basis; unknown negotiated contract terms on a customer-by-customer basis; and the inability to ensure that the resulting charges will be uniform for customers taking service under like conditions.[21] We emphasize, however, that this finding does not preclude a utility from proposing tariffs under Section A 5 with just and reasonable rates, terms, and conditions including, but not limited to, rates sufficiently demonstrated as reasonably approximating or representing market prices for 100% renewable energy.[22]

Accordingly, IT IS ORDERED that the Application is denied, and this matter is dismissed.

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[18] *See, e.g.,* Dominion's Comments on the Hearing Examiner's Report at 19; Ex. 19 (Morgan rebuttal) at 4.

[19] *See, e.g.,* Ex. 7 (Marquis) at 10, 22-26; Ex. 11 (Hanger) at 4; Ex. 12 (Thumma) at 6.

[20] For example, the Commission recently approved the Company's application for approval of Schedule RF, a voluntary companion rate schedule involving the purchase of environmental attributes of new renewable generation facilities, which was proposed with the provisional commitment of a subsidiary of Facebook, Inc., to participate in the offering. *See Application of Virginia Electric and Power Company, For approval to establish experimental companion tariff, designated Schedule RF, pursuant to § 56-234 B of the Code of Virginia*, Case No. PUR-2017-00137, Doc. Con. Cen. No. 180340069, Order Approving Tariff (Mar. 26, 2018).

[21] As noted above, Code § 56-234 B states that "[i]t shall be the duty of every public utility to charge uniformly therefor all persons, corporations or municipal corporations using such service under like conditions." We do not find that Dominion's proposed use of enrollment periods, in and of itself, violates this principle. For example, depending upon the specific tariff and circumstances, customers subscribing in different enrollment periods may be found as not taking service "under like conditions." In the current case, however, the terms and conditions, taken as a whole, raise into question whether this is satisfied.

[22] Having denied the CRG Rate Schedules for the reasons set forth herein, the Commission does not reach the legal question of whether the Company's proposed hourly matching standard for providing 100% renewable energy is required by statute.

CASE NO. PUR-2017-00060
MAY 29, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of 100 percent renewable energy tariffs pursuant to §§ 56-577 A 5 and 56-234 of the Code of Virginia

ORDER GRANTING RECONSIDERATION

On May 7, 2018, the State Corporation Commission ("Commission") issued a Final Order ("Order") in this docket. On May 25, 2018, Virginia Electric and Power Company filed a Petition for Limited Rehearing or Reconsideration ("Petition") pursuant to 5 VAC 5-20-220 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*.

NOW THE COMMISSION, upon consideration of this matter, grants reconsideration for the purpose of continuing jurisdiction over this matter and considering the above-referenced request. The Order is hereby suspended pending the Commission's reconsideration.

Accordingly, IT IS ORDERED THAT:

(1) Reconsideration is granted for the purpose of continuing jurisdiction over this matter and considering the above-referenced request.

(2) Pending the Commission's reconsideration, the Order is suspended.

(3) This matter is continued generally.

CASE NO. PUR-2017-00060
JUNE 20, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of 100 percent renewable energy tariffs pursuant to §§ 56-577 A 5 and 56-234 of the Code of Virginia

ORDER ON RECONSIDERATION

On May 7, 2018, the State Corporation Commission ("Commission") issued a Final Order in this docket. On May 25, 2018, Virginia Electric and Power Company ("Dominion" or "Company") filed a Petition for Limited Rehearing and Reconsideration ("Petition") pursuant to 5 VAC 5-20-220 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*. On May 29, 2018, the Commission granted reconsideration and suspended the Final Order for the purpose of considering the Petition.

NOW THE COMMISSION, upon consideration thereof, is of the opinion and finds as follows.

Dominion asks the Commission as follows:

> to confirm (i) the type of information and analysis that would be relevant to support the inclusion of a margin on purchased power costs to recover costs associated with incremental risks borne by the Company; and (ii) whether a utility tariff for 100% renewable energy that allows for customer input on the selection of the renewable energy resources included in the supply portfolio could meet the requirements of [Code § 56-577 A 5 ("Section A 5")].[1]

We will address each request in turn.

First, the Final Order found as follows regarding Dominion's proposed inclusion of a margin:

> The Commission also finds the Company has not established that it is reasonable to apply its authorized [return on equity] to purchased power costs. To the extent the Company projected that it would incur additional risks under these tariffs for which it is not already compensated, then any proposed return should be based thereon. Similarly, to the extent the Company projected that it would incur specific incremental costs to administer these tariffs for which it is not already compensated, then any proposed administrative fees should likewise be based thereon.[2]

The Commission confirms, as referenced in the Petition, that these findings do not "suggest that including a margin *mandates* rejection of such a rate."[3] Rather, these findings represent, on a more basic level, the Commission's conclusion that Dominion had not established its proposed additional revenues were needed to recover actual, incremental costs that would be reasonably incurred under the proposed tariffs and not otherwise recovered. The Final Order, however, does not mandate rejection of all margin proposals in the future. The Commission did not identify, based on the record in this case (and without prejudging what may, or may not, be relevant in future cases), a specific analysis or method through which it would necessarily be just and reasonable to use a margin for these purposes.

Second, the Final Order found as follows regarding Dominion's consideration of customer preferences:

> We recognize that the CRG Rate Schedules allow the utility to design a unique renewable energy product for each customer based on the customer's preferences for specific types of renewable resources. We note that parties opposing Dominion's request in this case likewise argued that customers should have such an option. While understandable, this desire cannot supplant the Commission's determination of whether the tariffed rates would be just and reasonable for all customers. The General Assembly has already defined "renewable energy" in Code § 56-576 as it applies to this case, and there is no statutory requirement for the utility's approved tariff to offer any undefined subset of that definition. The Commission must find that the energy provided by the proposed tariffs meets the General Assembly's definition of renewable energy, not an individual customer's preferred definition of such. The requirements of Section A 5, however, do not preclude a utility from proposing – under separate statutes – specific renewable options designed for specific customers.[4]

The Commission confirms, as referenced in the Petition, that these findings do not "*preclude* a utility from proposing a 100% renewable energy tariff under Section A 5 that provided for some level of customer input as to which generation resources would be used to meet their load requirements."[5] Rather, these findings recognize, on a more basic level, that the Code does not require the Commission to approve proposed tariffs under Section A 5 that only include a particular subset of the renewable resources listed in Code § 56-576 if such tariffs are not otherwise just and reasonable.

Accordingly, IT IS ORDERED THAT the Final Order is no longer suspended, and this matter is dismissed.

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[1] Petition at 10.

[2] Final Order at 7-8 (footnote omitted).

[3] Petition at 4 (emphasis added).

[4] Final Order at 8 (footnotes omitted).

[5] Petition at 9 (emphasis added).

CASE NO. PUR-2017-00065
JANUARY 31, 2018

PETITION OF
APPALACHIAN POWER COMPANY

For approval of a rate adjustment clause, RPS-RAC, to recover the incremental costs of participation in the Virginia renewable energy portfolio standard program pursuant to Va. Code §§ 56-585.1 A 5 d and 56-585.2 E

FINAL ORDER

On June 1, 2017, Appalachian Power Company ("APCo" or "Company"), pursuant to §§ 56-585.1 A 5 d and 56-585.2 E of the Code of Virginia ("Code") and the Final Order issued in Case No. PUE-2016-00042,[1] filed with the State Corporation Commission ("Commission") a Petition asking the Commission to approve a rate adjustment clause, designated as the RPS-RAC, for recovery of the incremental costs related to the Company's participation in Virginia's Renewable Energy Portfolio Standard Program.[2] APCo requests implementation of its proposed revenue factor effective April 1, 2018, through March 31, 2019 ("2018 Rate Year").

For the 2018 Rate Year, the Company stated that it calculated a revenue requirement for the RPS-RAC of $5.76 million, which takes into account: (1) actual and projected costs associated with wind purchased power agreements for the period April 2017 through March 2019; (2) an actual under-recovery balance as of March 31, 2017; (3) projected net proceeds associated with sales of renewable energy credits for April 2017 through March 2019; (4) projected Generation Attribute Tracking System volumetric fees for April 2017 through March 2019; and (5) the projected RPS-RAC payments for the period April 2017 through March 2018.[3]

According to APCo, implementation of its proposed RPS-RAC on April 1, 2018, would increase the bill of a residential customer using 1,000 kilowatt hours per month by approximately $0.65.[4] While the proposed RPS-RAC would also affect non-residential customer bills, the Company indicated it had not allocated RPS-RAC costs to certain Large Power Service customers identified by Code § 56-585.2 E.[5]

On June 20, 2017, the Commission issued an Order for Notice and Hearing in this proceeding that, among other things, docketed this case; required the Company to provide notice of the Petition; established a schedule for the submission of notices of participation and prefiled testimony; scheduled a hearing on November 2, 2017; and assigned this case to a Hearing Examiner to conduct all further proceedings on the Commission's behalf and to file a final report.

Timely notices of participation were filed by the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"), the Old Dominion Committee for Fair Utility Rates ("Committee"), and the VML/VACo APCo Steering Committee ("VML/VACo").

The Commission Staff ("Staff") filed its direct testimony and exhibits on September 29, 2017. On October 5, 2017, the Company filed a letter stating that it did not intend to file rebuttal testimony in this case. On November 1, 2017, the Company and Staff filed a Stipulation proposing to resolve this matter. The Stipulation provides for a revenue requirement of $5,701,380 for the RPS-RAC and continued use of the PJM Interconnection, L.L.C. ("PJM") Regional Transmission Organization Net Cost of New Entry ("CONE") Unforced Capacity ("UCAP") value as a proxy for capacity costs, as recommended in the Staff Report, rather than the PJM AEP Net CONE UCAP value, as used by the Company in the Petition.[6] Although not signatories to the Stipulation, VML/VACo, the Committee, and Consumer Counsel do not oppose it.

The evidentiary hearing was convened, as scheduled. The Company, Staff, Consumer Counsel, Committee and VML/VACo participated in the hearing. No public witnesses appeared at the hearing.

On November 3, 2017, the Report of A. Ann Berkebile, Hearing Examiner ("Report") was filed. In her Report the Hearing Examiner made the following findings: (1) the Stipulation is reasonable and should be approved by the Commission; (2) the new annual revenue requirement for the RPS-RAC is $5,701,380; (3) APCo should be authorized to implement the RPS-RAC recovery factor as shown on Attachment 1 to the Stipulation; and (4) the new RPS-RAC rates should be implemented for service rendered on and after 60 days following the Commission's entry of an Order in this case.[7] The Hearing Examiner recommended that the Commission adopt the findings in her Report, approve the updated RPS-RAC, and close the case.[8]

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[1] *Petition of Appalachian Power Company, For approval of a rate adjustment clause, RPS-RAC, to recover the incremental costs of participation in the Virginia renewable energy portfolio standard program pursuant to Va. Code §§ 56-585.1 A 5 d and 56-585.2 E*, Case No. PUE-2016-00042, Doc. Con. Cen. No. 170210015, Final Order (Feb. 1, 2017) ("2017 RPS Order").

[2] In a letter dated May 2, 2017, and stamped as received by the Commission's Clerk's Office on June 6, 2017, APCo filed a Motion for Waiver of Rate Case Rules ("Motion") requesting Commission waiver of Rule 20 VAC 5-201-10 A, which requires notice to the Commission 60 days prior to filing rate adjustment clause petitions. Due to an administrative oversight by the Company, APCo did not file timely notice of its June 1, 2017 Petition. APCo indicates that the 2017 RPS Order required the Company to file the instant Petition on or before June 1, 2017, and that granting its requested waiver would not harm any interested party. The Commission grants this Motion.

[3] Ex. 4 (Sebastian Direct) at 4, Schedule 2.

[4] Ex. 2 (Petition) at 3.

[5] *Id.* at 2; Ex. 4 (Sebastian Direct) at 5.

[6] Ex. 7 (Stipulation) at 2.

[7] Report at 6.

[8] *Id.*

No comments on the Report were filed.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the findings and recommendations set forth in the Hearing Examiner's Report should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The Company's Petition is granted, as modified by the Stipulation.

(2) The Stipulation is reasonable and hereby is adopted.

(3) APCo shall file a revised Schedule RPS-RAC and supporting workpapers with the Clerk of the Commission and the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: http://www.scc.virginia.gov/case.

(4) The revised RPS-RAC, as approved herein, shall become effective for service rendered on and after April 1, 2018.

(5) The Company shall file its next RPS-RAC petition on or before June 1, 2018.

(6) This matter is dismissed.

CASE NO. PUR-2017-00069
DECEMBER 21, 2018

APPLICATION OF
MASSANUTTEN PUBLIC SERVICE CORPORATION

For an increase in water and sewer rates

FINAL ORDER

On June 30, 2017, Massanutten Public Service Corporation ("Massanutten" or "Company") filed with the State Corporation Commission ("Commission") an application for a general increase in its water and sewer rates, together with certain schedules filed under seal pursuant to 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure,[1] and testimonies and exhibits ("Application").[2] The Company filed its Application pursuant to Chapter 10 of Title 56 of the Code of Virginia ("Code")[3] and the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings.[4]

The Company requested authority to increase its rates for water and sewer service to produce an increase in water revenues of $63,939, and an increase in wastewater revenues of $658,268.[5] The Company indicated that this rate request was based on a 9.25% return on equity.[6] Massanutten proposed to allocate the revenue increase for water and wastewater to its four customer classes producing the following revenue increase by class:[7]

Class	Water Revenue Increase	Wastewater Revenue Increase
Residential	3.76%	42.71%
Commercial	2.61%	41.60%
Hospitality	-0.78%	37.12%
Water Park	0.64%	38.91%

Currently the monthly base facilities charge applicable to water service for all customers ranges from $13.82 to $345.58 as the meter size increases from 5/8" to 4". Under the proposed rates, the monthly base facilities charge would range from $14.26 to $364.36 as the meter size increases from 5/8" to 4". Specifically, the Company proposed the following changes in water charges per 1,000 gallons to its four customer classes:

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[1] 5 VAC 5-20-10 *et seq*.

[2] On July 14, 2017, the Company filed Schedule 40. On July 19, 2017, the Company filed supplements to Schedules 30 and 36. The Company's Application was deemed complete as of July 19, 2017.

[3] Code § 56-232 *et seq.*

[4] 20 VAC 5-201-10 *et seq*.

[5] Ex. 4 (Application) at 2, Schedule 26.

[6] Ex. 9 (Guttormsen Direct Testimony) at 2.

[7] *Id.* at 5-6; Ex. 4 (Application) at Schedule 43. The Company calculated these percentage increases based in part on a reduction in customer consumption. *See* Ex. 4 (Application) at Schedule 43; Ex. 5 (Lubertozzi Direct Testimony) at 8.

Class	Current Charge	Proposed Charge
Residential	$8.47	$8.93
Commercial	$8.84	$9.17
Hospitality	$8.88	$9.16
Water Park	$9.23	$9.57

Currently the monthly base facilities charge applicable to wastewater service for all customers ranges from $13.37 to $334.19 as the meter size increases from 5/8" to 4". Under the proposed rates, the monthly base facilities charge would range from $19.07 to $484.41 as the meter size increases from 5/8" to 4". Specifically, the Company proposed the following changes in wastewater charges per 1,000 gallons to its four customer classes:

Class	Current Charge	Proposed Charge
Residential	$7.59	$11.00
Commercial	$8.67	$12.42
Hospitality	$8.62	$12.29
Water Park	$9.56	$13.68

Currently, the monthly availability fee is $4.81 for water and $4.65 for wastewater. This would increase to $5.07 per month for water and $6.74 per month for wastewater. These charges are billed semi-annually.[8] The Company's Application reflected proposed rates with an effective date of November 1, 2017.[9]

On August 10, 2017, the Commission entered an Order for Notice and Hearing ("Procedural Order") in this proceeding, which, among other things, docketed the Company's Application, directed Massanutten to provide notice of its Application, provided interested persons the opportunity to comment or participate in the proceeding, directed the Commission's Staff ("Staff") to investigate the Application, scheduled an evidentiary hearing, and assigned a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission. Pursuant to the Procedural Order, the Company implemented its proposed rates on an interim basis, subject to refund with interest, on December 16, 2017.[10]

On August 2, 2017, a notice of participation was timely submitted by Great Eastern Resort Corporation, Great Eastern Resort Management, Inc., Great Eastern Waterpark, LLC, Great Eastern Purveyors, Inc., Peak Construction Company, Inc., Woodstone Time-Share Owners Association, Shenandoah Villas Owners Association, The Summit at Massanutten Owners Association, Regal Vistas at Massanutten Owners Association, and Eagle Trace Owners Association (collectively, "Resort Customers"). In response to requests by the public, the Hearing Examiner convened local public hearings on March 1, 2018, in Rockingham County.

The Hearing Examiner convened a public and evidentiary hearing on March 27, 2018. One public witness testified at the hearing. Massanutten, Staff, and the Resort Customers participated in the hearing. On May 1, 2018, Massanutten, Staff, and the Resort Customers filed post-hearing briefs.

On June 5, 2018, the Report of Michael D. Thomas, Hearing Examiner ("Report") was filed. On June 26, 2018, Massanutten, the Resort Customers, and Staff timely filed comments to the Hearing Examiner's Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

Initially, as recommended by the Hearing Examiner, we find that dismissal of the Company's Application is not warranted, and that the Commission may determine just and reasonable rates based on the evidentiary record in this case.[11] We also approve, as agreed to by Massanutten and Staff, that the Company's rates herein shall be based on a rate of return on common equity of 9.25%, which is the midpoint of a cost of equity range of 8.75% to 9.75%.[12]

We reject the Company's request to treat specifically-identified rate case costs attendant to its 2014 Rate Case[13] as a regulatory asset for ratemaking purposes. Pursuant to the Company's Stipulation in that case, the Commission's Final Order therein directed that the Company could "defer and amortize rate case costs over 5 years on the Company's books" for accounting purposes, but that it could not treat those specific costs "as regulatory assets for ratemaking purposes."[14] The Final Order in the 2014 Rate Case, however, obviously does not preclude the Commission from reflecting a reasonable amount of normalized regulatory expense in the Company's annual revenue requirement for purpose of the instant proceeding. Based on the specific, unique circumstances attendant to the Company and the facts of this case, we find that it is reasonable to include a level of regulatory expense, normalized over five

[8] Ex. 4 (Application) at 2-3.

[9] *Id.* at 3; Ex. 8 (Guttormsen Direct Testimony) at 6.

[10] Tr. 18.

[11] *See, e.g.,* Report at 43, 43 n.53.

[12] *See, e.g., id.* at 34.

[13] *Application of Massanutten Public Service Corporation, For an increase in water and sewer rates*, Case No. PUE-2014-00035, Final Order (Aug. 25, 2015) ("2014 Rate Case").

[14] *Id.,* Attachment A at 2.

years, that reflects: (i) five years of regulatory costs (2013-2017);[15] and (ii) the legal costs of the Potomac Riverkeeper Suit.[16] This results in a normalized level of regulatory expense of $277,079, which we find reasonable for purposes of this specific rate proceeding.[17]

The Commission agrees with the Hearing Examiner's finding that the costs and timing of the Biological Nutrient Removal Project were reasonable.[18]

We also agree with the Hearing Examiner that the evidence supports a revenue allocation and rate design that would move the Company's rate classes toward parity.[19] We find that the Hearing Examiner's 50% parity revenue allocation and rate design, which produces a positive return for the Residential class, will move the classes closer to parity and avoid rate shock.[20] We also agree with the Hearing Examiner that the Waterpark's sewage bill should be calculated based on its sewage meter reading rather than on water consumption, which will appropriately bill the Waterpark for its wastewater discharges.[21]

Finally, we agree with the Hearing Examiner that the Company should continue to comply with the tracking and reporting requirements of Paragraph (14) of the Stipulation in the 2014 Rate Case.[22]

Accordingly, IT IS ORDERED THAT:

(1) An overall annual revenue requirement increase of $573,239 for water service, and a decrease of $129,080 for wastewater service, for a net annual increase of $444,159 is hereby approved.

(2) A rate of return on common equity of 9.25%, and a cost of equity range of 8.75% to 9.75% are hereby approved.

(3) The revenue requirement approved herein is based on an overall cost of capital of 7.525% from the Utilities, Inc. capital structure supported by Staff.

(4) The Company shall refund, with interest: (i) the difference between the interim rates that became effective for service rendered on and after December 16, 2017, and the final rates approved herein. On or before February 15, 2019, the Company shall complete refunds by check or through credits to customer bills, to the extent that such revenues produced by interim rates exceed revenues produced by the rates approved herein.

(5) Refunds, with interest, for current customers may be made by a credit to the customers' accounts and shown on bills. If refunds, with interest, for current customers are made by a credit to the customers' accounts and shown on bills, the bills shall show the refund as a separate item or items.

(6) For former customers, refunds with interest that exceed $1 shall be made by check mailed to the last known address of such customers.

(7) Massanutten may retain refunds owed to former customers when such refund amount is less than $1; however, if refunds owed to former customers in an amount less than $1 are retained by the Company, the Company will prepare and maintain a list detailing each of the former accounts for which refunds are less than $1, and in the event such former customers contact the Company and request refunds, such refunds shall be made promptly. All unclaimed refunds shall be handled in accordance with Code § 55-210.6:2.

(8) Massanutten may offset the credit or refund to the extent no dispute exists regarding the outstanding balances of its current customers or customers who are no longer on its system. To the extent the outstanding balances of such customers are disputed, no offset shall be permitted for the disputed portion.

(9) Interest upon the ordered refunds shall be computed from the date payments on monthly bills were due as shown on the bills 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 "Bank prime loan" values published in the Federal Reserve Bulletin of the Federal Reserve's Selected Interest Rates (Statistical Release H.15) for the three (3) months of the preceding calendar quarter.

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[15] This totals $1,312,820. *See, e.g.,* Ex. 2 (Rate Case Expense History) at 2; Ex. 29 (Updated Schedules) at 25.

[16] This totals $72,575. *See, e.g.,* Ex. 30 (Updated Riverkeeper Legal Expenses); Tr. 223-225.

[17] Based on the allocation between water and wastewater service used in this case, $131,514 of this normalized expense is allocated to water service, and $145,565 is allocated to wastewater service. *See, e.g.,* Ex. 4 (Application) at RG-Exhibit 1 - Adjustment 8.

[18] *See, e.g.,* Report at 46.

[19] *See, e.g., id.* at 47.

[20] *See, e.g., id.* at 45.

[21] *See, e.g., id.* at 45, 47.

[22] *See, e.g., id.* at 46.

(10) On or before March 15, 2019, Massanutten shall submit to the Divisions of Utility Accounting and Finance and Public Utility Regulation a report showing that all refunds have been made pursuant to this Final Order and itemizing the cost of the refund and accounts charged. The Company shall not recover the interest paid or the expenses incurred in making such refunds from water or wastewater rates and charges subject to the Commission's jurisdiction.

(11) The Company shall implement the Hearing Examiner's 50% parity revenue allocation and rate design and shall calculate the Waterpark's sewage bill based on its sewage meter reading rather than on water consumption.

(12) This case is dismissed.

CASE NO. PUR-2017-00070
FEBRUARY 27, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For revision of rate adjustment clause: Rider B, Biomass Conversions of the Altavista, Hopewell, and Southampton Power Stations for the Rate Year commencing April 1, 2018.

FINAL ORDER

On June 1, 2017, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company"), pursuant to § 56-585.1 A 6 ("Subsection A 6") of the Code of Virginia ("Code"), filed with the State Corporation Commission ("Commission") an annual update of the Company's rate adjustment clause, Rider B ("Application"). Through its Application, the Company seeks to recover costs associated with the major unit modifications of the Altavista, Hopewell, and Southampton Power Stations from coal burning generation facilities to renewable biomass generation facilities.[1]

In its Application, Dominion requested Commission approval for Rider B for the rate year beginning April 1, 2018, and ending March 31, 2019 ("2018 Rate Year").[2] The two components of the proposed total revenue requirement for the 2018 Rate Year are the Projected Cost Recovery Factor and the Actual Cost True-Up Factor.[3] For purposes of calculating the Projected Cost Recovery Factor, Dominion used a rate of return on common equity ("ROE") of 12.5%,[4] and for purposes of calculating the Actual Cost True-Up Factor, the Company used an ROE of 12% for the months of January 2016 through March 2016, and an ROE of 11.6% for the months of April 2016 through December 2016.[5] Dominion requested approval of a total revenue requirement of $42,182,000 for service rendered during the 2018 Rate Year.[6]

On June 22, 2017, the Commission issued an Order for Notice and Hearing in this case that, among other things, docketed the Application; scheduled a public hearing on the Application; required Dominion to publish notice of its Application; gave interested persons the opportunity to comment on, or participate in, the proceeding; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

A notice of participation was filed by the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel").

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[1] Ex. 2 (Application) at 1, 4, 13.

[2] *Id*. at 7.

[3] *Id*.

[4] This ROE comprises a general ROE of 10.5%, plus a 200 basis point enhanced return applicable to a combined-cycle generating station as described in Subsection A 6 of the Code. *Id.* at 6.

[5] *Id.* at 6-7. The ROE of 12% for the months of January 2016 through March 2016 comprised the general ROE of 10% approved by the Commission in its Final Order in Case No. PUE-2013-00020, plus the 200 basis point enhanced return. The ROE of 11.6% for the months of April 2016 through December 2016 comprised the general ROE of 9.6% approved by the Commission in its Final Order in Case No. PUE-2015-00058, plus the 200 basis point enhanced return. *See* Ex. 4 (Robertson Direct) at 4; *Applications of Virginia Electric and Power Company, For approval and certification of the proposed biomass conversions of the Altavista, Hopewell, and Southampton Power Stations under §§ 56-580 D and 56-46.1 of the Code of Virginia and for approval of a rate adjustment clause, designated as Rider B, under § 56-585.1 A 6 of the Code of Virginia*, Case No. PUE-2011-00073, 2012 S.C.C. Ann. Rept. 279, Final Order (Mar. 16, 2012); *Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider B, Biomass Conversions of the Altavista, Hopewell, and Southampton power stations for the rate year commencing April 1, 2017*, Case No. PUE-2016-00058, Doc. Con. Cen. No.160250199, Final Order (Feb. 29, 2016). *Application of Virginia Electric and Power Company, For a 2013 biennial review of the rates, terms and conditions for the provision of generation, distribution and transmission services pursuant to § 56-585.1 A of the Code of Virginia*, Case No. PUE 2013-00020, 2013 S.C.C. Ann. Rept. 371, Final Order (Nov. 26, 2013). The enhanced ROE for the Biomass Conversions will end during the rate year. *See* Ex. 4 (Robertson Direct) at 3, 6.

[6] Ex. 2 (Application) at 9.

On December 12, 2017, and January 10, 2018, the Commission Staff ("Staff") filed testimony.[7] In its supplemental testimony, Staff recommended a 2018 Rate Year revenue requirement of $46.78 million, which is approximately $4.6 million higher than the Company's proposed revenue requirement.[8] The differences between the Company's and Staff's revenue requirements are the result of updated projections, Staff's use of an 11.2% enhanced ROE for purposes of calculating the Projected Cost Recovery Factor,[9] and Staff's recognition of the effect of the Tax Act.[10]

Staff identified that under-recoveries in the Actual Cost True-Up Factor have contributed to over one-third of the revenue requirement for the three most recent Rider B update applications.[11] Staff noted its concern with the amount of carrying charges ratepayers have been incurring on the Rider B under-recovery amounts.[12] Staff recommended that: (1) the Company evaluate its method for projecting its rate year revenue requirement and provide Staff with a description of any projection methodology changes made in the next Rider B proceeding; and (2) starting with the true-up of the 2018 projections, the Commission put in place a safeguard such that carrying costs resulting from future under-collections are shared equally between ratepayers and the Company.[13] Staff also recommended that the Company analyze the discrepancy identified by Staff between the December 31, 2015 ending balance of capital expenditures from the previous Rider B update and the beginning balance in the current Application, correct the balance, and provide a detailed analysis explaining the cause of the inconsistency in the next Rider B proceeding.[14]

On January 9, 2018, Dominion filed its rebuttal testimony. Dominion agreed with Staff's changes to the Rider B revenue requirement but noted that the Commission historically has limited the revenue requirement to the amount originally filed and noticed to the public.[15] The Company addressed Staff's concerns regarding the Company's forecasting practices and represented it was open to analysis of the forecasting processes and regulatory lag, as well as coordination with the Staff about potential improvements to those processes.[16] Dominion acknowledged that such improvements could be beneficial and could reduce the magnitude of the annual revenue requirement true-ups in the future.[17]

The Company maintained that any consideration of Staff's recommended safeguard, or cost sharing of carrying charges, should occur after the Company has had a chance to update its forecasting processes.[18] Dominion stated that implementing cost sharing of carrying charges at the true-up of 2018 projections would be premature and would not allow for any changes or improvements to processes.[19] The Company also represented it would coordinate with Staff regarding the best approach to resolve the capital expenditure inconsistency identified by Staff.[20]

A hearing was conducted by the Hearing Examiner as scheduled on January 23, 2018. No public witnesses appeared to testify at the hearing.[21] Counsel for the Company, Consumer Counsel, and Staff attended the hearing.

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[7] Staff filed supplemental testimony on January 10, 2018, to recognize the passage of the *Tax Cut and Jobs Act of 2017* (Public Law 115-97) ("Tax Act"), signed into law on December 22, 2017. *See* Ex. 9 (Morgan Supplemental).

[8] *Id.* at 2. This $46.78 million revenue requirement is approximately $2.166 million lower than the revenue requirement Staff recommended in its December 12, 2017 prefiled testimony. *Compare* Ex. 8 (Morgan Direct) at 7, 18, *with* Ex. 9 (Morgan Supplemental) at 2.

[9] Ex. 6 (Gereaux Direct) at 4. Staff witness Gereaux supported the use of a 9.2% base ROE, effective from the date the Commission's Final Order in Case No. PUR-2017-00038. *See Application of Virginia Electric and Power Company, For the determination of the fair rate of return on common equity to be applied to its rate adjustment clauses*, Case No. PUR-2017-00038, Doc. Con. Cen. No. 171130298, Final Order (Nov. 29, 2017). In the Final Order in that proceeding, the Commission determined that, pursuant to Code § 56-585.1:1, a fair ROE of 9.2% should be applied to Dominion's Code §§ 56-585.1 A 5 and A 6 rate adjustment clauses for the next two years effective from the date of the Final Order in that case. *Id.* at 10.

[10] *See, e.g.,* Ex. 8 (Morgan Direct) at 8; Ex. 9 (Morgan Supplemental). Both Staff and the Company agree that this estimate of the effect of the Tax Act may not account for all aspects of the new law. *See* Tr. 8; Ex. 9 (Morgan Supplemental) at 2, n.1.

[11] Ex. 8 (Morgan Direct) at 12.

[12] *Id.* at 11.

[13] *See, e.g., id*. at 17-18.

[14] *Id.* at 18.

[15] Ex. 12 (Robertson Rebuttal) at 4.

[16] Ex. 11 (Cross Rebuttal) at 7; *see also* Ex. 12 (Robertson Rebuttal) at 2.

[17] Ex. 11 (Cross Rebuttal) at 7.

[18] Ex. 12 (Robertson Rebuttal) at 3; Tr. 11-12

[19] *Id.*

[20] Ex. 12 (Robertson Rebuttal) at 3.

[21] Tr. 4-5.

At the hearing, Dominion, among other things, addressed the Tax Act. The Company noted that the Commission could wait until the 2018 rate year is trued up in future proceedings to reflect any change to the revenue requirement due to the Tax Act, at which time the full impact of the Tax Act would be known.[22] Dominion also represented that if it is the Commission's preference to adjust the revenue requirement in Rider B to reflect impacts of the Tax Act at this time, the Company did not object.[23] Staff recommended the Commission reflect the impact of the Tax Act now.[24] Similarly, Consumer Counsel recommended that the Tax Act benefit be passed through to customers as soon as possible.[25]

At the hearing, Consumer Counsel represented, among other things, that it consistently has opposed approval of a revenue requirement that exceeds what was noticed to the public and customers and does so here.[26] Consumer Counsel stated that it recognized that limiting the revenue requirement to the noticed amount potentially contributes to under-recovery balances, but that while the Commission's precedent is to allow carrying charges on under-recovery balances, nothing in Subsection A 6 of the Code requires the Commission to award carrying costs on such under-recoveries.[27] Consumer Counsel noted that Staff's proposed safeguard would be a net positive for customers.[28]

Staff testified in support of its recommended safeguard.[29] Staff clarified that its recommended safeguard would apply only to future under-recoveries and that any determination of whether the safeguard should apply would occur in a future proceeding.[30] Staff also recognized that the Commission could review the reasonableness and prudence of costs in any Rider B proceeding.[31]

On January 31, 2018, the Hearing Examiner issued the Report of A. Ann Berkebile, Hearing Examiner ("Report"). In the Report, the Hearing Examiner found that the evidence supports Staff's revised Rider B revenue requirement calculation of $46.78 million consisting of a Projected Cost Recovery Factor of $32.05 million and an Actual Cost True-Up Factor of $14.73 million.[32] However, the Hearing Examiner also found that the revenue requirement for the 2018 Rate Year approved in this case should be limited to the amount noticed by Dominion.[33] Specifically, the Hearing Examiner made the following recommendations:

1. The Commission should approve an updated Rider B revenue requirement for the Rate Year in the amount of $42,183,000, consisting of a Projected Cost Recovery Factor in the amount of $27,456,000, and an Actual Cost True-Up Factor in the amount of $14,727,000;

2. The Commission should direct the Company to work with Staff to evaluate and revise its Rider B projection methodology and to provide a description of, and apply, its revised projection methodology in the 2018 Rider B Update; and

3. The Commission should direct the Company to work with Staff to address the capital expenditure inconsistency identified by Staff witness Morgan, and to provide a detailed analysis explaining the cause of, and a method for correcting, the inconsistency with the 2018 Rider B Update.[34]

The Hearing Examiner did not find it appropriate for the Commission to adopt Staff's recommended safeguard in this case.[35]

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[22] Tr. 7-8. The Company and Staff have noted that the current estimates may not account for all aspects of the new law. Tr. 8; Ex. 9 (Morgan Supplemental) at 2, n.1.

[23] Tr. 8-9.

[24] Tr. 8, 17.

[25] Tr. 14.

[26] Tr. 14-15. Neither Staff nor the Company objected to limiting the revenue requirement to the amount noticed in this proceeding. *See, e.g.,* Tr. 8-9, 17.

[27] Tr. 15.

[28] Tr. 16-17.

[29] *See*, *e.g.,* Tr. 30-35

[30] *See, e.g.,* Tr. 34, 44-45.

[31] *See, e.g*., Tr. 59-60, 61.

[32] Report at 8.

[33] *Id*. at 1, 9.

[34] *Id.* at 11.

[35] *Id.* at 10-11.

On February 7, 2018, Dominion, Consumer Counsel, and Staff filed comments on the Report. In its comments, Dominion stated that it believes the Commission should approve the full agreed-upon revenue requirement—$46.78 million—but the Commission should limit recovery to the noticed amount.[36] The Company stated it had no objections to the Hearing Examiner's second and third recommendations and agreed to work with Staff on the updates and improvements discussed.[37] The Company further stated it supports the Hearing Examiner's conclusion that the Commission decline to adopt Staff's safeguard proposal.[38]

In its comments, Staff clarified that the revenue requirement, if limited to the noticed amount, should be limited to $42,182,000, the amount noticed by Dominion.[39] Staff stated that while the Commission has the discretion to determine the reasonableness and prudence of costs in Rider B proceedings, approving the safeguard in this case would alert the Company "clearly and unequivocally" that avoidable under-recoveries in future Rider B proceedings would result in 50/50 cost sharing.[40]

In its comments, Consumer Counsel supported the Hearing Examiner's recommendation to limit the revenue requirement to the amount Dominion noticed.[41] Consumer Counsel also stated that while the Commission has permitted carrying costs on under-recoveries in Subsection A 6 rate adjustment clauses, "nothing in [Subsection A 6] requires explicitly that the Commission layer carrying costs on top of under-recovery balances" and "nothing in [Subsection A 6] requires the Commission to approve carrying costs that have been incurred unreasonably."[42]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Rider B revenue requirement is $46,780,000; however, for the reasons set forth in the Report, the total revenue requirement shall be limited at this time to $42,182,000, subject to true-up for the total revenue requirement approved herein.[43]

We adopt the findings and recommendations set forth in the Report.

Specifically, we agree with the Hearing Examiner that the record of this case calls into question the reasonableness of the projections that the Company used to develop the revenue requirement included with the Application.[44] As discussed by Staff and illustrated in Staff witness Morgan's Schedule 11, Rider B has experienced persistent and sizable under-recoveries, not seen in the other Riders.[45] Dominion's under-projections have cost customers increased Rider B charges (in the form of carrying costs).[46] We recognize Staff's concern that customers may continue to bear future carrying costs that result from the Company's under-projection of the revenue requirement.[47] We therefore direct Dominion to work with Staff to evaluate its Rider B projection methodology. We further direct Dominion to provide a description of, and to apply, its revised projection methodology in the 2018 Rider B Update. As Staff recognizes, this Commission has the discretion to deny unreasonable costs in any Rider B proceeding.[48] Accordingly, while we refrain from adopting Staff's recommended safeguard at this time, we could revisit the application of such a safeguard in the next Rider B update, to the extent the Actual Cost True-Up Factor is challenged in such case.

We direct the Company and Staff to work together to address the capital expenditure inconsistency identified by Staff witness Morgan and to provide a detailed analysis explaining the cause of, and a method for correcting, the inconsistency with the 2018 Rider B update.[49]

Accordingly, IT IS ORDERED THAT:

(1) Rider B, as approved herein with an updated revenue requirement in the amount of $42,182,000, shall become effective for service rendered on and after April 1, 2018.

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[36] Company Comments at 2. Dominion stated this approach is consistent with the Commission's precedent in the Company's 2015 Rider S proceeding. *Application of Virginia Electric and Power Company, For revision of rate adjustment clause, Rider S, Virginia City Hybrid Energy Center*, Case No. PUE-2015-00060, 2016 S.C.C. Ann. Rept. 250, Final Order (Feb. 29, 2016).

[37] Company Comments at 3-4.

[38] *Id.*

[39] Staff's Comments at 7-9.

[40] *Id.* at 6-8.

[41] Consumer Counsel's Comments at 1-2. Consumer Counsel also clarified that Dominion noticed a revenue requirement of $42,182,000. *Id*. at 2, n.7.

[42] *Id.*, *citing* Tr. 63.

[43] Ex. 9 (Morgan Supplemental); Report at 8-9.

[44] *See* Report at 10; Tr. 31-32, 48-50.

[45] Ex. 8 (Morgan Direct) at 9-10, 12, Schedule 11; Tr. 51; Staff's Comments at 3-4.

[46] *See, e.g.,* Ex. 8 (Morgan Direct) at 11.

[47] *Id.*

[48] Tr. 47, 59-60.

[49] *See, e.g.,* Ex. 8 (Morgan Direct) at 14-16; Ex. 12 (Robertson Rebuttal) at 3.

(2) The Company forthwith shall file a revised Rider B and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: http://www.scc.virginia.gov/case.

(3) As discussed herein, the Company shall work with Staff to address the capital expenditure inconsistency and the Rider B projection methodology, and the Company shall incorporate the appropriate changes and/or analysis in its 2018 Rider B Update.

(4) On or before June 30, 2018, the Company shall file an application to revise Rider B effective April 1, 2019.

(5) This case is dismissed.

CASE NO. PUR-2017-00071
FEBRUARY 21, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY d/b/a DOMINION VIRGINIA POWER

For revision of rate adjustment clause: Rider GV, Greensville County Power Station

FINAL ORDER

On June 1, 2017, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company"), pursuant to § 56-585.1 A 6 of the Code of Virginia ("Code"), filed with the State Corporation Commission ("Commission") an annual update with respect to the Company's rate adjustment clause, Rider GV ("Application"). Through its Application, the Company seeks to recover costs associated with the Greensville County Power Station, a natural gas-fired combined-cycle electric generating station, 500 kilovolt transmission lines, a new switching station, and associated interconnection facilities located in Brunswick and Greensville Counties, Virginia.[1]

In its Application, Dominion requested approval of Rider GV for the rate year beginning April 1, 2018, and ending March 31, 2019 ("2018 Rate Year").[2] The three key components of the proposed total revenue requirement for the 2018 Rate Year are the Projected Cost Recovery Factor, the allowance for funds used during construction ("AFUDC") Cost Recovery Factor, and the Actual Cost True-up Factor.[3] In its Application, Dominion requested a Projected Cost Recovery Factor revenue requirement of $99,105,000 and $121,628,000 (on an annualized basis) for the pre- and post-commercial operations date ("COD") periods respectively, an annualized AFUDC Cost Recovery Factor of $1,663,000 and an Actual Cost True-Up Factor credit of $3,712,000, which reflects a total rate year revenue requirement of $104,009,000 for service rendered during the 2018 Rate Year.[4]

For purposes of calculating the Projected Cost Recovery Factor, Dominion utilized a rate of return on common equity ("ROE") of 10.5%, and for calculating the Actual Cost True-up Factor, Dominion utilized an ROE of 9.6%.[5]

On June 20, 2017, the Commission issued an Order for Notice and Hearing in this case that, among other things, docketed the Application; scheduled a public hearing on the Application; required Dominion to publish notice of its Application; gave interested persons the opportunity to comment on, or participate in, the proceeding; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

Notices of participation were filed by the Virginia Committee for Fair Utility Rates ("Committee") and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel").

On November 20, 2017, the Commission Staff ("Staff") filed testimony. In its prefiled testimony, Staff recommended a 2018 Rate Year revenue requirement of approximately $95,630,000, which is approximately $8,380,000 less than the Company's total rate year proposed revenue requirement.[6] The differences between the Company's and Staff's revenue requirements are the result of Staff's use of a lower ROE for the purpose of calculating the Projected Cost Recovery Factor, error correction, and rounding differences.[7]

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[1] Exhibit ("Ex.") 2 (Application) at 1.

[2] *Id*.

[3] *Id*. at 7.

[4] *Id.*

[5] *Id* at 6-7.

[6] Ex. 8 (Mangalam Direct) at 8.

[7] *Id.* at 9-10. The 9.4% ROE, utilized by Staff as a placeholder ROE, was approved by the Commission in Case No. PUE-2016-00060. *See Application of Virginia Electric and Power Company, For revision of the rate adjustment clause: Rider GV, Greensville County Power Station,* Case No. PUE-2016-00060, Doc. Con. Cen. No. 170230117, Final Order (Feb. 27, 2017). *See* Ex. 9 (Gereaux Direct) at 3.

On November 29, 2017, the Commission issued a Final Order in Case No. PUR-2017-00038.[8] In its Final Order in that proceeding, the Commission determined that, pursuant to Code § 56-585.1:1, a fair ROE of 9.2% should be applied to Dominion's Code §§ 56-585.1 A 5 and A 6 rate adjustment clauses for the next two years.

On December 18, 2017, the Company filed its rebuttal testimony. In its rebuttal testimony, the Company recalculated the Rider GV revenue requirement applying the approved 9.2% ROE to the Projected Cost Recovery Factor. In its rebuttal testimony, the Company represented that it had shared its calculation with Staff, and Staff indicated that it agreed with the Company's updated revenue requirement.[9]

A hearing was conducted by the Hearing Examiner as scheduled on January 10, 2018. No public witnesses appeared to testify at the hearing. Counsel for the Company, Staff, the Committee, and Consumer Counsel attended this hearing. At the hearing, Staff presented testimony and exhibits setting forth an updated revenue requirement for Rider GV calculated using the ROE set by the Commission in Case No. PUR-2017-00038, and reflecting certain provisions of the Tax Cuts and Jobs Act of 2017 ("Tax Act").[10]

On January 31, 2018, the Report of Howard P. Anderson, Jr., Hearing Examiner ("Hearing Examiner's Report" or "Report") was issued. In his Report, the Hearing Examiner found that: the effect of the Tax Act should be incorporated into the determination of a revenue requirement in this proceeding; the pre-COD Projected Cost Recovery Factor annualized revenue requirement is $76,796,000; the post-COD Projected Cost Recovery Factor annualized revenue requirement is $100,274,000; the AFUDC Cost Recovery Factor annualized revenue requirement is $1,663,000; the Actual Cost True-Up Factor annualized revenue requirement credit is $3,711,000; the overall Rider GV annualized revenue requirement for the 2018 Rate Year, based on an ROE of 9.2% and the effects of the Tax Act, is $74,748,000 for pre-COD and $96,563,000 post-COD; the revenue requirement for the 2018 Rate Year is $82,020,000; and the rate design should be consistent with the methodology approved in the Company's prior Rider GV proceedings.[11]

On February 9, 2018, the Company filed comments to the Hearing Examiner's Report. The Company stated the Commission could wait until the 2018 Rate Year is trued-up in future proceedings to reflect any change from the passage of the Tax Act, at which time the full impact would be known. The current estimates do not account for all aspects of the new law. However, the Company does not object to accounting for the known impacts of the Tax Act. On the same date Consumer Counsel filed comments to the Hearing Examiner's Report in which it agreed with the finding in the Report but noted that the recommended revenue requirement does not account for potential impacts associated with excess deferred taxes and bonus depreciation because such impacts require further evaluation.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds the Rider GV pre-COD Projected Cost Recovery Factor annualized revenue requirement is $76,796,000; the post-COD Projected Cost Recovery Factor annualized revenue requirement is $100,274,000, the AFUDC Cost Recovery Factor annualized revenue requirement is $1,663,000, the Actual True Up Cost Factor credit is $3,711,000 and the total 2018 Rate Year revenue requirement is $82,020,000.[12]

Accordingly, IT IS ORDERED THAT:

(1) Rider GV, as approved herein, shall become effective for service rendered on and after April 1, 2018.

(2) The Company forthwith shall file a revised Rider GV and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: http://www.scc.virginia.gov/case.

(3) On or before June 30, 2018, the Company shall file an application to revise Rider GV effective April 1, 2019.

(4) This case hereby is dismissed.

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[8] *Application of Virginia Electric and Power Company, For the determination of the fair rate of return on common equity to be applied to its rate adjustment clauses*, Case No. PUR-2017-00038, Doc. Con. Cen. No. 171130298, Final Order (Nov. 29, 2017).

[9] Ex. 11 (Propst Rebuttal) at 2.

[10] *See* Tr. at 22; Ex. 12. In December 2017, the Tax Act was passed by Congress. Among other provisions, the Tax Act reduces the federal corporate income tax rate from 35% to 21%, effective January 1, 2018.

[11] Report at 8-9.

[12] *Id.* Our approval herein reflects the ROE for Rider GV that the Commission previously determined to be supported by the record and the Code in Case No. PUR-2017-00038.

CASE NO. PUR-2017-00072
FEBRUARY 9, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For revision of rate adjustment clause: Rider R Bear Garden Generating Station

FINAL ORDER

On June 1, 2017, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company"), pursuant to § 56-585.1 A 6 of the Code of Virginia ("Code"), filed with the State Corporation Commission ("Commission") an annual update of the Company's rate adjustment clause, Rider R ("Application"). Through its Application, the Company seeks to recover costs associated with the Bear Garden Generating Station, a natural gas- and oil-fired combined-cycle electric generating facility and associated transmission interconnection facilities located in Buckingham County, Virginia.[1]

In its Application, Dominion requested Commission approval for Rider R for the rate year beginning April 1, 2018, and ending March 31, 2019 ("2018 Rate Year").[2] The two components of the proposed total revenue requirement for the 2018 Rate Year are the Projected Cost Recovery Factor and the Actual Cost True-Up Factor.[3] For purposes of calculating the Projected Cost Recovery Factor, Dominion utilized a rate of return on common equity ("ROE") of 11.5%,[4] and for purposes of calculating the Actual Cost True-Up Factor, the Company utilized an ROE of 11% for the months of January 2016 through March 2016, and an ROE of 10.6% for the months of April 2016 through December 2016.[5] In total, in its Application, Dominion requested approval of a revenue requirement of $73,742,000 for service rendered during the 2018 Rate Year.[6]

On June 21, 2017, the Commission issued an Order for Notice and Hearing in this case that, among other things, docketed the Application; scheduled a public hearing on the Application; required Dominion to publish notice of its Application; gave interested persons the opportunity to comment on, or participate in, the proceeding; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

Notices of participation were filed by the Virginia Committee for Fair Utility Rates ("Committee") and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel").

On October 25, 2017, the Commission Staff ("Staff") filed testimony. In its prefiled testimony, Staff recommended a 2018 Rate Year revenue requirement of $70.62 million, which was approximately $3.2 million less than the Company's proposed revenue requirement.[7] The differences between the Company's and Staff's revenue requirements were the result of Staff's use of a 10.4% enhanced ROE for purposes of calculating the Projected Cost Recovery Factor as well as rounding and other de minimis calculation differences.[8]

On November 29, 2017, the Commission issued a Final Order in Case No. PUR-2017-00038.[9] In its Final Order in that proceeding, the Commission determined that, pursuant to Code § 56-585.1:1, a fair ROE of 9.2% should be applied to Dominion's Code §§ 56-585.1 A 5 and A 6 rate adjustment clauses for the next two years.

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[1] Ex. 2 (Application) at 1.

[2] *Id*. at 4.

[3] *Id*. at 7.

[4] This ROE comprises a general ROE of 10.5%, plus a 100 basis point enhanced return applicable to a combined-cycle generating station as described in § 56-585.1 A 6 of the Code. *Id.* at 6.

[5] The ROE of 11% for the months of January 2016 through March 2016 comprised the general ROE of 10% approved by the Commission in its Final Order in Case No. PUE-2013-00020, plus the 100 basis point enhanced return. The ROE of 10.6% for the months of April 2016 through December 2016 comprised the general ROE of 9.6% approved by the Commission in its Final Order in Case No. PUE-2015-00059, plus the 100 basis point enhanced return. *See* Ex. 4 (Robertson Direct) at 3-4; *Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider R, Bear Garden Generating Station for the rate year commencing April 1, 2016*, Case No. PUE-2015-00059, 2016 S.C.C. Ann Rept. 245, Final Order (Feb. 29, 2016); *Application of Virginia Electric and Power Company, For a 2013 biennial review of the rates, terms and conditions for the provision of generation, distribution and transmission services pursuant to § 56-585.1 A of the Code of Virginia*, Case No. PUE-2013-00020, 2013 S.C.C. Ann. Rept. 371, Final Order (Nov. 26, 2013).

[6] Ex. 2 (Application) at 8.

[7] Ex. 6 (Mangalam Direct) at 6.

[8] *Id*. at 6-7. The 10.4% ROE utilized by Staff comprised a placeholder base ROE of 9.4% approved by the Commission in Case No. PUE-2016-00061 and the 100 basis point enhanced return provided for by the Code. *See Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider R, Bear Garden Generating Station*, Case No. PUE-2016-00061, Doc. Con. Cen. No. 170230181, Final Order (Feb. 27, 2017).

[9] *Application of Virginia Electric and Power Company, For the determination of the fair rate of return on common equity to be applied to its rate adjustment clauses*, Case No. PUR-2017-00038, Doc. Con. Cen. No. 171130298, Final Order (Nov. 29, 2017).

A hearing was conducted by the Hearing Examiner as scheduled on November 29, 2017. No public witnesses appeared to testify at the hearing.[10] Counsel for the Company, Staff, the Committee, and Consumer Counsel attended the hearing. At the hearing, Staff and the Company agreed to provide a late-filed exhibit setting forth the agreed-upon revenue requirement for Rider R calculated using the ROE set by the Commission in Case No. PUR-2017-00038.[11]

On December 6, 2017, Staff filed the late-filed exhibit setting forth the total revenue requirement for Rider R of $70,047,000 for the 2018 Rate Year, which incorporated the 9.2% Base ROE approved by the Commission in Case No. PUR-2017-00038.[12]

On December 21, 2017, the Report of D. Mathias Roussy, Jr., Hearing Examiner ("Report") was issued. In his Report, the Hearing Examiner found that a 2018 Rate Year revenue requirement of $70,047,000 is supported by the record in this proceeding and should be approved.[13] Additionally, the Hearing Examiner made the following recommendations ("Findings (2) and (3)"):

- The Company should be directed to provide in its next Rider R application the Company's analysis of the December 2015 capital balance discrepancy identified during Staff's audit, including any corrective measures proposed by the Company; and

- The Company should be directed to provide in its next Rider R application additional information regarding completed and planned hot gas path inspections, including the timing and costs associated therewith.[14]

On January 10, 2018, Staff filed a motion to reopen the record in this proceeding ("Motion"). In its Motion, Staff requested that the record be reopened for the purpose of receiving evidence of the impact of the federal *Tax Cuts and Jobs Act of 2017* ("Tax Act") on the proposed Rider R revenue requirement.[15] In its Motion, Staff stated that the impact of the change in the tax rate and the elimination of the Domestic Production Activities deduction would reduce the 2018 Rate Year total revenue requirement by $4,000,000.[16] Specifically, Staff seeks admission of a schedule attached to the Motion providing the updated revenue requirement ("Spreadsheet Showing Impact of *Tax Cuts and Jobs Act of 2017*").

On January 11, 2018, the Company filed comments ("Company Comments") to the Hearing Examiner's Report. The Company noted that the Commission could wait until the 2018 Rate Year is trued-up in future proceedings to reflect the full impact of the Tax Act to the Projected Cost Recovery Factor component of the 2018 Rate Year Rider R revenue requirement; however, the Company does not object to an adjustment to the revenue requirement in this proceeding as reflected in Staff's Motion.[17] The Company also stated that it has no objection to the Hearing Examiner's Findings (2) and (3) with regard to information to be provided in future filings.[18]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Staff's Motion should be granted;[19] the Rider R Projected Cost Recovery Factor revenue requirement for the 2018 Rate Year is $62,064,000, the Actual Cost True-Up Factor revenue requirement is $3,983,000, and the total revenue requirement is $66,047,000.[20] Furthermore, we adopt Findings (2) and (3) as set forth in the Hearing Examiner's Report.

Accordingly, IT IS ORDERED THAT:

(1) Rider R, as approved herein, shall become effective for service rendered on and after April 1, 2018.

(2) Findings (2) and (3) of the Hearing Examiner's Report hereby are adopted.

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[10] Tr. 4.

[11] *See* Tr. 15-16, 20.

[12] *See* Ex. 10 (Revenue Requirement Incorporating 9.2% Base ROE).

[13] Report at 1, 14.

[14] *Id*. at 14-15.

[15] Motion at 1.

[16] *See id*. at 3. Staff also noted in its Motion that it contacted the Company, the Committee, and Consumer Counsel, and no party objected to the granting of the Motion.

[17] Company Comments at 2.

[18] *Id.*

[19] Staff's Spreadsheet Showing Impact of *Tax Cuts and Jobs Act of 2017* hereby is entered into the record as Exhibit 11.

[20] Report at 14; Ex. 10 (Updated Revenue Requirement); Ex. 11 (Spreadsheet Showing Impact of *Tax Cuts and Jobs Act of 2017*). Our approval herein reflects the ROE for Rider R that the Commission previously determined to be supported by the record and the Code in Case No. PUR-2017-00038.

(3) The Company forthwith shall file a revised Rider R and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: http://www.scc.virginia.gov/case.

(4) On or before June 30, 2018, the Company shall file an application to revise Rider R effective April 1, 2019.

(5) This case is dismissed.

CASE NO. PUR-2017-00073
FEBRUARY 20, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For revision of rate adjustment clause: Rider S, Virginia City Hybrid Energy Center

FINAL ORDER

On June 1, 2017, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company"), pursuant to § 56-585.1 A 6 of the Code of Virginia ("Code"), filed with the State Corporation Commission ("Commission") an annual update of the Company's rate adjustment clause, Rider S ("Application"). Through its Application, the Company seeks to recover costs associated with the Virginia City Hybrid Energy Center ("VCHEC" or "Project"), a 600 megawatt nominal coal-fueled generating plant and associated transmission interconnection facilities located in Wise County, Virginia.[1]

In its Application, Dominion requested Commission approval for Rider S for the rate year beginning April 1, 2018, and ending March 31, 2019 ("2018 Rate Year").[2] The two components of the proposed total revenue requirement for the 2018 Rate Year are the Projected Cost Recovery Factor and the Actual Cost True-Up Factor.[3] For purposes of calculating the Projected Cost Recovery Factor revenue requirement, Dominion utilized a rate of return on common equity ("ROE") of 11.5%,[4] and for purposes of calculating the Actual Cost True-Up Factor revenue requirement, the Company utilized an ROE of 11% for the months of January 2016 through March 2016, and an ROE of 10.6% for the months of April 2016 through December 2016.[5] In total, in its Application, Dominion requested approval of a total revenue requirement of $244,981,000 for service rendered during the 2018 Rate Year.[6]

On June 21, 2017, the Commission issued an Order for Notice and Hearing in this case that, among other things, docketed the Application; scheduled a public hearing on the Application; required Dominion to publish notice of its Application; gave interested persons the opportunity to comment on, or participate in, the proceeding; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

Notices of participation were filed by the Virginia Committee for Fair Utility Rates ("Committee") and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel").

On November 8, 2017, the Commission Staff ("Staff") filed testimony. In its prefiled testimony, Staff recommended a 2018 Rate Year revenue requirement of $234,441,000, which was $10,540,000 less than the Company's proposed revenue requirement.[7] The differences between the Company's and Staff's revenue requirements were the result of Staff's use of a 10.4% enhanced ROE for purposes of calculating the Projected Cost Recovery Factor as well as rounding and other de minimis calculation differences.[8]

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[1] Ex. 2 (Application) at 1; Ex. 7 (Propst Direct) at 1.

[2] Ex. 2 (Application) at 5.

[3] *Id*. at 7.

[4] The ROE of 11.5% comprised a general ROE of 10.5%, plus a 100 basis point enhanced return applicable to a conventional coal generating station as described in Code § 56-585.1 A 6. *See id*. at 6-7.

[5] The ROE of 11% for the months of January 2016 through March 2016 comprised the general ROE of 10% approved by the Commission in its Final Order in Case No. PUE-2013-00020, plus the 100 basis point enhanced return. The ROE of 10.6% for the months of April 2016 through December 2016 comprised the general ROE of 9.6% approved by the Commission in its Final Order in Case No. PUE-2015-00060, plus the 100 basis point enhanced return. *See id*. at 7; *Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider S, Virginia City Hybrid Energy Center*, Case No. PUE-2015-00060, 2016 S.C.C. Ann. Rept. 250, Final Order (Feb. 29, 2016); *Application of Virginia Electric and Power Company, For a 2013 biennial review of the rates, terms and conditions for the provision of generation, distribution and transmission services pursuant to § 56-585.1 A of the Code of Virginia*, Case No. PUE-2013-00020, 2013 S.C.C. Ann. Rept. 371, Final Order (Nov. 26, 2013).

[6] Ex. 2 (Application) at 8.

[7] Ex. 10 (Morgan Direct) at 6-7.

[8] *Id*. at 7-8. The 10.4% ROE utilized by Staff comprised a placeholder base ROE of 9.4% approved by the Commission in Case No. PUE-2016-00062 and the 100 basis point enhanced return provided for by the Code. *See Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider S, Virginia City Hybrid Energy Center*, Case No. PUE-2016-00062, Doc. Con. Cen. No. 170230116, Final Order (Feb. 27, 2017).

On November 29, 2017, the Commission issued a Final Order in Case No. PUR-2017-00038.[9] In its Final Order in that proceeding, the Commission determined that, pursuant to Code § 56-585.1:1, a fair ROE of 9.2% should be applied to Dominion's Code §§ 56-585.1 A 5 and A 6 rate adjustment clauses for the next two years.

A hearing was conducted by the Hearing Examiner as scheduled on December 6, 2017. No public witnesses appeared to testify at the hearing.[10] Counsel for the Company, Staff, the Committee, and Consumer Counsel attended the hearing. At the hearing, both Staff and the Company supported a total revenue requirement of approximately $232,517,000, which incorporated the 9.2% ROE approved by the Commission in Case No. PUR-2017-00038.[11]

On January 10, 2018, Staff filed a motion to reopen the record in this proceeding ("Motion"). In its Motion, Staff requested that the record be reopened for the purpose of receiving evidence of the impact of the federal *Tax Cuts and Jobs Act of 2017* on the proposed Rider S revenue requirement.[12] In its Motion, Staff stated that the impact of the change in the tax rate and the elimination of the Domestic Production Activities deduction would reduce the 2018 Rate Year total revenue requirement by $14,172,000.[13]

On January 11, 2018, the Report of Alexander F. Skirpan, Jr., Senior Hearing Examiner ("Report") was issued. In his Report, the Hearing Examiner granted Staff's Motion and found that a 2018 Rate Year revenue requirement of $218,345,000 is supported by the record in this proceeding and should be approved.[14]

On February 5, 2018, Dominion filed comments on the Report. Dominion requested that the Commission adopt the Report but noted that the Commission has discretion either to approve the revenue requirement set forth in the Report or to wait until the 2018 Rate Year is trued-up in future proceedings to reflect any impact of the *Tax Cuts and Jobs Act of 2017*.[15]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that for the 2018 Rate Year, the Rider S Projected Cost Recovery Factor revenue requirement is $200,963,000, the Actual Cost True-Up Factor revenue requirement is $17,382,000, and the total revenue requirement is $218,345,000.[16]

Accordingly, IT IS ORDERED THAT:

(1) Rider S, as approved herein, shall become effective for service rendered on and after April 1, 2018.

(2) The Company forthwith shall file a revised Rider S and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: http://www.scc.virginia.gov/case.

(3) On or before June 30, 2018, the Company shall file an application to revise Rider S effective April 1, 2019.

(4) This case is dismissed.

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[9] *Application of Virginia Electric and Power Company, For the determination of the fair rate of return on common equity to be applied to its rate adjustment clauses*, Case No. PUR-2017-00038, Doc. Con. Cen. No. 171130298, Final Order (Nov. 29, 2017).

[10] Tr. 17-18.

[11] *See* Tr. 6, 9; Ex. 15 (Updated Revenue Requirement).

[12] Motion at 1.

[13] *See id*. at 3. Staff also noted in its Motion that it contacted the Company, the Committee, and Consumer Counsel, and no party objected to the granting of the Motion.

[14] Report at 2, 12.

[15] Dominion Comments to the Report at 2.

[16] Report at 12; Ex. 15 (Updated Revenue Requirement); Ex. 17 (Spreadsheet Showing Impact of *Tax Cuts and Jobs Act of 2017*). Our approval herein reflects the ROE for Rider S that the Commission previously determined to be supported by the record and the Code in Case No. PUR-2017-00038.

CASE NO. PUR-2017-00074
FEBRUARY 14, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For revision of rate adjustment clause: Rider W, Warren County Power Station

FINAL ORDER

On June 1, 2017, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company"), pursuant to § 56-585.1 A 6 of the Code of Virginia ("Code"), filed with the State Corporation Commission ("Commission") an annual update of the Company's rate adjustment clause, Rider W ("Application"). Through its Application, the Company seeks to recover costs associated with the Warren County Power Station, a 1,342 megawatt nominal natural gas-fired combined-cycle electric generating facility and associated transmission interconnection facilities located in Warren County, Virginia.[1]

In its Application, Dominion requested Commission approval for Rider W for the rate year beginning April 1, 2018, and ending March 31, 2019 ("2018 Rate Year").[2] The two components of the proposed total revenue requirement for the 2018 Rate Year are the Projected Cost Recovery Factor and the Actual Cost True-Up Factor.[3] For purposes of calculating the Projected Cost Recovery Factor revenue requirement, Dominion utilized a rate of return on common equity ("ROE") of 11.5%,[4] and for purposes of calculating the Actual Cost True-Up Factor revenue requirement, the Company utilized an ROE of 11% for the months of January 2016 through March 2016, and an ROE of 10.6% for the months of April 2016 through December 2016.[5] In total, in its Application, Dominion requested approval of a revenue requirement of $125,791,000 for service rendered during the 2018 Rate Year.[6]

On June 20, 2017, the Commission issued an Order for Notice and Hearing in this case that, among other things, docketed the Application; scheduled a public hearing on the Application; required Dominion to publish notice of its Application; gave interested persons the opportunity to comment on, or participate in, the proceeding; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

Notices of participation were filed by the Virginia Committee for Fair Utility Rates ("Committee") and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"). On October 11, 2017, the Commission Staff ("Staff") filed testimony. In its pre-filed testimony, Staff recommended a 2018 Rate Year revenue requirement of $117,960,000, which was $7,830,000 less than the Company's proposed revenue requirement.[7] The differences between the Company's and Staff's revenue requirements were the result of: (1) Staff's use of a 10.4% enhanced ROE for purposes of calculating the Projected Cost Recovery Factor; (2) Staff's use of the Company's new projected depreciation composite rate; and (3) rounding and other de minimis calculation differences.[8]

A hearing was conducted by the Hearing Examiner as scheduled on November 8, 2017. No public witnesses appeared to testify at the hearing.[9] Counsel for the Company, Staff, the Committee, and Consumer Counsel attended the hearing. At the hearing, Staff and the Company agreed to provide a late-filed exhibit setting forth the agreed-upon revenue requirement for Rider W calculated using the ROE set by the Commission in Case No. PUR-2017-00038.[10]

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[1] Ex. 2 (Application) at 1, 12-13; Ex. 3 (Mitchell Direct) at 1.

[2] Ex. 2 (Application) at 4.

[3] *Id*.

[4] The ROE of 11.5% comprised a general ROE of 10.5%, plus a 100 basis point enhanced return applicable to a combined-cycle generating station as described in Code § 56-585.1 A 6. *See id*. at 6.

[5] The ROE of 11% for the months of January 2016 through March 2016 comprised the general ROE of 10% approved by the Commission in its Final Order in Case No. PUE-2013-00020, plus the 100 basis point enhanced return. The ROE of 10.6% for the months of April 2016 through December 2016 comprised the general ROE of 9.6% approved by the Commission in its Final Order in Case No. PUE-2015-00061, plus the 100 basis point enhanced return. *See id*.; *Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider W, Warren County Power Station*, Case No. PUE-2015-00061, 2016 S.C.C. Ann. Rept. 255, Final Order (Feb. 29, 2016); *Application of Virginia Electric and Power Company, For a 2013 biennial review of the rates, terms and conditions for the provision of generation, distribution and transmission services pursuant to § 56-585.1 A of the Code of Virginia*, Case No. PUE-2013-00020, 2013 S.C.C. Ann. Rept. 371, Final Order (Nov. 26, 2013).

[6] Ex. 2 (Application) at 8.

[7] Ex. 7 (Mangalam Direct) at 6-7.

[8] *Id*. at 7-8. The 10.4% ROE utilized by Staff comprised a placeholder base ROE of 9.4% approved by the Commission in Case No. PUE-2016-00063 and the 100 basis point enhanced return provided for by the Code. *See Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider W, Warren County Power Station*, Case No. PUE-2016-00063, Doc. Con. Cen. No. 170230099, Final Order (Feb. 27, 2017).

[9] Tr. 5.

[10] Tr. 10-11, 17-18.

On November 29, 2017, the Commission issued a Final Order in Case No. PUR-2017-00038.[11] In its Final Order in that proceeding, the Commission determined that, pursuant to Code § 56-585.1:1, a fair ROE of 9.2% should be applied to Dominion's Code §§ 56-585.1 A 5 and A 6 rate adjustment clauses for the next two years.

On December 5, 2017, Staff filed the late-filed exhibit setting forth the total revenue requirement for Rider W of $116,957,000 which incorporated the 9.2% base ROE approved by the Commission in Case No. PUR-2017-00038.[12]

On December 12, 2017, the Report of Deborah V. Ellenberg, Chief Hearing Examiner ("Report") was issued. In her Report, the Chief Hearing Examiner found that a 2018 Rate Year revenue requirement of $116,957,000 is supported by the record in this proceeding and should be approved.[13]

On January 10, 2018, Staff filed a motion to reopen the record in this proceeding ("Motion"). In its Motion, Staff requested that the record be reopened for the purpose of receiving evidence of the impact of the federal *Tax Cuts and Jobs Act of 2017* on the proposed Rider W revenue requirement.[14] In its Motion, Staff stated that the impact of the change in the tax rate and the elimination of the Domestic Production Activities deduction would reduce the 2018 Rate Year total revenue requirement by $7,734,000.[15] Specifically, Staff seeks admission of a schedule attached to the Motion providing the updated revenue requirement ("Spreadsheet Showing Impact of *Tax Cuts and Jobs Act of 2017*").

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Staff's Motion should be granted;[16] the Rider W Projected Cost Recovery Factor revenue requirement for the 2018 Rate Year is $98,562,000, the Actual Cost True-Up Factor revenue requirement is $10,661,000, and the total revenue requirement is $109,223,000.[17]

Accordingly, IT IS ORDERED THAT:

(1) Rider W, as approved herein, shall become effective for service rendered on and after April 1, 2018.

(2) The Company forthwith shall file a revised Rider W and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: http://www.scc.virginia.gov/case.

(3) On or before June 30, 2018, the Company shall file an application to revise Rider W effective April 1, 2019.

(4) This case is dismissed.

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[11] *Application of Virginia Electric and Power Company, For the determination of the fair rate of return on common equity to be applied to its rate adjustment clauses*, Case No. PUR-2017-00038, Doc. Con. Cen. No. 171130298, Final Order (Nov. 29, 2017).

[12] *See* Ex. 11 (Revenue Requirement Incorporating 9.2% Base ROE).

[13] Report at 7.

[14] Motion at 1.

[15] *See id*. at 3. Staff also noted in its Motion that it contacted the Company, the Committee, and Consumer Counsel, and no party objected to the granting of the Motion.

[16] Staff's Spreadsheet Showing Impact of *Tax Cuts and Jobs Act of 2017* hereby is entered into the record as Exhibit 12.

[17] Report at 7; Ex. 11 (Updated Revenue Requirement); Ex. 12 (Spreadsheet Showing Impact of *Tax Cuts and Jobs Act of 2017*). Our approval herein reflects the ROE for Rider W that the Commission previously determined to be supported by the record and the Code in Case No. PUR-2017-00038.

CASE NO. PUR-2017-00076
JUNE 29, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

Ex Parte: In the matter of revising the Commission's Rules Governing Enhanced 911 (E-911) Service

ORDER ADOPTING RULES

On June 23, 2004, the State Corporation Commission ("Commission") adopted Rules Governing Enhanced 911 (E-911) Service, 20 VAC 5-425-10 *et seq*. ("E-911 Rules") in Case No. PUC-2003-00103.[1] The Commission initiated the E-911 rulemaking in response to complaints received from Public Safety Answering Point ("PSAP")[2] administrators and local governments regarding the quality of E-911 service and billing issues associated therewith.[3] At that time, the Commission noted that the reliability and accuracy of the E-911 service was essential to protecting the public safety and health of many Virginia citizens.[4] Given the passage of time since the Commission established the E-911 Rules in 2004, the Commission concluded that it was appropriate to revisit the E-911 Rules and to make modifications, if necessary, due to changes in applicable laws and technological changes in the telecommunications industry.

On June 8, 2017, the Commission entered an Order Initiating Rulemaking Proceeding to determine whether, and the extent to which, any of the Commission's E-911 Rules should be revised. In this regard, the Commission directed the Commission's Staff ("Staff") to solicit comments from, and schedule a meeting or meetings (as necessary) with, stakeholders and persons having an interest in the Commission's E-911 Rules and the provision of E-911 service in the Commonwealth of Virginia, and to develop, with appropriate input from stakeholders and interested persons, a proposal for any revisions, if necessary, to the current E-911 Rules.

On March 30, 2018, the Staff filed a report ("Staff Report") detailing the Staff's efforts in this undertaking. This included sending a letter to local government officials and certificated telephone companies seeking input on potential revisions to the E-911 Rules, and conducting a working group meeting of all interested stakeholders. The Staff Report also included proposed revisions to the current E-911 Rules recommended by the Staff as a result of this process.

On April 17, 2018, the Commission entered an Order for Notice and Comment ("Order") that found that proposed revisions ("Proposed Rules"), should be considered for adoption, and that interested persons should have an opportunity to comment on the Proposed Rules, to request a hearing thereon, or to suggest modifications or supplements to the Proposed Rules. The Commission also directed that a copy of the Proposed Rules be sent to all certificated local exchange carriers and the Registrar of Regulations for publication in the *Virginia Register of Regulations*.

The Proposed Rules were published in the *Virginia Register of Regulations* on May 14, 2018.[5] No one filed a request for a hearing on the Proposed Rules. Comments on the Proposed Rules were filed by Verizon Virginia, LLC, and Verizon South Inc. (collectively, "Verizon"), and the Virginia Cable Telecommunications Association ("VCTA") on May 30, 2018.

Verizon commented on language in the Proposed Rules that would i) require priority restoration of service to a PSAP's emergency lines; and ii) govern outage reporting in conjunction with the Federal Communication Commission's voluntary Disaster Information Reporting System ("DIRS"). Verizon requested that the rule regarding priority restoration be clarified, and offered alternative language that focused on the timing of when a company would submit an outage report to the Commission if the company elects to submit its outage reports via the DIRS. The VCTA commented on language governing the new outage reporting requirement generally, and proposed alternative language it believed would clarify when a company must submit an outage report under the E-911 Rules.

On June 20, 2018, the Staff filed its response to the filed comments ("Response") in accordance with the Commission's Order. Staff discussed, but did not propose adoption of, the specific proposals made by VCTA and Verizon. Instead, Staff recommended modified language that it believes addresses the concerns of both VCTA and Verizon. Staff attached its proposed final revisions to the E-911 Rules to its Response.

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that the revisions to the E-911 Rules, as set forth and attached to this Order, should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The Commission's Rules Governing Enhanced 911 (E-911) Service, 20 VAC 5-425-10 *et seq*., hereby are revised and adopted as attached to this Order, and shall become effective August 1, 2018.

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[1] *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter of establishing rules governing the provision of enhanced 911 service by local exchange carriers*, Case No. PUC-2003-00103, 2004 S.C.C. Ann. Rept. 201, Order Adopting Rules (June 23, 2004).

[2] A PSAP is a communications operation or facility operated by or on behalf of a governmental entity that is equipped and staffed on a 24-hour basis to receive and process telephone calls for emergency assistance from an individual who dials the digits 9-1-1. *See, e.g.,* §§ 56-484.12 and 56-484.19 of the Code of Virginia.

[3] *See Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: In the matter of establishing rules governing the provision of enhanced 911 service by local exchange carriers*, Case No. PUC-2003-00103, Order for Notice and Comment or Requests for Hearing (Aug. 1, 2003).

[4] *See id.*

[5] On May 28, 2018, the *Virginia Register of Regulations* published an Errata containing certain corrections to its May 14th publication of the Proposed Rules.

(2) A copy of this Order, including the revisions to 20 VAC 5-425-10 *et seq.*, shall be forwarded for publication in the *Virginia Register of Regulations*.

(3) This case is closed.

NOTE: A copy of the Rules Governing Enhanced 911 ("E-911") Service and Appendix A is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. PUR-2017-00078
FEBRUARY 5, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of electric transmission facilities under Va. Code § 56-46.1 and the Utility Facilities Act, Va. Code § 56-265.1 *et seq*.

FINAL ORDER

On June 5, 2017, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an application for approval and for a certificate of public convenience and necessity ("CPCN") to construct and operate electric transmission facilities in Prince William County, Virginia ("Application"). Dominion filed the Application pursuant to § 56-46.1 of the Code of Virginia ("Code") and the Utility Facilities Act, Code § 56-265.1 *et seq*.

Dominion proposes to rebuild, entirely within an existing right-of-way and Company-owned property, approximately 8.5 miles of existing 115 kilovolt ("kV") transmission lines, Possum Point – Smoketown Line #18 and Possum Point – Smoketown Line #145, located between the existing 115 kV switch yard at the Company's Possum Point Power Station site and the Northern Virginia Electric Cooperative Smoketown Delivery Point, entirely within Prince William County (collectively, the "Rebuild Project"). The Company proposes to utilize 230 kV design on all but the first 0.7 mile segment originating from the 115 kV switch yard at the Possum Point Station site, which will be rebuilt to 115 kV design. While the Company proposes to construct the lines to be capable of operating at 230 kV, the Company states that operation of the lines would continue at 115 kV until such time as needed to serve the Northern Virginia Load Area.[1]

On July 10, 2017, the Commission issued its Order for Notice and Hearing ("Procedural Order"), which, among other things, directed the Company to provide notice of its Application to interested persons and the public; provided interested persons the opportunity to comment on the Application or to participate as a respondent in this proceeding; directed the Commission's Staff ("Staff") to investigate the Application and to file testimony and exhibits containing Staff's findings and recommendations; scheduled hearings to receive public witness testimony and other evidence on the Application; and assigned a Hearing Examiner to conduct further proceedings in this matter.

On August 16, 2017, the Old Dominion Electric Cooperative filed a notice of participation in this proceeding.

As noted in the Procedural Order, Staff requested the Department of Environmental Quality ("DEQ") to coordinate an environmental review of the Rebuild Project by the appropriate agencies and to provide a report on the review. On August 16, 2017, DEQ filed with the Commission its report ("DEQ Report"), which included a Wetlands Impact Consultation prepared by DEQ.[2] The DEQ Report provides general recommendations for the Commission's consideration that are in addition to any requirements of federal, state, or local law. Specifically, the DEQ Report contains the following Summary of Findings and Recommendations regarding the Rebuild Project. The Company should:

- Conduct an on-site delineation of wetlands and streams within the project area with verification by the U.S. Army Corps of Engineers, using accepted methods and procedures, and follow DEQ's recommendations to avoid and minimize impacts to wetlands and streams;
- Take all reasonable precautions to limit emissions of oxides of nitrogen and volatile organic compounds, principally by controlling or limiting the burning of fossil fuels;
- Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable, and follow DEQ's recommendations to manage waste, as applicable;
- Coordinate with the Department of Conservation and Recreation ("DCR") for updates to the Biotics Data System database (if the scope of the project changes or six months passes before the project is implemented);
- Coordinate with the Department of Game and Inland Fisheries regarding the protection of aquatic resources;
- Coordinate with the Department of Game and Inland Fisheries regarding its general recommendations to protect wildlife resources;
- Coordinate with the U.S. Fish and Wildlife Service regarding the Northern big-eared bat;
- Coordinate with the Virginia Outdoors Foundation should the project change or if construction does not begin within 24 months of this response;

[1] Exhibit ("Ex.") 9 (Application) at 2.

[2] Ex. 11 (DEQ Report).

- Coordinate with Prince William County on any archaeological surveys or evaluations;
- Follow the principles and practices of pollution prevention to the extent practicable; and
- Limit the use of pesticides and herbicides to the extent practicable.[3]

On September 8, 2017, Staff filed its testimony and an attached Staff Report summarizing the results of its investigation of Dominion's Application. Staff concluded that Dominion had sufficiently demonstrated the need for the proposed Rebuild Project.[4] Staff does not oppose the Company's proposal to design the Rebuild Project for 230 kV, but to initially operate it at 115 kV.[5]

On October 12, 2017, Dominion filed a Limited Response and Clarification in Rebuttal, which among other things, states that the Company supports the findings and recommendations in the Staff Report.

On September 14, 2017, a public hearing was held in Woodbridge, Virginia. No public witnesses appeared. On November 2, 2017, a hearing was convened in which Dominion and Staff introduced evidence into the record.

The Report of Howard P. Anderson, Jr., Hearing Examiner ("Report") was entered on January 8, 2018. In his Report, the Hearing Examiner found that:

1. The Rebuild Project is needed so the Company can replace aging transmission line infrastructure;
2. The proposed Rebuild Project is essential to support ongoing economic development in the Northern Virginia Load Area;
3. The Rebuild Project will maximize the use of existing right-of-way and no new right-of-way will be required;
4. There are no adverse environmental impacts that would preclude the construction and operation of the Rebuild Project;
5. The new structures and conductors should not be chemically dulled;
6. There are no adverse public health or safety issues associated with the Rebuild Project;
7. The recommendations in the DEQ Report, with the exception discussed in the Report,[6] are reasonable and should be approved;
8. The Commission should require consultation with the DCR for updates to the Biotics Data System only if (i) the scope of the project involves material changes, or (ii) 12 months pass before the project commences construction from the date of the Commission's Final Order; and
9. The Rebuild Project is justified by the public convenience and necessity and a certificate should be issued authorizing the Company to undertake the Rebuild Project.[7]

The Hearing Examiner recommended that the Commission enter an Order adopting his findings and recommendations, issuing a certificate of public convenience and necessity to the Company to construct and operate the Rebuild project, and closing the case.[8]

On January 16, 2018, Dominion filed comments on the Report. Dominion stated that the Company supports the Report and requests that the Commission issue a final order in this proceeding adopting the findings and recommendations contained in the Report and issuing a CPCN for the Rebuild Project.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the public convenience and necessity require that the Company construct the Rebuild Project. The Commission finds that a CPCN authorizing the Rebuild Project should be issued subject to certain findings and conditions contained herein.

Approval

The statutory scheme governing the Company's Application is found in several chapters of Title 56 of the Code.

Section 56-265.2 A 1 of the Code 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 require the exercise of such right or privilege."

[3] *Id*. at 6-7.

[4] Ex. 5 (Staff Report) at 20.

[5] *Id.*

[6] *See* Report at 10. The Hearing Examiner found that the time period for additional consultation with DCR would begin on the date the Commission enters its final order in this proceeding.

[7] Report at 10-11.

[8] *Id.* at 11.

Section 56-46.1 of the Code further directs the Commission to consider several factors when reviewing the Company's Application. Subsection A of the statute 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 every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection; and if requested by any county or municipality in which the facility is proposed to be built, to local comprehensive plans that have been adopted . . . . Additionally, the Commission (a) shall consider the effect of the proposed facility on economic development within the Commonwealth, . . ., and (b) shall consider any improvements in service reliability that may result from the construction of such facility.

Section 56-46.1 B of the Code further provides that "[a]s a condition to approval the Commission shall determine that the line is needed and that the corridor or route the line is to follow will reasonably minimize adverse impact on the scenic assets, historic districts and environment of the area concerned."

The Code further requires that the Commission consider existing right-of-way easements when siting transmission lines. Section 56-46.1 C of the Code provides that "[i]n any hearing the public service company shall provide adequate evidence that existing rights-of-way cannot adequately serve the needs of the company." In addition, § 56-259 C of the Code provides that "[p]rior to acquiring any easement of right-of-way, public service corporations will consider the feasibility of locating such facilities on, over, or under existing easements of rights-of-way."

Public Convenience and Necessity

The Commission finds that the Company's proposed Rebuild Project is needed. As found by the Hearing Examiner, the Rebuild Project is necessary so that the Company can replace aging transmission line infrastructure.[9]

Economic Development

The Commission finds that the proposed Rebuild Project will promote economic development in the Commonwealth of Virginia. The proposed Rebuild Project serves an area that is rapidly growing and includes infrastructure that is essential to the economic welfare of the Commonwealth.[10]

Rights-of-Way and Routing

Dominion has adequately considered existing rights-of-way. The Rebuild Project, as proposed, would be constructed entirely on Company-owned property and existing rights-of-way maintained by the Company.[11]

Scenic Assets and Historic Districts

As noted above, the Rebuild Project will be located on Company-owned property and within existing rights-of-way maintained by Dominion. The Commission finds that use of the existing route will minimize adverse impacts on scenic assets and historic districts in the Commonwealth of Virginia as required by § 56-46.1 B of the Code. After consideration of the record and the particular circumstances of this case, the Commission will not require chemical dulling of the structure or conductor finish for the Rebuild Project.

Environmental Impact

Pursuant to § 56-46.1 A and B of the Code, the Commission is required to consider the Rebuild Project's impact on the environment and to establish such conditions as may be desirable or necessary to minimize adverse environmental impacts. The statute further provides that the Commission shall receive, and give consideration to, all reports that relate to the Rebuild Project by state agencies concerned with environmental protection.

The Commission finds that there are no adverse environmental impacts that would prevent the construction or operation of the Rebuild Project. The DEQ Report supports a finding that the Company's proposed route reasonably minimizes adverse environmental impacts, provided that the Company complies with the recommendations set forth in the DEQ Report.[12] We therefore find that as a condition of our approval herein, Dominion must comply with all of DEQ's recommendations as provided in the DEQ Report with the following exceptions. The Commission adopts the Hearing Examiner's recommendation that the Company shall consult with DCR for updates to the Biotics Data System only if: (i) the scope of the Rebuild Project involves material changes, or (ii) 12 months from the date of this Order pass before the Rebuild Project commences construction.[13]

Accordingly, IT IS ORDERED THAT:

(1) Dominion is authorized to construct and operate the Rebuild Project as proposed in its Application, subject to the findings and conditions imposed herein.

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[9] Report at 10.

[10] Ex. 5 (Staff Report) at 17.

[11] Ex. 9 (Application Appendix) at 96.

[12] The DEQ recommendations are set forth above and discussed in Ex. 11 (DEQ Report).

[13] Report at 11.

(2) Pursuant to §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Company's request for a certificate of public convenience and necessity to construct and operate the Rebuild Project is granted as provided for herein, subject to the requirements set forth herein.

(3) Pursuant to the Utility Facilities Act, § 56-265.1 *et seq.* of the Code, the Commission issues the following certificates of public convenience and necessity to Dominion:

> Certificate No. ET-105ae, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Prince William County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2017-00078, cancels Certificate No. ET-105ad, issued to Virginia Electric and Power Company in Case No. PUE-2015-00107 on June 23, 2017.

(4) Within thirty (30) days from the date of this Final Order, the Company shall provide to the Commission's Division of Public Utility Regulation three copies of an appropriate map that shows the routing of the transmission line approved herein.

(5) Upon receiving the map directed in Ordering Paragraph (4), the Commission's Division of Public Utility Regulation forthwith shall provide the Company copies of the certificates of public convenience and necessity issued in Ordering Paragraph (3) with the map attached.

(6) The Rebuild Project approved herein must be constructed and in service by December 31, 2019. The Company, however, is granted leave to apply for an extension for good cause shown.

(7) This matter hereby is dismissed.

CASE NO. PUR-2017-00082
OCTOBER 19, 2018

APPLICATION OF
AQUA VIRGINIA, INC.

For an increase in rates

FINAL ORDER

On May 30, 2017, Aqua Virginia, Inc. ("Aqua Virginia" or "Company") provided notice that, on or after August 1, 2017, it would file with the Commission a general rate case. On June 1, 2017, the Company filed a Petition for Waiver ("Petition") seeking a partial waiver of the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings ("Rate Case Rules") to relieve the Company of the requirement to file a jurisdictional cost-of-service study. On June 29, 2017, the Commission granted the Petition subject to the requirement that the Company include in its general rate case application certain cost-of-service information for each of three former subsidiaries of the Company.[1]

On August 1, 2017, the Company filed an application for an increase in water and sewer rates ("Application").[2] Aqua Virginia filed the Application pursuant to Chapter 10 of Title 56 of the Code of Virginia ("Code")[3] and the Rate Case Rules.[4]

The Company requested authority to increase rates for water and sewer service to produce an increase in water revenues of $1,488,998 and in wastewater revenues of $399,069.[5] According to Aqua Virginia, the proposed rate increase would constitute an 11.0% increase in the Company's water revenues and a 5.4% increase in wastewater revenues.[6]

Additionally, Aqua Virginia sought authorization to implement a water and wastewater infrastructure service charge ("WWISC").[7] The Company asserted it had made substantial investments in water and wastewater infrastructure in the Commonwealth of Virginia, including significant efforts to replace mains and other aging infrastructure that have reached the end of their useful lives.[8] The Company explained that to achieve its goal of a 100-year replacement rate on aging infrastructure, it will be required to request even larger and more frequent base rate increases.[9] The Company requested the

[1] The Commission directed the Company to file Schedules 19, 22, 25, 29, and 30, showing the cost of service, on a going-forward individual subsidiary basis for Aqua Presidential, Inc.; Aqua Wintergreen Valley Utility Company; and Aqua Utilities Captain's Cove, Inc.

[2] Aqua Virginia also filed a letter enclosing the written testimony of Constance E. Heppenstall and the Water Cost of Service Study on August 8, 2017; a letter enclosing Schedule 15 and a revised Schedule 34 on August 10, 2017; a letter amendment to its Application for working capital on August 11, 2017; and revised Schedules 3 and 4 on August 14, 2017. The Staff of the Commission ("Staff") filed its Memorandum of Completeness on August 15, 2017, finding Aqua Virginia's Application complete. The Staff filed a revised Memorandum of Completeness on August 16, 2017, clarifying that the Application was deemed complete as of August 14, 2017, when Aqua Virginia filed revised Schedules 3 and 4.

[3] Code § 56-232 *et seq.*

[4] 20 VAC 5-201-10 *et seq.*

[5] Ex. 8 (Application) at 2.

[6] *Id.* Aqua Virginia asserts that its testimony and evidence support a 12.9% increase in water revenues and a 7.5% increase in wastewater revenues, but the Company is not requesting such an increase through its Application. *Id.*

[7] *Id.* at 5.

[8] *Id.* at 6.

[9] *Id.*

WWISC to plan for and recover capital investments on a timely basis.[10] Aqua Virginia asserted that the WWISC would ensure that the Commission continues to exercise the same or a greater level of review of such investments and their incorporation into rates, but through a streamlined and focused process, leading to smaller and more gradual increases in rates.[11] The Company asked that the Commission approve the proposed WWISC to be effective February 1, 2019, following the close of the rate year used in the Application.[12] Aqua Virginia asserted that no investments that are incorporated into the Company's proposed base rate increase in this proceeding would be included in the proposed WWISC.[13]

On September 5, 2017, as amended on September 8, 2017, the Commission issued an Order for Notice and Hearing that, among other things, docketed the Application; directed the Company to provide notice of its Application; established a procedural schedule, including a public hearing to convene in Richmond, Virginia, on April 24, 2018; directed the Commission's Staff ("Staff") to investigate the Application and file testimony and exhibits summarizing Staff's investigation; provided opportunities for interested persons to participate in this proceeding; and appointed a Hearing Examiner to conduct all further proceedings in this matter. The Order for Notice and Hearing also temporarily suspended Aqua Virginia's proposed rates and allowed, but did not require, the Company to implement its proposed rates and charges for service rendered on and after February 10, 2018, on an interim basis and subject to refund with interest.

On August 16, 2017, the Company filed a Motion for Local Public Hearings ("First Local Hearing Motion") requesting that public hearings on the Application be convened in Caroline and Fluvanna Counties. A Hearing Examiner's Ruling issued on December 19, 2017, granted the First Local Hearing Motion and established hearings on April 4 and 5, 2018, in Caroline and Fluvanna Counties to receive public witness testimony.

Timely notices of participation were filed by the Board of Supervisors of Frederick County, Virginia ("Frederick County"); Lake Monticello Owners' Association ("LMOA"); Botetourt County, Virginia ("Botetourt County"); Caroline County, Virginia ("Caroline County"); the City of Chesapeake, Virginia ("Chesapeake"); and the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel"). Additionally, a Hearing Examiner's Ruling issued on February 22, 2018, granted Lake Holiday Country Club ("Club") the authority to intervene out-of-time.

On January 24, 2018, Aqua Virginia filed a Motion to Reduce Interim Rates ("Interim Rate Motion"). In the Interim Rate Motion, the Company represented that the Tax Cuts and Jobs Act ("Tax Act"),[14] which was enacted after the Company filed its Application, reduced the Company's cost of service such that the Company sought to implement interim rates designed to increase revenues for water service by approximately $0.8 million, or 6.1%, and to eliminate any interim rate increase for sewer service. By Hearing Examiner's Ruling issued on February 6, 2018, the Interim Rate Motion was granted.

On February 9, 2018, Botetourt County filed a Motion for Local Public Hearing ("Second Local Hearing Motion"), requesting that a local public hearing on the Application be held in Botetourt County. A Hearing Examiner's Ruling issued on February 27, 2018, granted the Second Local Hearing Motion and established a hearing on May 15, 2018, in Botetourt County to receive public witness testimony.

The public witness hearings in Caroline, Fluvanna, and Botetourt Counties were convened as scheduled on April 4-5 and May 15, 2018. The Company, Staff and Botetourt County appeared at the public hearings.

The evidentiary hearing in Richmond was convened as scheduled on April 24, 2018. The Company, LMOA, Frederick County, Botetourt County, Caroline County, Consumer Counsel, and Staff participated in the evidentiary hearing.

At the evidentiary hearing, the Company, Staff, Consumer Counsel, Frederick County, Botetourt County, LMOA, Caroline County, Chesapeake, and the Club ("Stipulating Parties") presented a partial Stipulation.[15] The Stipulating Parties, among other things, agreed to maintain the rates approved for Aqua Virginia in its last rate case, Case No. PUE-2014-00045.[16]

On August 16, 2018, the Report of D. Mathias Roussy, Jr., Hearing Examiner ("Report") was filed. The Hearing Examiner in his Report, made the following findings: [17]

(1) the proposed Stipulation offers a fair and reasonable resolution of the issues addressed therein, except for the Tax Act refund allocation between water and sewer customers and the extent of the Company's obligation to evaluate rate design alternatives;

(2) of the total $108,038 Tax Act refund recommended in the Stipulation, no less than $54,289 is attributed to sewer operations;

(3) alternative rate designs for addressing outdoor water usage that the Company has agreed to research pursuant to the Stipulation would be better understood if the Company includes in its next base rate application a summary of such research and the rate design implications, including cost shifts among customers;

(4) the Company's rates for its Twin Cedars system, which are currently approved only on an interim basis, are reasonable;

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[10] *Id.* at 6-7.

[11] *Id*. at 7.

[12] *Id*. The Company revised its proposal such that the WWISC would recover costs of eligible investment to be placed in service beginning March 1, 2019, which is subsequent to the end of the rate year applicable for base rates. Ex. 35 (Rebuttal Testimony of Richard F. Hale) RFH-R6.

[13] Ex. 8 (Application) at 7.

[14] Pub. L. No. 115-97, 131 Stat. 2054 (2017).

[15] Ex. 6 (Stipulation).

[16] *Application of Aqua Virginia, Inc., For an increase in rates*, Case No. PUE-2014-00045, 2016 S.C.C. Ann. Rept. 206, Final Order (Jan. 7, 2016).

[17] Report at 92-94.

(5) if the Wintergreen systems are evaluated in combination, the costs of system acquisition, including an acquisition adjustment, exceed any qualitative or quantitative customer benefits. However, if the Wintergreen systems are evaluated in isolation, quantitative customer benefits for the sewer system exceed the costs of the system acquisition, including an acquisition adjustment;

(6) accelerated water main replacements and sewer system inflow and infiltration projects can be incentivized through an adjustment clause, comprised of separate water and sewer WWISC rates, that could benefit customers if implemented subject to certain designated safeguards as follows:

(a) To the extent WWISC collections result in annual earnings above a 9.25% ROE, the lesser of (i) WWISC collections or (ii) the revenue requirement effect of excess earnings would be returned to ratepayers;

(b) The WWISC would not be approved as an automatic rate adjustment clause;

(c) The WWISC would be limited to a three-year period, at which time it may be ended, expanded, or otherwise modified;

(d) To facilitate the Commission's evaluation of whether a WWISC should, at the end of its limited duration, be ended, expanded, or otherwise modified, the Company should track information, including but not necessarily limited to: (i) for main replacement projects, project costs; relevant post-project levels of water loss and main breaks compared to the same that were identified as the basis for the projects; any beneficial cost reductions realized from the projects; and the amount and cost of scheduled non-WWISC water main replacements completed by the Company during the pilot period; and (ii) for I&I projects, project costs; relevant post-project inflow and infiltration ratios compared to those identified as the bases for the projects; and any beneficial cost reductions or deferred infrastructure resulting from the projects;

(e) Detailed accounting information, as required by Staff, would accompany the annual WWISC filings;

(f) Staff would have access to the internal analysis the Company performs in the evaluation of contractor bids for WWISC projects;

(g) The WWISC tariff language would require an update to the cost of equity if the beginning of the WWISC Current Service Charge rate year is more than five years beyond the date on which the cost of equity became effective (i.e., with interim base rates);

(h) Any WWISC over- or under-recovery balance would not be reset to zero in a base rate case, but instead should be properly incorporated in the subsequent WWISC Reconciliation Credit/Charge; and

(i) Three-year cumulative WWISC capital expenditures would be limited to: (i) $1.765 million for accelerated water main replacement projects; and (ii) $1.99 million for I&I reduction projects;

(7) designing a WWISC for Aqua Virginia on a volumetric basis is consistent with, and in furtherance of, Aqua Virginia's consolidated rate structure; and

(8) directing the Company to redistribute its customer complaint procedures would increase customer awareness of procedures that can help address customer service concerns and complaints while also recognizing the scope of the instant rate proceeding.

The Hearing Examiner recommended that the Commission enter an order adopting the findings and recommendations in the Report; approving the Stipulation, subject to the (a) Tax Act refund allocation between water and sewer customers, and (b) rate design filing obligation recommended in the Report; denying any Wintergreen acquisition adjustment; approving a WWISC limited to the recovery of accelerated water main replacements and sewer system inflow and infiltration projects through an adjustment clause, comprised of separate water and sewer WWISC rates designed on a volumetric basis, subject to the safeguards recommended in the Report; and directing the Company to redistribute to its customers its Commission-approved customer complaint procedures.

On September 5, 2018, Frederick County timely filed comments to the Report. On September 6, 2018, the Company, Caroline County, Botetourt County, Consumer Counsel, and Staff timely filed comments to the Report.

NOW THE COMMISSION, upon consideration of the record in this case, the Hearing Examiner's Report, and the applicable laws and statutes, is of the opinion and finds that the Partial Stipulation should be approved and the findings and recommendations set forth in the Hearing Examiner's Report should be adopted, as discussed herein.

The Hearing Examiner concluded that, if inclusion of the proposed Wintergreen acquisition adjustment in rate base is considered on a combined-system basis, the evidence does not demonstrate qualitative or quantitative customer benefits that justify such extraordinary rate treatment. The Hearing Examiner thus recommended that the acquisition adjustment be denied. The Hearing Examiner also noted that the Commission has the discretion to consider the Wintergreen water system separately from the Wintergreen sewer system, in which case evidence of lower sewer Operations and Maintenance expense incurred by Aqua Virginia compared to the prior owner of the sewer system could support inclusion of the sewer acquisition adjustment in base rates.

In its comments to the Report, the Company requests that "the Commission adopt the Hearing Examiner's Report but authorize the Company to record an acquisition adjustment regarding its Wintergreen sewer system, on a going forward basis." The other participants in this case generally support the Hearing Examiner's conclusion that the acquisition adjustment should be considered on a combined-system basis. For example, Staff argues that the Company acquired the Wintergreen system as a combined system, the Commission approved the acquisition as a packaged deal, and therefore the cost/benefit test should be applied to such packaged deal.

We agree with the Hearing Examiner that the Wintergreen acquisition adjustment should be evaluated on a combined-system basis, as the transaction was proposed, and approved by the Commission, as a single combined system. We further agree with the Hearing Examiner that the evidence in this case does not demonstrate qualitative or quantitative customer benefits that justify extraordinary rate treatment.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations set forth in the Hearing Examiner's Report are approved, as represented herein.

(2) The Partial Stipulation presented by the Stipulating Participants is hereby accepted.

(3) The Company's request for any cost recovery of the acquisition adjustments for the Wintergreen water and sewer systems is denied.

(4) Subject to the safeguards recommended by the Hearing Examiner, the Company is permitted to commence deferral of costs of WWISC-eligible investment placed in service on and after March 1, 2019.

(5) The Company shall file its annual requests for a WWISC surcharge at least 120 days in advance of the effective date of such surcharge.

(6) In each future WWISC filing, the Company shall present each component of revenue requirement as accurately as possible based on all information available to the Company.

(7) The cost of capital used for purposes of developing the WWISC revenue requirement shall incorporate a return on common equity of 9.25%.

(8) Detailed accounting information shall accompany annual WWISC filings, including at a minimum: a detailed project listing, reporting on the accounting for the WWISC, verification of WWISC recoveries by month, a reconciliation of the end-of-period book deferral with the WWISC over- or under-recovery balance, current and deferred income tax impacts, and reporting on any actual investment that is materially more or less than authorized.

(9) The Company's rates for its Twin Cedars system, which are currently approved only on an interim basis, are reasonable.

(10) This case is dismissed.

CASE NO. PUR-2017-00094
FEBRUARY 15, 2018

PETITION OF
APPALACHIAN POWER COMPANY

For approval to extend two existing demand-side management programs

FINAL ORDER

On July 7, 2017, Appalachian Power Company ("Appalachian" or "Company") filed with the State Corporation Commission ("Commission") a petition to extend two of its existing demand-side management programs ("Petition") beyond the currently scheduled expiration of December 31, 2017. Specifically, Appalachian sought approval to extend the Residential Low Income Weatherization Program ("Weatherization Program") and the Residential Peak Reduction Program ("Peak Reduction Program") (collectively, the "Portfolio"), for an additional three-year period, through December 31, 2020. The costs of the two programs currently are being recovered through base rates, and the Company did not request approval of a rate adjustment clause or any alternative means of recovering the costs associated with the programs.[1]

The Petition stated that the Weatherization Program provides services to the Company's lower income customers and targets electrically heated homes of customers, including both homeowners and renters, that have above average electric usage and have a total annual household income that is at or below 60% of the Commonwealth's median income level.[2] The Peak Reduction Program provides a monetary incentive in exchange for allowing the Company to install a load control switch on a customer's air conditioner or heat pump. The Petition stated that the load control switches allow the Company to cycle participating customers' central air conditioning systems and heat pump units during certain pre-defined situations, such as periods when the system is nearing peak demand or experiencing high loading on distribution circuits or emergency conditions.

The Company also requested it be granted interim authority to continue to operate the Portfolio beyond its expiration of December 31, 2017, until a final order is issued in this proceeding.

On July 26, 2017, the Commission issued an Order for Notice and Hearing in this proceeding that, among other things, docketed the Petition, scheduled a public hearing on the Petition, required Appalachian to publish notice of its Petition, gave interested persons the opportunity to comment on, or participate in, the proceeding, and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission. The Commission also granted the Company interim authority to continue operating the Portfolio until a final order is issued in this proceeding.

A timely notice of participation was filed by the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"). The Commission Staff ("Staff") filed its direct testimony and exhibits on November 14, 2017. The Company filed its rebuttal testimony on November 28, 2017.

The evidentiary hearing was convened, as scheduled, on December 19, 2017. The Company, Staff and Consumer Counsel participated in the hearing. No public witnesses appeared at the hearing.

[1] Ex. 1 (Petition) at 1.

[2] *Id.* at 2.

On January 16, 2018, the Report of Alexander F. Skirpan, Jr., Senior Hearing Examiner ("Report") was filed. The Senior Hearing Examiner in his Report found that the Weatherization Program and Peak Reduction Program should be extended for three years as requested by Appalachian, subject to Staff's recommendation that the Company be "directed to study and analyze [the Peak Reduction Program] for additional improvement opportunities and that the Company's analysis of any improvement options be included in its next evaluation measurement and verification report to be filed on or before May [1], 2018."[3]

NOW THE COMMISSION, upon consideration of the record in this case, the Hearing Examiner's Report, and the applicable laws and statutes, is of the opinion and finds that the findings and recommendations set forth in the Hearing Examiner's Report should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The Company's requested extension to provide the Portfolio is granted through December 31, 2020. Should the Company request further extension to operate the Portfolio, such request shall be filed on or before May 1, 2020.

(2) The Company shall study and analyze the Peak Reduction Program for additional improvement opportunities and shall include its analysis of any improvement options in its next evaluation measurement and verification report to be filed on or before May 1, 2018.

(3) This matter is continued pending further order of the Commission.

[3] Report at 13.

CASE NO. PUR-2017-00099
JANUARY 22, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

Ex Parte: In the matter of amending regulations governing net energy metering

ORDER ADOPTING REGULATIONS

The Regulations Governing Net Energy Metering, 20 VAC 5-315-10 *et seq*. ("Existing Rules"), adopted by the State Corporation Commission ("Commission") pursuant to § 56-594 of the Virginia Electric Utility Regulation Act, Chapter 23 (§ 56-576 *et seq*.) of Title 56 of the Code of Virginia ("Code"), establish the requirements for participation by an eligible customer-generator in net energy metering in the Commonwealth of Virginia. The Existing Rules include conditions for interconnection and metering, billing, and contract requirements between net metering customers, electric distribution companies, and energy service providers.

On August 25, 2017, the Commission entered an Order Establishing Proceeding ("Order") to consider revisions to the Existing Rules to reflect statutory changes enacted by Chapters 565 and 581 of the 2017 Acts of Assembly ("Chapters 565 and 581"), which amended § 56-594 of the Code by adding a new § 56-594.2 to add a definition of "small agricultural generator" and to provide for the interconnection of such generator to utilities. In addition, Chapters 565 and 581 provided that on and after July 1, 2019, interconnection of eligible agricultural customer-generators under § 56-594 shall cease for electric cooperatives only, and such facilities shall interconnect solely as small agricultural generators under § 56-594.2.

The Commission appended to its Order proposed amendments ("Proposed Rules") revising the Existing Rules, which were prepared by the Staff of the Commission to reflect the revisions mandated by Chapters 565 and 581.

Notice of the proceeding and the Proposed Rules were published in the *Virginia Register of Regulations* on September 18, 2017. Additionally, each Virginia electric distribution company was directed to serve a copy of the Order upon each of their respective net metering customers. Interested persons were directed to file any comments and requests for hearing on the Proposed Rules on or before October 31, 2017.

Appalachian Power Company ("APCo"), Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("DEV"), the Virginia Electric Cooperatives,[1] and James D. Boggs filed comments. No one requested a hearing on the Proposed Rules.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the regulations attached hereto as Appendix A ("Revised Rules") should be adopted as final rules.

DEV and APCo suggest that 20 VAC 5-315-30 be amended to clarify that requirements related to electric distribution company notification include small agricultural generators. We agree, and the Revised Rules reflect these modifications.

[1] The filing entitled "Comments of the Virginia Electric Cooperatives" was submitted jointly on behalf of: 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, Northern Virginia Electric Cooperative, Powell Valley Electric Cooperative, Prince George Electric Cooperative, Rappahannock Electric Cooperative, Shenandoah Valley Electric Cooperative, and Southside Electric Cooperative, as well as the Virginia, Maryland & Delaware Association of Electric Cooperatives.

DEV and APCo suggest similar changes to 20 VAC 5-315-75. Specifically, the utilities note that the first sentence of the Proposed Rules references a power purchase agreement in which the small agricultural generator sells "all of the electricity generated," while the second sentence references the customer's supplier being obligated by the same power purchase agreement to "purchase the excess generation." We agree that this apparent inconsistency should be resolved and have changed the Revised Rules accordingly.

Finally, APCo suggests that 20 VAC 5-315-40(B) be revised to clarify that small agricultural generators should be included with net metered generators in determining whether "the total rated generating alternating current capacity of all interconnected net metered generators within … [an] electric distribution company's Virginia service territory [exceeds] 1.0% of that company's Virginia peak-load forecast for the previous year," as provided in the Existing Rules. We agree and have modified the Revised Rules to reflect this change.

Accordingly, IT IS ORDERED THAT:

(1) The Regulations Governing Net Energy Metering, as shown in Appendix A to this Order, hereby are adopted and are effective as of February 1, 2018.

(2) A copy of this Order with Appendix A including the Regulations Governing Net Energy Metering shall be forwarded to the Registrar of Regulations for publication in the *Virginia Register of Regulations*.

(3) On or before May 1, 2018, each utility in the Commonwealth subject to Chapter 10 (§ 56-232 *et seq.*) of Title 56 of the Code of Virginia shall file with the Clerk of the Commission, in this docket, one (1) original document containing any revised tariff provisions necessary to implement the regulations adopted herein, and each such utility also shall file a copy of the document containing the revised tariff provisions with the Commission's Division of Public Utility Regulation. The Clerk of the Commission need not distribute copies but shall make such filings available for public inspection in the Clerk's Office and post them on the Commission's website at: http://www.scc.virginia.gov/case.

(4) This docket shall remain open to receive the filings from electric utilities pursuant to Ordering Paragraph (3).

NOTE: A copy of Appendix A entitled "Regulations Governing Net Energy Metering" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. PUR-2017-00101
MAY 11, 2018

APPLICATION OF
NORTHERN NECK ELECTRIC COOPERATIVE

For a general increase in electric rates

FINAL ORDER

On July 20, 2017, Northern Neck Electric Cooperative ("NNEC" or "Cooperative") filed with the State Corporation Commission ("Commission") an application and supporting documents for a general increase in electric rates ("Application").

In its Application, the Cooperative sought approval to increase jurisdictional revenues by approximately $1.8 million based on a rate year revenue requirement of approximately $35.9 million.[1] NNEC requested that the new rates be made effective on all bills issued on and after January 1, 2018.[2] The Cooperative estimated that the proposed revenues should produce a rate year jurisdictional Times Interest Earned Ratio ("TIER") of 2.25x, a Debt Service Coverage Ratio of 2.21x, and a rate of return on rate base of 4.14%.[3] However, NNEC did not request that the Commission set a TIER of 2.25x and adjust its proposed rates to that TIER. Instead, NNEC requested that the Commission approve its rates as proposed so long as the resulting rate year TIER falls within what has been recognized in recent cooperative rate cases as a reasonable range for an electric cooperative such as NNEC.[4] NNEC also requested certain changes to its rate schedules for retail electric service.[5]

On August 25, 2017, the Commission entered an Order for Notice and Hearing, which among other things, docketed the Application; established a procedural schedule; directed NNEC to provide notice of its Application to the public; provided interested persons an opportunity to comment on the Application or participate in the proceeding as a respondent by filing a notice of participation; scheduled an evidentiary hearing; and appointed a Hearing Examiner to conduct all further proceedings in this matter.[6]

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[1] Ex. 2 (Application) at 3.

[2] *Id*. at 9. The Cooperative requested authorization to put the new rates into effect on and after January 1, 2018, on an interim basis and subject to refund, if necessary. *Id*.

[3] *Id*. at 4.

[4] *Id*.

[5] *See id*. at 5-6.

[6] On August 30, 2017, NNEC filed a motion requesting that the evidentiary hearing be rescheduled and that additional time be provided for publication and service of notice of the Application. On August 31, 2017, the Hearing Examiner entered a ruling granting NNEC's motion.

Notices of participation were filed in this proceeding by the County of Lancaster, Virginia ("Lancaster County"), and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"). On January 23, 2018, the Staff of the Commission ("Staff") filed testimony describing the results of its investigation of the Application. On February 6, 2018, NNEC filed rebuttal testimony. No public comments were filed in this proceeding.

On March 5, 2018, NNEC and Staff filed a Joint Motion to Approve Stipulation ("Joint Motion") and attached Stipulation. The Stipulation provides in substantive part that: (i) NNEC may increase rate year jurisdictional revenues by $1.8 million based on a rate year revenue requirement of $35.9 million, which should produce a rate year TIER of 2.25x; (ii) the rates made effective by the Commission's August 25, 2017 Order for Notice and Hearing for bills rendered on and after January 1, 2018, subject to certain described corrections, clarifications, and changes, would remain in effect and be made permanent for all bills rendered by NNEC, with no amounts previously collected being subject to refund; (iii) Schedule TD-3 and Schedule IS would be withdrawn and the rates of Schedule SL-6 would be unbundled into distribution and energy supply service ("ESS") components; (iv) Schedule GS-4 would be renumbered as Schedule GS-5 and modified to be applicable to customers with demand up to 20 kilowatts ("kW"); (v) Schedule GSD-1 would be approved for customers with demand that is greater than 20 kW, but does not exceed 50 kW;[7] (vi) NNEC would introduce seasonal price differentials in calculating the ESS portions of proposed Schedules R-5, PE-3, C-8, GS-5, GSD-1, and LP-7 to better reflect the effects of summer load on purchased power expense; (vii) Schedule G WPCA would be withdrawn and replaced with Schedule PCA-1, the PCA base would be set to reflect the recovery of $0.07601/kilowatt hour ("kWh") sold through base rates, and there would be no retroactive change in the PCA billing factor; and (viii) the ESS charges for Schedule R-5 and Schedule PE-3 would be adjusted to a summer rate of $0.08391 per kWh and a non-summer rate of $0.07409 per kWh and would go into effect for bills rendered on and after the first day of the first month following the issuance of the Commission's Final Order in this proceeding.[8]

Lancaster County neither opposed nor supported the Stipulation.[9] Consumer Counsel did not agree to the Stipulation.[10]

The evidentiary hearing in this matter was convened on March 6, 2018. Counsel for the Cooperative, Consumer Counsel, and Staff appeared at the hearing.[11] No public witnesses appeared to testify at the hearing.[12]

On April 9, 2018, the Report of D. Mathias Roussy, Jr., Hearing Examiner ("Report") was filed. In his Report, the Hearing Examiner found that: (i) the proposed Stipulation offers a fair and reasonable resolution of all issues in this proceeding, subject to further findings concerning an alternative rate design for Rate Schedule C-8 and a revenue requirement limitation; (ii) approval of the rates proposed in the Stipulation would produce additional rate year jurisdictional revenues of $1,832,779 and a rate year TIER of 2.25x; (iii) A TIER range of 2.0x to 2.5x is reasonable for NNEC; (iv) Rate Schedule C-8 should be designed with a seasonal rate differentiation of approximately 0.982 ¢/kWh to better promote rate stability and gradualism than the seasonal rate differentiation of 1.933 ¢/kWh proposed in the Stipulation; (v) the proposal to increase the residential access charge from $24.51 to $29.00 would not be an unprecedented increase and is supported by cost causation; and (vi) limiting the revenue increase approved for NNEC to the $1,826,504 amount identified in the Application would address potential notice concerns without any negative effect on NNEC's overall recovery of costs if the proposed Schedule PCA-1 is approved.[13]

Accordingly, the Hearing Examiner recommended that the Commission enter an Order that adopts the findings and recommendations in the Report, approves the Stipulation presented by NNEC and the Staff subject to the revenue requirement limitation and alternative rate design recommendation contained in the Report, and dismisses this case from the Commission's docket of active cases.[14]

NNEC and Staff filed comments in support of the Hearing Examiner's Report, though NNEC clarified that it believed that base ESS rates should be reduced across all rate classes by a uniform amount per kWh to achieve the ESS base rate revenue reduction recommended by the Hearing Examiner.[15] Consumer Counsel filed comments opposing the Report's recommendation to approve the proposed customer access charge.[16]

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that the findings and recommendations of the Hearing Examiner should be adopted. We further find that the Stipulation satisfies the statutory requirements attendant to this case. Accordingly, we approve and adopt the Stipulation.

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[7] A clerical mistake in Schedule GSD-1 would also be corrected.

[8] Ex. 7 (Stipulation) at 1-3.

[9] Joint Motion at 2.

[10] *See* Joint Motion at 2; Tr. 7-9.

[11] Tr. 4.

[12] Tr. 37.

[13] Report at 30.

[14] *Id.*

[15] *See* Staff Comments on Report at 1; NNEC Comments on Report at 1-2.

[16] *See* Consumer Counsel Comments on Report at 2-5.

The Commission also finds that given the unique facts presented in this case, the proposed monthly customer access charge for residential customers should be approved. The Commission concurs with the Hearing Examiner's determination that, because NNEC's cost of-service study in this case supports a residential access charge of $32.61, the proposed customer access charge reasonably balances the goals of cost causation and gradualism and finds that approval of a lower access charge may result in the imposition of unnecessary administrative costs to customers.[17]

Finally, the Commission finds that the base ESS rate should be reduced across all rate classes by a uniform amount per kWh to achieve the ESS base rate revenue reduction recommended by the Hearing Examiner. This reduction should be directly offset by the PCA-1 adjustment approved herein, and thus no customer refunds should be necessary.[18]

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the April 9, 2018 Report hereby are adopted as provided for herein.

(2) The Joint Motion filed by Staff and NNEC hereby is granted, and the Stipulation presented in this case is hereby approved.

(3) Within thirty (30) days of the issuance of this Final Order, the Cooperative shall file revised tariffs, schedules, and terms and conditions of service that reflect the rates and charges approved herein.

(4) This case is dismissed.

[17] *See* Report at 26-27; Tr. 11. Pursuant to § 56-585.3 of the Code of Virginia, "Each cooperative may, without Commission approval … make any adjustment to its rates reasonably calculated to collect any or all of the fixed costs of owning and operating its electric distribution system, including without limitation, such costs as are identified as customer-related costs in a cost of service study, through a new or modified fixed monthly charge...."

[18] *See* Report at 29.

CASE NO. PUR-2017-00106
MAY 8, 2018

APPLICATION OF
KENTUCKY UTILITIES COMPANY d/b/a OLD DOMINION POWER COMPANY

For an adjustment of electric base rates

FINAL ORDER

On September 29, 2017, Kentucky Utilities Company d/b/a Old Dominion Power Company ("KU/ODP" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") requesting authority to adjust its electric base rates pursuant to Chapter 10 of Title 56 of the Code of Virginia ("Code")[1] and the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings ("Rate Case Rules").[2] KU/ODP requested an increase in base rates to produce an increase in revenues of approximately $6.7 million, a 10.4% increase in its total operating revenues, including fuel.[3] The Company based its rate request on a 10.42% return on common equity ("ROE").[4] The proposed rate increase included a $4.00 increase, from $12.00 to $16.00, in the monthly customer charge.[5]

On October 19, 2017, the Commission issued an Order for Notice and Hearing that, among other things, (i) suspended the Company's proposed increase in rates until the Commission entered its Final Order in this proceeding; (ii) required the Company to provide notice of its Application; (iii) provided any interested person an opportunity to file comments on the Application or to participate in the case as a respondent by filing a notice of participation; (iv) scheduled a local hearing for January 18, 2018, in the Town of Norton, Virginia, to receive the testimony of public witnesses; (v) scheduled a public hearing for March 29, 2018, in Richmond, Virginia, to receive the testimony of public witnesses and the evidence of the Company, any respondents, and the Staff of the Commission ("Staff"); and (vi) appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission, including filing a final report ("Report").

On January 5, 2018, the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") filed a notice of participation. On January 16, 2018, Hearing Examiner Michael D. Thomas issued a ruling rescheduling the January 18, 2018 local hearing to February 22, 2018, due to inclement weather. On February 22, 2018, six witnesses testified during the public hearing in Norton, Virginia.[6]

[1] Code § 56-232 *et seq*.

[2] 20 VAC 5-201-10 *et seq*.

[3] Ex. 2 (Application) at 1, Schedule 42; Ex. 6 (Garrett Direct) at 2.

[4] Ex. 2 (Application) at 2; Ex. 10 (McKenzie Direct) at 3.

[5] Ex. 2 (Application) at Schedule 41; Ex. 6 (Garrett Direct) at 2.

[6] *See* Report at 3-5; Tr. 10-21, 26-62 (Feb. 22, 2018). Each public witness testified in opposition to KU/ODP's proposed rate increase.

On February 28, 2018, Staff filed its testimony that, among other things, recommended an annual increase in rates for the Company of approximately $1.3 million, as compared to the $6.7 million KU/ODP requested.[7] The Staff's testimony also addressed issues of rate design; the Company's terms and conditions for tariffed service in Virginia;[8] ROE; and overall cost of capital.[9]

On March 16, 2018, KU/ODP filed rebuttal testimony, in which the Company recommended rejecting several of Staff's accounting adjustments,[10] described certain alleged errors in Staff's short-term debt calculations,[11] and objected to Staff's recommended ROE as being unreasonably low.[12]

On March 22, 2018, KU/ODP, the Staff, and Consumer Counsel filed a Stipulation and Recommendation ("Stipulation")[13] and Joint Motion to Accept Stipulation and Recommendation ("Joint Motion"). In the Stipulation, KU/ODP, the Staff, and Consumer Counsel recommended that the Commission approve increasing KU/ODP's operating revenues by $1.75 million, effective for service rendered on and after June 1, 2018, as a fair, just, and reasonable resolution of KU/ODP's request for an increase in base rates in this case. The Stipulation documented that the recommended increase in operating revenues was the product of compromise and settlement between KU/ODP, the Staff, and Consumer Counsel based upon the evidence in the record and represented a settlement as to a specific revenue number, but not on a specific determination of ROE, accounting adjustments, or ratemaking methodologies, except as otherwise provided therein.[14] The Stipulation further documented that KU/ODP, the Staff, and Consumer Counsel recommended that the residential basic service charge remain at $12 per month,[15] and that an ROE range of 9% to 10% be used for purposes of the Commission's review of filings under Code § 56-234.2 and the Commission's Rate Case Rules, beginning with calendar year 2018, and continuing thereafter until KU/ODP's ROE is reset by the Commission.[16]

The Stipulation also included documentation for revenue allocation among rate classes and the agreed upon rates, terms, and conditions for service by KU/ODP.[17] Moreover, per the Stipulation, the Company will mail notices once a year to affected customers as part of KU/ODP's plan to phase out rate grandfathering and continue to report on these customers in the Company's next base rate case.[18]

On April 16, 2018, the Hearing Examiner issued his Report. In the Report, the Hearing Examiner summarized the record, including the written comments received and the public witness testimony presented in Norton, Virginia, the testimony and exhibits presented by KU/ODP and the Staff, and the Stipulation.[19] The Hearing Examiner found that based on the evidence received in this case:

(1) The Joint Motion should be granted;

(2) The Stipulation is fair, reasonable and in the public interest;

(3) The proposed increase in KU/ODP's operating revenues of $1.75 million effective June 1, 2018, is a fair and reasonable resolution of the Company's request for an increase in base rates in this case;

(4) The revenue allocation methodology in the Stipulation is just and reasonable;

(5) The rates, charges, and tariff provisions in the Stipulation are just and reasonable;

(6) The accounting adjustments, including Staff's Tax Cuts and Jobs Act ("TCJA") Regulatory Liability recommendation, in the Stipulation are just and reasonable;

(7) An ROE range of 9.0% to 10.0% should be used for Commission rate review until another ROE is established by the Commission; and

(8) The Company's plan to continue phasing out rate grandfathering is reasonable.[20]

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[7] *See* Ex. 11 (Morgan Direct) at 19.

[8] *See* Ex. 14 (Jenkins Direct).

[9] *See* Ex. 13 (Gleason Direct); Ex. 12 (Oliver Direct).

[10] *See* Ex. 15 (Arbough Rebuttal); Ex. 17 (Garrett Rebuttal); Ex. 16 (Conroy Rebuttal).

[11] *See* Ex. 15 (Arbough Rebuttal).

[12] *See* Ex. 18 (McKenzie Rebuttal).

[13] *See* Ex. 19 (Stipulation).

[14] *Id.* at 1.

[15] *Id.* at 3.

[16] *Id.*

[17] *Id.* at 3-4, Stipulation Exhibits 1 and 2.

[18] *Id.* at 3.

[19] Report at 2-36.

[20] *Id.* at 37.

Accordingly, the Hearing Examiner recommended that the Commission enter an Order that: (i) adopts the findings in his Report; (ii) grants the Joint Motion; (iii) adopts the Stipulation presented by KU/ODP, the Staff, and Consumer Counsel; (iv) grants the Company a revenue requirement increase of $1.75 million; and (v) dismisses this case from the Commission's docket of active cases.[21] KU/ODP and the Staff filed comments to the Report asking that the Commission accept the recommendations contained therein.

NOW THE COMMISSION, upon consideration of the Company's Application, the record herein, and the applicable statutes, is of the opinion and finds that it should adopt the findings and recommendations of the Hearing Examiner. We find that the Stipulation satisfies the statutory requirements attendant to this case. Accordingly, we approve and adopt the Stipulation.[22]

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations in the April 16, 2018 Hearing Examiner's Report hereby are adopted.

(2) The Joint Motion filed by KU/ODP, the Staff, and Consumer Counsel hereby is granted, and the Stipulation presented in this case hereby is approved.

(3) KU/ODP forthwith shall file revised tariffs and terms and conditions of service with the Commission's Division of Public Utility Regulation, in accordance with the findings made herein, for service rendered on and after June 1, 2018. This shall include retaining the residential basic service charge at the current level of $12 per month, as set forth in the Stipulation.

(4) An ROE range of 9% to 10% shall be used for purposes of the Commission's review of filings under Code § 56-234.2 and the Rate Case Rules beginning with the calendar year 2018 and continuing thereafter until KU/ODP's ROE is reset by the Commission.

(5) KU/ODP shall include as part of its Annual Informational Filing for Calendar Year 2018 ("2018 AIF") supporting documentation for the TCJA savings[23] for the 5-month period prior to new rates taking effect (*i.e.*, January 1, 2018 to May 31, 2018). KU/ODP shall also include as part of its 2018 AIF Virginia jurisdictional cost of service information reflecting actual earnings levels and earned returns applicable for 2018.

(6) KU/ODP shall make the accounting entries set forth in the Stipulation.

(7) KU/ODP shall mail notices once a year to affected customers as part of the Company's plan to phase out rate grandfathering and continue to report on these customers in KU/ODP's next base rate case.

(8) This case is dismissed.

[21] *Id.*

[22] Ex. 19 (Stipulation).

[23] Savings to include the impact of the reduction in the federal corporate income tax rate from 35% to 21% and protected excess deferred tax amortization for the 5-month period January 1, 2018, through May 31, 2018.

CASE NO. PUR-2017-00109
FEBRUARY 21, 2018

PETITION OF
REYNOLDS GROUP HOLDINGS INC.

For permission to aggregate or combine demands of two or more individual nonresidential retail customers of electric energy pursuant to § 56-577 A 4 of the Code of Virginia

FINAL ORDER

On July 13, 2017, Reynolds Group Holdings Inc. ("Reynolds") filed with the State Corporation Commission ("Commission") a Petition, pursuant to § 56-577 A 4 of the Code of Virginia ("Code"), seeking permission to aggregate or combine the demands of three of its subsidiaries at six locations in the Commonwealth of Virginia in the area where Virginia Electric and Power Company ("Dominion") is the local distribution company that is certificated to provide retail electric service.[1]

On August 28, 2017, the Commission issued an Order for Notice and Comment that, among other things, docketed the Petition, directed Reynolds to serve a copy of the Commission's Order for Notice and Comment upon Dominion, provided interested persons an opportunity to file written comments or request a hearing on the Petition on or before October 17, 2017, directed the Commission's Staff ("Staff") to analyze the Petition and present its findings in a report ("Staff Report") on or before November 21, 2017, and permitted Reynolds and any person who filed comments on the Petition to file a response to the Staff Report on or before December 5, 2017.

On October 17, 2017, Collegiate Clean Energy, LLC ("Collegiate") and Direct Energy Services, LLC ("Direct Energy") filed comments in support of the Petition. Also on October 17, 2017, Appalachian Power Company and Dominion filed comments requesting that the Petition be denied.

[1] Petition at 1-2. Reynolds identifies itself as the parent of the following companies for which it seeks Commission permission to aggregate or combine demands: Reynolds Presto Products Inc. d/b/a Presto Products Co.; Reynolds Consumer Products, LLC d/b/a Reynolds Metals Co.; and Pactiv LLC d/b/a Reynolds Metals Co. The Petition provides, among other things, peak demand figures and locations for these companies. *Id.* at Attachment A.

On November 21, 2017, Staff filed its Staff Report. Staff recommended that: (i) if the Commission determines that further evidence is necessary to conclude that the Petition is in the public interest and that customers would not be adversely affected by granting the Petition, the Commission should direct Reynolds to refile or supplement its Petition; or (ii) if the Commission determines that no further evidence in this case is needed, the Commission should direct Reynolds to file an annual report that includes certain reporting information described in the Staff Report.[2]

On December 5, 2017, Reynolds, Dominion, Direct Energy, and Collegiate filed comments on the Staff Report.

Also on December 5, 2017, Calpine Energy Solutions LLC ("Calpine") filed a motion for leave to file a response to the Staff Report and to comments filed by several other persons in this proceeding ("Motion"). On December 27, 2017, Dominion filed a response to the Motion, and on January 10, 2018, Calpine filed a reply.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Petition is granted subject to the requirements set forth below.

Under Code § 56-577 A 3, retail access to competitive electricity supply is available to certain large customers with demand exceeding five megawatts. Pursuant to Code § 56-577 A 4, for the purpose of meeting this demand limitation, two or more individual nonresidential retail customers of electric energy, whose individual demand during the most recent calendar year did not exceed five megawatts, may petition the Commission for permission to aggregate or combine their demands. Code § 56-577 A 4 also provides that the Commission may approve such a petition if it finds that:

a. Neither such customers' incumbent electric utility nor retail customers of such utility that do not choose to obtain electric energy from alternate suppliers will be adversely affected in a manner contrary to the public interest by granting such petition. In making such determination, the Commission shall take into consideration, without limitation, the impact and effect of any and all other previously approved petitions of like type with respect to such incumbent electric utility; and

b. Approval of such petition is consistent with the public interest.

As required by Code § 56-577 A 4, Reynolds is seeking to aggregate the demand of "individual nonresidential retail customers of electric energy within the Commonwealth."[3] As also required by Code § 56-577 A 4, each such nonresidential retail customer had an "individual demand during the most recent calendar year [that] did not exceed five megawatts." When aggregated, the customers' demands exceeded the required five megawatt threshold but did not exceed one percent of the incumbent electric utility's peak load during the most recent calendar year. The aggregated peak demand of these nonresidential retail customers is 10.12 megawatts.[4] This represents approximately 0.06% of Dominion's system peak.[5] Dominion's system peak, which is expected to exceed 17,000 megawatts in 2017, is expected to grow by significantly more than 0.06% each year (*i.e.*, an annual average of 1.3%) over the next 15 years.[6] Staff did not contest the conclusion that the impact of granting the Petition would be *de minimis*.[7] In addition, because this is the first petition filed under Code § 56-577 A 4, there is no impact from "other previously approved petitions of like type with respect to such incumbent electric utility."

Based on the above, the Commission finds that pursuant to Code § 56-577 A 4 a, "[n]either such customers' incumbent electric utility nor retail customers of such utility that do not choose to obtain electric energy from alternate suppliers will be adversely affected in a manner contrary to the public interest by granting such petition." Finally, in accordance with Code § 56-577 A 4 b, the Commission imposes "periodic monitoring and reporting obligations" as recommended by Staff, including the filing of the names of the aggregating customers, each customer's most recent individual demand, and the most recent combined demand of the aggregating customers. This information shall be filed with the Commission on an annual basis,[8] with the first such report to be filed one year from the date of this Final Order.

Accordingly, IT IS ORDERED THAT:

(1) Reynolds' Petition is granted as set forth herein.

(2) Calpine's Motion is denied.

(3) This case is dismissed.

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[2] Staff Report at 8.

[3] *See* Staff Report at 4.

[4] *See id.*

[5] *See id.* at 6-7; *Commonwealth of Virginia ex rel. State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan Filing Pursuant to § 56-597 el. seq.*, Case No. PUR-2017-00051, Doc. Con. Cen. No. 170510017, Virginia Electric and Power Company's Report of Its Integrated Resource Plan, dated May 1, 2017, Figure 2.2.3 (Summary of the Energy Sales & Peak Load Forecast) at 22.

[6] *See* Staff Report at 6-7.

[7] *See id.*

[8] *See id.* at 7.

CASE NO. PUR-2017-00109
MAY 16, 2018

PETITION OF
REYNOLDS GROUP HOLDINGS INC.

For permission to aggregate or combine demands of two or more individual nonresidential retail customers of electric energy pursuant to § 56-577 A 4 of the Code of Virginia

OPINION

On July 13, 2017, Reynolds Group Holdings Inc. ("Reynolds") filed with the State Corporation Commission ("Commission") a Petition, pursuant to Code § 56-577 A 4 ("Section A 4"), seeking permission to aggregate or combine the demands of three of its subsidiaries at six locations in the Commonwealth of Virginia in the area where Virginia Electric and Power Company ("Dominion") is the local distribution company that is certificated to provide retail electric service.[1]

On February 21, 2018, the Commission issued a Final Order granting the Petition. On March 15, 2018, Appalachian Power Company filed a Notice of Appeal. On March 21, 2018, Dominion filed a Notice of Appeal.

NOW THE COMMISSION, in accordance with Code § 12.1-39, hereby "file[s] in the record of the case a statement of the reasons upon which the action appealed from was based."

Section A 4 states in full:

> 4. After the expiration or termination of capped rates, two or more individual nonresidential retail customers of electric energy within the Commonwealth, whose individual demand during the most recent calendar year did not exceed five megawatts, may petition the Commission for permission to aggregate or combine their demands, for the purpose of meeting the demand limitations of subdivision 3, so as to become qualified to purchase electric energy from any supplier of electric energy licensed to sell retail electric energy within the Commonwealth under the conditions specified in subdivision 3. The Commission may, after notice and opportunity for hearing, approve such petition if it finds that:
>
> a. Neither such customers' incumbent electric utility nor retail customers of such utility that do not choose to obtain electric energy from alternate suppliers will be adversely affected in a manner contrary to the public interest by granting such petition. In making such determination, the Commission shall take into consideration, without limitation, the impact and effect of any and all other previously approved petitions of like type with respect to such incumbent electric utility; and
>
> b. Approval of such petition is consistent with the public interest. If such petition is approved, all customers whose load has been aggregated or combined shall thereafter be subject in all respects to the provisions of subdivision 3 and shall be treated as a single, individual customer for the purposes of said subdivision. In addition, the Commission shall impose reasonable periodic monitoring and reporting obligations on such customers to demonstrate that they continue, as a group, to meet the demand limitations of subdivision 3. If the Commission finds, after notice and opportunity for hearing, that such group of customers no longer meets the above demand limitations, the Commission may revoke its previous approval of the petition, or take such other actions as may be consistent with the public interest.

Pursuant to the above statute, the Commission is of the opinion and finds that Reynolds' aggregation request meets the load requirements of Section A 4, and that: (a) "[n]either such customers' incumbent electric utility nor retail customers of such utility that do not choose to obtain electric energy from alternate suppliers will be adversely affected in a manner contrary to the public interest by granting such petition;" and (b) with the addition of the monitoring and reporting requirements directed in the Final Order, "[a]pproval of such petition is consistent with the public interest."

This is the first case under Section A 4. Although the Commission has not yet developed any minimum filing guidelines to initiate such cases, the petitioner has the burden in the proceeding to show, based on the record, that its request complies with the statute. The Commission finds that such burden was met in the instant case.[2] Consistent with the discussion below, however, the Commission emphasizes that its findings in this initial aggregation case do not dictate the outcome of subsequent cases filed under different circumstances. Indeed, the specific, unique circumstances of the present matter have significantly informed the Commission's conclusions herein.

This case represents the first opportunity to evaluate aggregation under Section A 4. Unlike Code § 56-577 A 3 ("Section A 3"), Section A 4 does not give *aggregated* large load a statutory right to purchase from a competitive service provider ("CSP"). Rather, Section A 4 states that the Commission "may" permit such aggregation if the Commission makes statutorily required findings. By directing the Commission to "take into consideration, without limitation, the impact and effect of any and all other previously approved petitions of like type with respect to such incumbent electric utility," the statute also contemplates that petitions under Section A 4 will be reviewed in light of what has gone before. At this point, nothing has gone before.

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[1] Petition at 1-2. Reynolds identifies itself as the parent of the following companies for which it seeks Commission permission to aggregate or combine demands: Reynolds Presto Products Inc. d/b/a Presto Products Co.; Reynolds Consumer Products, LLC d/b/a Reynolds Metals Co.; and Pactiv LLC d/b/a Reynolds Metals Co. The Petition provides, among other things, peak demand figures and locations for these companies. *Id.* at Attachment A.

[2] The Commission's Order for Notice and Comment directed participation herein by interested persons and the Commission's Staff ("Staff"), and we have considered these submissions as well in evaluating whether Reynolds has met its burden under this record.

The Commission finds that "[n]either such customers' incumbent electric utility nor retail customers of such utility that do not choose to obtain electric energy from alternate suppliers will be adversely affected in a manner contrary to the public interest by granting" Reynolds' request to aggregate 10.12 megawatts ("MW") of load. Dominion's system peak is expected to exceed 17,000 MW in 2017.[3] That peak is further expected to grow by an annual average of 1.3% over the next 15 years.[4] Reynolds' peak demand of 10.12 MW is approximately 0.06% of 17,000 MW.[5] Staff further noted that "granting the Petition would likely have a small effect on [Dominion's] peak demand…."[6] Dominion must continually manage a changing load and a changing generation supply. Removing such a small amount of peak load, at this time, will not have an adverse effect that is contrary to the public interest. If Reynolds leaves the utility, Dominion can require it to stay out (or to pay market prices) for five years under the protections of Section A 3. While the Commission does not find that this five-year stay-out provision protects against all adverse effects in all instances, we recognize that it provides statutory protections related to this limited 10.12 MW at this time. Further, the Commission also finds that any potential adverse effects limited to this 10.12 MW are likewise not contrary to the public interest; it is in the public interest, at this time, to approve (as opposed to deny) this first and limited aggregation request in order to gain initial, measured experience related to implementing this statutory provision.

The Commission also finds that approval of the Petition, with the reporting requirements directed in the Final Order, is consistent with the public interest.[7] The General Assembly has opened the possibility that aggregated customers may pursue retail choice under the requirements and protections of Section A 3. The General Assembly has permitted 5 MW (or higher) accounts to purchase from a CSP under Section A 3; the instant Petition represents the rough equivalent of adding two more 5 MW accounts to that total.[8] The Commission finds that it is consistent with the public interest to approve the limited aggregation represented by the Petition and evaluate the actual impacts of such aggregation. For example:

- Will this retail choice opportunity created by the General Assembly foster (as its proponents claim) greater economic development, growth, competitiveness, and innovation, all while reducing Dominion's supply costs?[9]
- While the statute requires the Commission to consider prior approvals when evaluating subsequent Section A 4 requests, what if Reynolds does not purchase from a CSP after receiving this approval?
- Should such approval be subject to revocation at some point, and upon what bases?

In short, the Commission finds that it is consistent with the public interest to approve the Petition and get actual, as opposed to continually theoretical, information related to the issues identified (and possibly those yet to be identified) regarding aggregation under Section A 4. Consistent therewith, the Commission further finds that the reporting requirements directed in the Final Order are necessary in order to conclude that approval herein is consistent with the public interest.

Finally, the Commission's findings herein have obviously been informed by the fact that this is the first request under Section A 4, and that it is limited to 10.12 MW. As recognized in the statute, every such petition must be evaluated under the specific circumstances attendant thereto. Thus, the Commission emphasizes that the result of this initial review is strictly limited to the instant case and does not establish specific rules for, or the eventual scope of, retail access under Section A 4. Any subsequent aggregation proceeding under this statute must independently evaluate whether the statutory requirements have been met in the specific circumstances of that proceeding. For example, the result of the instant case does **not** mean the following:

- That the Commission has created a *de minimis* standard for all aggregation requests;
- That all 10 MW aggregation, or aggregation under 1% of peak load, must be approved;
- That aggregation over 10 MW must be denied;
- That the scope of retail access under Section A 4 will be unreasonably expanded;
- That the five-year stay-out protection provided via Section A 3 is a material safeguard for any amount of aggregation (separately or in total);
- That factors currently supporting the public interest will necessarily do so in the future; or
- That subsequent cases will be precluded from considering other factors, or reaching different conclusions, based on the specific circumstances and arguments attendant thereto.

ACCORDINGLY, the Commission finds that the Petition is granted subject to the reporting requirements directed in the Final Order.

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[3] Staff Report at 6.

[4] *Id.*

[5] *Id.* at 6-7.

[6] *Id.* at 7.

[7] This is a separate finding under Section A 4 b. The Commission is not precluded, however, from reaching this finding based on factors that may also inform part of our finding under Section A 4 a.

[8] *See, e.g.,* Collegiate Clean Energy's Oct. 17, 2017 Comments at 2.

[9] *See, e.g.,* Direct Energy Services' Oct. 17, 2017 Comments at 2-3.

CASE NO. PUR-2017-00114
SEPTEMBER 10, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of electric transmission facilities: transmission line rebuild of Dooms-Valley Line 500 kV #549

FINAL ORDER

On September 22, 2017, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an application for approval and for a certificate of public convenience and necessity ("CPCN") for the proposed transmission line rebuild of the 500 kilovolt ("kV") Dooms-Valley Line #549 ("Application"). Dominion filed the Application pursuant to § 56-46.1 of the Code of Virginia ("Code") and the Utility Facilities Act, Code § 56-265.1 *et seq*.

The Company proposes to rebuild, entirely within existing right-of-way, approximately 17.7 miles of existing 500 kV Dooms-Valley Line #549 in Augusta County located between its existing Dooms Substation and Valley Substation (collectively, the "Rebuild Project").[1] Specifically, Dominion proposes: (1) to remove the 500 kV existing single circuit weathering steel lattice towers supporting Line #549 between Dooms Substation and Valley Substation and replace them with new double circuit galvanized steel lattice towers supporting the 500 kV line with capability for a 230 kV underbuild to support future load growth;[2] and (2) to remove and replace existing 2-2049.5 bundled AAAC conductors of Line #549 with three triple-bundled 1351.5 ACSR phase conductors.[3] The existing structures range between 77 feet and 150 feet in height.[4] The proposed structures would range between 100 feet and 174 feet in height.[5]

The Company considered and rejected constructing the Rebuild Project with a single circuit galvanized 500 kV structure (*i.e.*, 500 kV only).[6] Dominion states that constructing new transmission facilities in the proposed manner avoids the need to acquire new right-of-way, with additional costs and impacts, in the future if the need for a 230 kV line is shown.[7]

The proposed in-service date for the Rebuild Project is June 1, 2020.[8] The total cost for the proposed Rebuild Project is approximately $62 million.[9] The total cost for a single circuit 500 kV only rebuild would be approximately $55.9 million.[10]

The Commission issued an Order for Notice and Hearing in this proceeding that, among other things: docketed the case; established a procedural schedule; provided the opportunity for any interested person to comment or participate in this proceeding as a respondent; directed the Commission's Staff ("Staff") to investigate the Application and file testimony and exhibits; provided the opportunity for the Company to file rebuttal testimony and exhibits; scheduled hearings for the receipt of public comment and evidence on the Application; and assigned a Hearing Examiner to conduct all further proceedings in this case.

Old Dominion Electric Cooperative ("ODEC") filed a notice of participation.[11] By Hearing Examiner's Ruling dated June 4, 2018, The Meyer Family Trust ("Meyer Trust") also became a respondent in this proceeding.[12]

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[1] Ex. 1 (Application) at 2.

[2] *Id*. The Company represents that no conductor or insulator assemblies would be installed on the new structures except 500 kV Line #549. Dominion states it will file a separate application for the installation of a new 230 kV Dooms-Valley line at a future time as load develops. *Id.* at 2 n.2.

[3] *Id.* at 2, and Appendix at 19.

[4] *Id.,* Appendix at 19.

[5] *Id*. at 19, n.10. Dominion states that structure heights are subject to change based on final engineering design.

[6] *Id*. at 3. The structure heights for a 500 kV only rebuild would be approximately 14-15 feet taller on average than the existing structures (approximately 16-18 feet shorter on average than the structures proposed with the Rebuild Project). *Id*., Appendix at 17.

[7] *Id*. at 3-4.

[8] *Id*. at 2. Dominion requests Commission authorization by September 2018.

[9] *Id.* at 3.

[10] *Id*., Appendix at 17.

[11] ODEC did not submit pre-filed testimony in this case.

[12] By becoming a respondent in the proceeding, the Meyer Trust withdrew all prior written and oral comments previously submitted in this case. *See, e.g.,* Hearing Examiner's June 4, 2018 Ruling at 2.

As noted in the Order for Notice and Hearing, the Staff requested the Department of Environmental Quality ("DEQ") to coordinate an environmental review of the proposed Rebuild Project by the appropriate agencies and to provide a report on the review. On October 12, 2017, and December 6, 2017, DEQ filed its report on the Rebuild Project ("DEQ Report") with the Commission.[13] The DEQ Report provides general recommendations for the Commission's consideration that are in addition to any requirements of federal, state, or local law.

Specifically, the DEQ Report contains the following summary of recommendations. The Company should:

- Conduct an on-site delineation of wetlands and streams within the Rebuild Project area with verification by the U.S. Army Corps of Engineers, using accepted methods and procedures, and follow DEQ's recommendations to avoid and minimize impacts to wetlands and streams;
- Follow DEQ recommendations regarding erosion and sediment control and storm water management;
- Follow DEQ's recommendation regarding air quality protection and the control of fugitive dust, as applicable;
- Coordinate with the Department of Conservation and Recreation ("DCR") for updates to the Biotics Data System database (if the scope of the Rebuild Project changes or six months pass before the Rebuild Project is implemented);
- Coordinate with the Department of Game and Inland Fisheries regarding its general recommendations to protect wildlife resources;
- Coordinate with the Virginia Outdoors Foundation [("VOF")] regarding its recommendations to lessen the visual impacts of the Rebuild Project;
- Follow the principles and practices of pollution prevention to the extent practicable; and
- Limit the use of pesticides and herbicides to the extent practicable.[14]

Additionally, a letter from the Virginia Department of Historic Resources ("DHR") was filed with the Commission on March 19, 2018 ("DHR Comments").[15] The DHR Comments identify historic properties eligible for listing on the Virginia Landmarks Register ("VLR") and the National Register of Historic Places ("NRHP"), which would potentially be impacted by the Rebuild Project.[16] DHR made the following recommendations:

- Complete comprehensive archaeological and architectural surveys in accordance with DHR guidelines by qualified professionals prior to construction of any SCC-approved alternative;
- Complete an evaluation of all identified resources for listing in the VLR/NRHP;
- Assess the potential direct and indirect impacts to all VLR/NRHP eligible/listed resources, including inaccessible properties; and
- Avoid, minimize and/or mitigate moderate to severe impacts to VLR/NRHP eligible/listed resources by Dominion in consultation with DHR and other stakeholders.

On March 13, 2018, the Staff filed testimony, report, and exhibits summarizing the results of its investigation. On March 27, 2018, Dominion filed the rebuttal testimony of its witnesses.

The Commission received thirty-nine written and electronic comments in this matter.[17] In addition, the Commission received oral comments relating to this matter. Specifically, the Hearing Examiner convened local public hearings on February 22, 2018. A public hearing was also held on April 12, 2018, at the Commission. On April 17, 2018, the Hearing Examiner convened a public hearing for the purpose of receiving evidence on the Application offered by the Company and the Staff. The Company and the Staff participated in all of the hearings.[18]

The Hearing Examiner afforded the Staff and all participants in this case the opportunity to file post-hearing briefs by Ruling dated May 4, 2018. On June 8, 2018, the Company, the Meyer Trust, and the Staff filed post-hearing briefs.

The Hearing Examiner's Report was issued on July 12, 2018. Therein the Hearing Examiner, among other things, summarized the record in this case and made certain findings and recommendations. In particular, the Hearing Examiner found:

- The rebuild of the existing Dooms-Valley 500 kV transmission line is justified by the public convenience and necessity;

[13] Ex. 19 (DEQ Report).

[14] *Id.* at 6-7.

[15] Ex. 20 (DHR Comments). In the letter, DHR explained that it had completed its review of the Application in October 2017 but had not forwarded it to DEQ for inclusion in the DEQ Report.

[16] *Id.* at 1-2.

[17] *See, e.g.,* Report of Ann Berkebile, Hearing Examiner, dated July 12, 2018, at 2-4.

[18] ODEC did not participate in any of the hearings. Mr. Meyer was a public witness at all public hearings; however, with the Meyer Trust becoming a respondent in the proceeding, all of his public witness testimony has been withdrawn.

- The Company did not establish a basis for the approval of the taller 5-2 Structures to support the possible addition of a 230 kV underbuild at some point in the future;
- The replacement of the existing line will promote economic development in the Commonwealth by maintaining the reliability of the transmission line;
- The structures should be chemically dulled to lessen the visual impact of a new galvanized finish on scenic assets and historic districts;
- There are no adverse environmental impacts that would preclude the construction and operation of the Rebuild Project;
- There are no adverse public health or safety issues associated with the Rebuild Project;
- The Commission should condition approval of Dominion Virginia Power's Application on the Company's compliance with the unopposed recommendations contained in the DEQ Report;
- The Commission should require consultation with DCR for updates to the Biotics Data System only if (1) the scope of the project involves material changes or (2) 12 months pass from the date of the Commission's Final Order before the construction of the Rebuild Project; and
- A certificate of public convenience and necessity should be issued for the completion of the Rebuild Project.[19]

On July 30, 2018, the Meyer Trust filed Comments on the Hearing Examiner's Report. On August 3, 2018, Dominion filed comments on the Hearing Examiner's Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

Code of Virginia

The statutory scheme governing the Company's Application is found in several chapters of Title 56 of the Code.

Code § 56-265.2 A 1 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 require the exercise of such right or privilege."

Code § 56-46.1 further directs the Commission to consider several factors when reviewing the Company's Application. Subsection A of the statute 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 every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection; and if requested by any county or municipality in which the facility is proposed to be built, to local comprehensive plans that have been adopted . . . . Additionally, the Commission (a) shall consider the effect of the proposed facility on economic development within the Commonwealth, . . . and (b) shall consider any improvements in service reliability that may result from the construction of such facility.[20]

Code § 56-46.1 B further provides, in part, that:

> As a condition to approval the Commission shall determine that the line is needed and that the corridor or route the line is to follow will reasonably minimize adverse impact on the scenic assets, historic districts and environment of the area concerned . . . In making the determinations about need, corridor or route, and method of installation, the Commission shall verify the applicant's load flow modeling, contingency analyses, and reliability needs presented to justify the new line and its proposed method of installation . . . . Additionally, the Commission shall consider, upon the request of the governing body of any county or municipality in which the line is proposed to be constructed, (a) the costs and economic benefits likely to result from requiring the underground placement of the line and (b) any potential impediments to timely construction of the line.

The Code also requires that the Commission consider existing right-of-way easements when siting transmission lines. Code § 56-46.1 C provides that "[i]n any hearing the public service company shall provide adequate evidence that existing rights-of-way cannot adequately serve the needs of the company." In addition, Code § 56-259 C provides that "[p]rior to acquiring any easement of right-of-way, public service corporations will consider the feasibility of locating such facilities on, over, or under existing easements of rights-of-way."

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[19] Hearing Examiner's Report at 16-19.

[20] Code § 56-46.1 D also specifies that: "'Environment' or 'environmental' shall be deemed to include in meaning '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."

Certificate of Public Convenience and Necessity

The Commission has considered the entire record.[21] We find that the public convenience and necessity require the Company to rebuild its 500 kV Dooms-Valley Line #549, located in Augusta County, with the use of single circuit, chemically dulled, galvanized steel lattice towers as recommended by the Hearing Examiner. We agree with the Hearing Examiner that the 500 kV component of the Rebuild Project is necessary so that the Company can replace aging transmission line infrastructure.[22] Additionally, the 500 kV component of the Rebuild Project is necessary for the Company to comply with mandatory North American Electric Reliability Corporation Reliability Standards and the Company's planning criteria.[23] Accordingly, the Commission finds that a CPCN shall be issued authorizing the Rebuild Project as set forth herein.

The Commission does not find, however, that the public convenience and necessity requires approval of the taller 5-2 Structures with capability for a 230 kV underbuild. First, we note that Dominion does not assert that the 230 kV underbuild is currently needed. Indeed, the Company acknowledges that "the need to install" a 230 kV underbuild has not been established in the instant proceeding.[24] Furthermore, although Dominion discussed future "scenarios" that could support an underbuild,[25] the Company has not established a reasonable estimate as to when the 230 kV underbuild would be needed during the expected 60-year service life of these facilities.[26] Rather, Dominion seeks 230 kV underbuild capability "for changes that may occur" related to "as of yet unknown, electrical needs."[27]

The Hearing Examiner explained that, in response to Dominion's request, "numerous public commenters, including most notably the [Augusta County Board of Supervisors ('Augusta Board')], have expressed a preference for the use of shorter towers with a less significant visual impact."[28] The Hearing Examiner also noted that "DHR has concluded that the 5-2 Structures will have a moderate detrimental impact upon several historic properties."[29] In this regard, DHR specifically recommends avoidance, minimization, and/or mitigation of that detrimental impact.[30] The Meyer Trust, which owns one of those historic properties (*i.e.*, Belvidere Farm), further "submits that the impact of the towers can be mitigated, in part, by reducing their height to only what is necessary to accommodate the applied for 500 kV transmission line . . . ."[31]

The Company, however, argues that the Commission has previously approved 230 kV underbuild capability and should likewise do so here. Dominion posits that, "[w]eighed appropriately," the benefits of the taller structures exceed the negative impacts.[32] Dominion "requests the Commission therefore strike the appropriate balance and approve the double circuit structures proposed in the Application."[33] In this regard, the Commission has balanced the Company's arguments supporting the 230 kV underbuild capability against the impacts of the taller structures, and we conclude that Dominion's request is not in the public interest and is not required by the public convenience and necessity.

Moreover, contrary to Dominion's suggestion, the approval of double circuit structures in prior cases does not preclude the Commission from exercising its discretion based on the specific record in this proceeding. Indeed, in affirming the Commission's approval of a previously-proposed electric transmission line project requested by Dominion, the Supreme Court of Virginia further discussed this discretion as follows:

> The adverse impacts of a proposed project are not to be considered in a vacuum. When presented with an application for transmission line construction, the Commission must "balance" adverse impacts along with other "factors" and "traditional considerations." . . . Then the Commission, "as a tribunal informed by experience," . . . must decide within the parameters of the

[21] *See also Board of Supervisors of Loudoun County v. State Corp. Comm'n*, 292 Va. 444, 454 n.10 (2016) ("We note that even in the absence of this representation by the Commission, pursuant to our governing standard of review, the Commission's decision comes to us with a presumption that it considered all of the evidence of record.") (citation omitted). The Commission, however, has not considered the parts of the record that have been stricken.

[22] Hearing Examiner's Report at 16.

[23] *See, e.g.,* Ex. 1 (Application), Appendix at 5; Ex. 8 (Upton Direct) at 4-5; Dominion's Post-Hearing Brief at 5-6.

[24] Dominion's Comments on the Hearing Examiner's Report at 13 (explaining that "the need to install a future 230 kV circuit would be established through another CPCN application . . . .").

[25] *Id*. at 14.

[26] The Company further indicated that there was no currently-known need within ten years of the completion of the underbuild component of the Rebuild Project. Ex. 8 (Upton Direct) at Attachment 3 (Company's Response to Staff Interrogatory 1-11).

[27] Dominion's Comments on the Hearing Examiner's Report at 9, 12 (emphasis added) (asserting that Dominion's proposal "provides for prudent and necessary flexibility as possible for the Company to meet future anticipated, but as of yet unknown, electrical needs" and "account[s] for changes that may occur during the approximately 60-year service life of the transmission facilities").

[28] Hearing Examiner's Report at 17.

[29] *Id.* (citing Ex. 20 (DHR Comments)).

[30] *See, e.g.,* Ex. 20 (DHR Comments) at 2.

[31] Meyer Trust's Post-Hearing Brief at 3.

[32] Dominion's Comments on the Hearing Examiner's Report at 10 ("Weighed appropriately, maximizing the use of an existing right-of way and maintaining flexibility to accommodate anticipated future need (that is uncontested in the record) should exceed incremental visual impacts that will be mitigated in a scope and manner determined sufficient by the expert agency, [DHR]."). The Commission also notes that Dominion's efforts with DHR do not supersede the Commission's obligation and authority under the above statute; Dominion does not assert otherwise.

[33] *Id.*

> statute what best serves the "total public interest." . . . We conclude that the use of the word "reasonably" demonstrates the General Assembly's recognition of the multifactorial balancing that goes into such an investigation, and we find that the Commission did not err.[34]

The Commission has herein exercised that discretion and approved the use of single circuit towers as recommended by the Hearing Examiner.[35]

In addition, the Commission has applied the statutory requirements above and further finds, as also recommended by the Hearing Examiner, that the Rebuild Project shall use chemically dulled, galvanized steel lattice towers.[36] In its Application, the Company likewise agrees that it "would not oppose approval of chemically dulled galvanized structures for use in the Rebuild Project if the Commission deems it prudent."[37] In commenting on the Hearing Examiner's recommendation, however, Dominion opposes chemically dulled structures.[38]

On this issue, the Hearing Examiner noted that "Staff and numerous public commenters, including the Augusta Board, have expressed a preference for some form of darkening or dulling to lessen the visual impacts of the Project."[39] The Hearing Examiner also noted that the VOF, which holds "open space easements on eight properties within 1.5 miles of the transmission line, supports the chemical dulling of the towers given the line's 'location in a primarily open, agricultural valley . . . .'"[40] The Meyer Trust also supports darkening the towers as part of the mitigation that DHR has concluded is warranted for Belvidere Farm (and other historic properties).[41] The Hearing Examiner further stated that, "[a]ccording to Staff, . . . there is little evidence suggesting premature degradation or an increase in maintenance costs due to chemical dulling."[42]

The Company counters that, among other things, its "public opinion" survey shows 62% of respondents preferred non-dulled towers.[43] Dominion claims that the Hearing Examiner "improperly dismissed public opinion supporting the Company's proposed double circuit structures and finishes."[44] Indeed, based on the significant weight it places on public opinion in this case, Dominion argues that "while the Company respects the opinions expressed by the Augusta Board and [VOF], it does not believe that the voices of these two entities should necessarily outweigh the strong preferences voiced by 62% of the public directly affected by the Rebuild Project."[45]

As to Dominion's public opinion survey, the Hearing Examiner noted that "those responding to the survey were advised that chemically dulled structures were likely to have a shorter lifespan and higher maintenance costs,"[46] and that "Staff also questions the validity of representations made by the Company regarding the detrimental impacts of chemical dulling when surveying public input on the Project."[47] Moreover, although Dominion's argument appears to promote the use of public-opinion polls in approving or disapproving Company-proposed construction projects, the Commission's analysis under the statute need not be (nor are we aware that it has ever been) so limited. Rather, based on consideration of the entire record herein, the Commission finds that the use of chemical dulling in this instance is desirable and necessary to minimize adverse environmental impact.

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[34] *BASF Corp. v. State Corp. Comm'n*, 289 Va. 375, 394-395 (2015) (citations omitted).

[35] The Meyer Trust also argues that the Commission is barred, as a matter of law, from approving double circuit towers based on the instant record. Specifically, Code § 56-46.1 B includes the following requirements: (1) "[a]s a condition to approval the Commission shall determine that the line is needed"; and (2) "[i]n making the determinations about need . . . and method of installation, the Commission shall verify the applicant's load flow modeling, contingency analyses, and reliability needs presented to justify the new line and its proposed method of installation." As discussed above, Dominion has not established a reasonable estimate as to when the 230 kV underbuild capability – *i.e.*, Dominion's proposed method of installation – will be needed during the expected 60-year service life of these facilities. The Meyer Trust asserts that, as a result, the underbuild capability cannot be approved in this proceeding under Code § 56-46.1 B. *See, e.g.,* Meyer Trust's Post-Hearing Brief at 4. The Commission, having reached its finding herein based on an exercise of discretion supported by the record, does not reach the legal issue raised by the Meyer Trust.

[36] *See, e.g.,* Hearing Examiner's Report at 18.

[37] Ex. 1 (Application), Appendix at 18. *See also* Hearing Examiner's Report at 18.

[38] Dominion's Comments on the Hearing Examiner's Report at 5-6 (Dominion "disagrees with Hearing Examiner Recommendation 2 to the extent it recommends approval of single circuit, chemically dulled towers, and urges that the Commission instead approve the Rebuild Project with the use of double circuit galvanized structures.") (footnote omitted). *See also id.* at 5 n.11 ("The Company supports the Recommendation to the extent it recommends galvanized steel lattice towers.").

[39] Hearing Examiner's Report at 18.

[40] *Id*. (citing Ex. 19 (Attached Letter from Martha Little, Deputy Director of Stewardship, VOF, dated Nov. 8, 2017)).

[41] *See, e.g.,* Meyer Trust's Comments on the Hearing Examiner's Report at 1 ("The Meyer Trust supports the findings and recommendations in the Report that the Commission should only approve the Dooms-Valley 500 kV transmission line project with the use of single circuit, chemically dulled, galvanized steel lattice towers."); Meyer Trust's Post-Hearing Brief at 2-3.

[42] Hearing Examiner's Report at 18 (citing Ex. 8 at 13, and Tr. 86 (Staff witness Upton testifying that chemical dulling is "a reasonable and cost effective means of visual impact mitigation")).

[43] Dominion's Comments on the Hearing Examiner's Report at 15 n.44.

[44] *Id*. at 14.

[45] *Id*. at 15 n.44.

[46] Hearing Examiner's Report at 18 (citing Ex. 11 (Rebuttal Schedule 1)).

[47] *Id*. at 15 (citation omitted).

Next, the Commission finds that Dominion has adequately considered existing rights-of-way. The 500 kV component of the Rebuild Project, as proposed, would be constructed entirely on Company-owned property and existing rights-of-way maintained by the Company.[48]

The Commission also finds that the proposed 500 kV component of the Rebuild Project will promote economic development in the Commonwealth of Virginia by maintaining the reliability of the Company's transmission line and ensuring delivery of bulk electrical service to the western Virginia region and beyond.[49]

Finally, the Commission finds that there are no adverse environmental impacts that would prevent the construction or operation of the 500 kV component of the Rebuild Project. The DEQ Report supports a finding that the Company's proposed route reasonably minimizes adverse environmental impacts.[50] We find that as a condition of our approval herein, Dominion shall comply with all recommendations provided in the DEQ Report with the following exception. Specifically, the Commission adopts the Hearing Examiner's recommendation that the Company shall consult with DCR for updates to the Biotics Data System only if: (1) the scope of the Rebuild Project involves material changes; or (2) 12 months from the date of this Final Order pass before the Rebuild Project commences construction.[51]

Accordingly, IT IS ORDERED THAT:

(1) Dominion is authorized to construct and operate the 500 kV component of the Rebuild Project, subject to the findings and conditions imposed herein.

(2) Pursuant to §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Company's request for a certificate of public convenience and necessity to construct and operate the 500 kV line component of the Rebuild Project is granted as provided for herein, subject to the requirements set forth herein.

(3) Pursuant to the Utility Facilities Act, § 56-265.1 *et seq.* of the Code, the Commission issues the following certificate of public convenience and necessity to the Company:

> Certificate No. ET-64y, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Augusta County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2017-00114, cancels Certificate No. ET-64x, issued to Virginia Electric and Power Company on May 5, 2017, in Case No. PUE-2016-00020.

(4) Within thirty (30) days from the date of this Final Order, the Company shall provide to the Commission's Division of Public Utility Regulation three copies of an appropriate map that shows the routing of the transmission line approved herein.

(5) Upon receiving the map directed in Ordering Paragraph (4), the Commission's Division of Public Utility Regulation forthwith shall provide the Company copies of the certificate of public convenience and necessity issued in Ordering Paragraph (3) with the map attached.

(6) The 500 kV component of the Rebuild Project approved herein must be constructed and in service by July 1, 2020; however, the Company is granted leave to apply for an extension for good cause shown.

(7) This matter hereby is dismissed.

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[48] Ex. 1 (Application) at 2.

[49] Hearing Examiner's Report at 18; Ex. 8 (Upton Direct) at 22.

[50] The DEQ recommendations are set forth above and discussed in Ex. 12 (DEQ Report).

[51] Hearing Examiner's Report at 18-19.

CASE NO. PUR-2017-00117
APRIL 20, 2018

PETITION OF
ENGLISH BIOMASS PARTNERS-FERRUM, LLC

For a declaratory judgment

FINAL ORDER

On September 6, 2017, English Biomass Partners – Ferrum, LLC ("English Biomass") filed with the State Corporation Commission ("Commission") a petition for a declaratory judgment ("Petition") pursuant to Rule 100 C, *Declaratory judgments*, of the Commission's Rules of Practice and Procedure.[1] Specifically, English Biomass requests that the Commission issue an order that affirms the right of English Biomass, a licensed competitive service provider ("CSP"),[2] to sell electricity from 100% renewable resources to Ferrum College ("Ferrum"), a customer located in the service territory of Appalachian Power Company ("Appalachian"), pursuant to § 56-577 of the Code of Virginia ("Code") under certain circumstances set forth in the Petition.[3]

In support of its Petition, English Biomass states that it has obtained a license from the Commission to conduct business as a CSP to provide electric service to Ferrum.[4] English Biomass states that its principal business is to own and operate a combined heat and power electric generating facility ("Generating Facility") that uses biomass (wood waste) as fuel to produce steam sufficient to drive a 500 kilowatt low pressure steam turbine generator.[5] English Biomass asserts that the Generating Facility is capable of providing approximately 25 percent of the electric needs of Ferrum.[6] English Biomass states that Ferrum has executed a contract ("Letter Agreement") to purchase all of the thermal energy and electricity output from the Generating Facility.[7] English Biomass states that it subsequently constructed the Generating Facility and began generating and delivering thermal energy to Ferrum in February 2014.[8] English Biomass asserts that it now wishes to supply electricity to Ferrum pursuant to the Letter Agreement.[9]

English Biomass states that it filed a Competitive Service Provider Registration Application for Participation in the Virginia Retail Access Program ("Registration Application") with Appalachian and subsequently received a denial letter ("Denial Letter") from Appalachian informing English Biomass that Appalachian's Open Access Tariff prohibits English Biomass from selling electricity to Ferrum because English Biomass does not intend to meet all of Ferrum's electric needs.[10]

On October 2, 2017, the Commission issued an Order in this proceeding that, among other things, docketed the proceeding; determined that Appalachian is a necessary party to this proceeding and directed it to respond to the Petition; permitted Staff and any other interested person to respond to the Petition; and provided an opportunity for English Biomass to reply to the responses. On October 25, 2017, Appalachian filed a Motion to Dismiss ("Motion to Dismiss") and Answer to the Petition. Additional responsive pleadings were filed on October 25, 2017 by Virginia Electric and Power Company ("Dominion"); Direct Energy Services, L.L.C.; Ferrum; the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel"); and the Staff of the Commission. On November 9, 2017, Dominion filed a Motion *in Limine* or, in the Alternative, Motion for Leave to File Supplemental Comments (collectively, "Motion *in Limine*"). On November 15, 2017, English Biomass filed its reply to the responsive pleadings. The Commission also received responses and replies to the Motion to Dismiss and Motion *in Limine*.[11]

NOW THE COMMISSION, upon consideration of the Petition and applicable statutes, is of the opinion and finds as follows.

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[1] 5 VAC 5-20-10 *et seq.*

[2] *See Application of English Biomass Partners – Ferrum, LLC, For a license to conduct business as a competitive service provider for electricity*, Case No. PUE-2014-00102, 2014 S.C.C. Ann. Rept. 488, Order Granting License (Nov. 25, 2014).

[3] Petition at 1.

[4] *Id.* at 1-2. *See Application of English Biomass Partners-Ferrum, LLC, For a license to conduct business as an competitive service provider for electricity*, Case No. PUE-2014-00102, Order Granting License, 2014 S.C.C. Ann. Rept. 488 (Nov. 25, 2014).

[5] Application at 1.

[6] *Id.* n.1.

[7] *Id.* at 2.

[8] *Id.*

[9] *Id.*

[10] *Id.* at 2-3. English Biomass further states that the Denial Letter indicates that English Biomass would not qualify as a competitive service provider even if it complies with the registration process as set forth in the Registration Application. *Id.* at 3.

[11] Based upon this Final Order, the Motion to Dismiss and Motion *in Limine* are deemed moot.

English Biomass requests the Commission determine that a CSP is authorized by Code § 56-577 A 5 ("Section A 5") to provide electricity generated from 100% renewable energy to a customer in an amount that is less than the customer's full electricity requirements.[12] In other words, English Biomass requests a determination that a CSP may lawfully provide partial competitive electric service to its customer, with the remainder of the customer's electric service provided by the incumbent electric utility. As set forth in the Petition, English Biomass would provide approximately 25 percent of the electrical needs of Ferrum,[13] leaving Appalachian responsible for the remaining approximately 75 percent. As discussed further below, the Commission finds that a CSP may not provide partial competitive electric service as part of retail access under Code § 56-577. Such partial competitive electric service is not mandated by Code § 56-577 and would be inconsistent with the Commission's reasonable implementation of the retail access provisions of the Virginia Electric Utility Regulation Act ("Regulation Act").

Code § 56-577 was originally enacted as part of the Virginia Electric Utility Restructuring Act, which was "designed to deregulate parts of the electric utility industry and introduce competition among providers of electric generation."[14] Code § 56-577 was subsequently modified as part of the passage of the Regulation Act, which "ended the deregulation program effective December 2008."[15] The Regulation Act continues to permit certain limited opportunities for retail customers to purchase electric service from CSPs, as provided in Code § 56-577.[16]

English Biomass seeks to provide partial competitive electric service pursuant to Section A 5, which provides that:

> 5. After the expiration or termination of capped rates, individual retail customers of electric energy within the Commonwealth, regardless of customer class, shall be permitted:
>
> a. To purchase electric energy provided 100 percent from renewable energy from any supplier of electric energy licensed to sell retail electric energy within the Commonwealth, other than any incumbent electric utility that is not the incumbent electric utility serving the exclusive service territory in which such a customer is located, if the incumbent electric utility serving the exclusive service territory does not offer an approved tariff for electric energy provided 100 percent from renewable energy; and
>
> b. To continue purchasing renewable energy pursuant to the terms of a power purchase agreement in effect on the date there is filed with the Commission a tariff for the incumbent electric utility that serves the exclusive service territory in which the customer is located to offer electric energy provided 100 percent from renewable energy, for the duration of such agreement.

Appalachian does not currently have an "approved tariff for electric energy provided 100% percent from renewable energy."[17] Under Section A 5, Appalachian's customers are therefore currently permitted "to purchase electric energy provided 100 percent from renewable energy" from a CSP. This language, however, does not address the permissibility of partial competitive electric service. Rather, it addresses the *type* of electric energy that may be purchased by individual retail customers from a CSP under Section A 5, *i.e.*, that which is "provided 100 percent from renewable energy." The plain language of Section A 5 does not mandate that a customer be permitted to purchase less than its full load requirements from a CSP.

The Commission finds, quite simply, that nothing in the plain language of Section A 5, Code § 56-577, or the Regulation Act as a whole, mandates that CSPs be permitted to provide partial competitive electric service as part of retail access under Section A 5. In the absence of such mandate, the Commission must resolve the permissibility of partial competitive electric service as part of its duty to implement the relevant provisions of the Code. "[W]e presume that where the General Assembly has not placed an express limitation in a statutory grant of authority, it intended for the Commission, as an expert body, to exercise sound discretion."[18] As a matter of implementation, the Commission finds it is reasonable to require a customer to buy from either a CSP, as permitted by Section A 5, or from its incumbent electric service provider, but not both simultaneously.[19]

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[12] *Id.* at 8. If so authorized, English Biomass further requests the Commission determine whether (i) Appalachian's Open Access Tariff should be amended so as to comply with the Regulation Act; and (ii) Appalachian can lawfully refuse to allow English Biomass to register in order to provide electricity under its agreement with Ferrum. *Id.*

[13] Petition at 1 n.1.

[14] *Virginia Elec. and Power Co. v. State Corp. Comm'n*, 2018 WL 1528293 at *3 (Va., Mar. 29, 2018) (quoting *Appalachian Power Co. v. State Corp. Comm'n*, 284 Va. 695, 699 (2012)).

[15] *Id.* (quoting *Old Dominion Comm. For Fair Util. Rates v. State Corp. Comm'n*, 294 Va. 168, 172-73 (2017)).

[16] Code § 56-577 A provides "[r]etail competition for the purchase and sale of electric energy shall be subject to the following provisions . . . ."

[17] The Commission denied, without prejudice to re-submit, APCo's petition for approval of a 100% renewable energy tariff. *Petition of Appalachian Power Company, For approval of a 100% renewable energy rider*, Case No. PUE-2016-00051, Doc. Con. Cen. No. 170910268, Final Order (Sept. 13, 2017). Appalachian filed a new application in late 2017, which is currently pending at the Commission. *Application of Appalachian Power Company, For approval of a 100% renewable energy rider pursuant to § 56-577 A 5 of the Code of Virginia*, Case No. PUR-2017-00179, Application (filed Dec. 27, 2017).

[18] *See, e.g., Virginia Electric and Power Co. v. State Corp. Comm'n*, 284 Va. 726, 741 (2012). Code § 56-577 contemplates exercise of such discretion in the implementation of the retail access provisions therein, directing the Commission to "promulgate such rules and regulations as may be necessary to implement the provisions of [Code § 56-577]."

[19] The Commission finds that the result herein is also reasonably part of a "consistent and harmonious whole," in that other retail choice provisions in the Regulation Act (*see* Code §§ 56-577 A 3 and A 4) similarly do not expressly contemplate sharing concurrent service obligations between a CSP and an incumbent utility. *See*, *e.g.*, *Chaffins v. Atl. Coast Pipeline, LLC*, 293 Va. 564, 568 (2017) ("However, 'consideration of the entire statute ... to place its terms in context to ascertain their plain meaning does not offend [this] rule because it is our duty to interpret the several parts of a statute as a consistent and harmonious whole so as to effectuate the legislative goal.'") (quoting *Eberhardt v. Fairfax County Employees Ret. Sys. Bd. of Trs.*, 283 Va. 190, 194-95 (2012) (internal quotation marks omitted)).

The Commission's determination not to permit partial competitive electric service under Section A 5 is also consistent with the reasonable implementation of retail access to date by the Commission since retail choice was originally introduced as part of the passage of the Restructuring Act. For example, the approved CSP-related tariffs of both Dominion and Appalachian contain express language – approved by the Commission – prohibiting partial competitive electric service. Section 10.4 of Dominion's CSP Tariff provides:

> [f]or any single Company account of a Customer served under Retail Access, each such account is limited to purchasing Electricity Supply Service from one CSP in any billing period. The CSP will be responsible for serving 100% of the load requirements for any single Retail Customer account in any billing period.[20]

Appalachian's Open Access Tariff also includes a requirement that "[a] customer is not permitted to have partial competitive electric service. The [CSP] shall be responsible for providing the total energy consumed by the customer during any given billing month."[21]

Similarly, nothing in the Commission's Rules Governing Retail Access to Competitive Services[22] ("Retail Access Rules") establishes procedures for the sharing of service obligations between a CSP and the incumbent utility. Rather, the Retail Access Rules establish the duty of a CSP to "[p]rocure sufficient electric generation and transmission service . . . to serve the requirements of its firm customers."[23] Other provisions of the Retail Access Rules also contemplate a customer receiving service from either a CSP or the incumbent electric utility, but not both. For example, the Retail Access Rules require "[t]he local distribution company shall provide . . . service to all customers that do not select a [CSP] and to customers that chose a [CSP] but whose service is terminated for any reason."[24]

In summary, the Commission finds that a CSP may not provide partial competitive electric service to customers choosing retail access under Section A 5. Such partial competitive electric service is not statutorily mandated. Further, the Commission finds that requiring a retail choice customer to take its full load requirements from the CSP under Section A 5 is a reasonable and consistent implementation of the retail access provisions of the Regulation Act.

Accordingly, IT IS SO ORDERED and this matter is dismissed.

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[20] Dominion notes that this provision has been part of its approved CSP Coordination Tariff since it was first implemented in 2003. Dominion Comments at 9.

[21] Appalachian Motion to Dismiss and Answer at Attachment 4.

[22] 20 VAC 5-312-10 *et seq.*

[23] 20 VAC 5-312-20 F.

[24] 20 VAC 5-312-20 E. *See also* 20 VAC 5-312-70 B (requires a CSP to provide prospective customers with an estimated bill assuming monthly usage of 1,000 kWh of electricity, including all fees or fixed charges. For non-residential customers, "the [CSP] shall furnish similar information that will allow prospective customers to reasonably compare the price of electricity supply service . . . if purchased from a [CSP], to the price of equivalent service provided by the local distribution company."); 20 VAC 5-312-100 G (provides that load samples "may include both customers served by the local distribution company, or the default service provider as determined by the State Corporation Commission pursuant to § 56-585 of the Code of Virginia, and customers served by a [CSP], such that a customer is not automatically removed from the load sample when the customer begins to receive service from a [CSP].").

CASE NO. PUR-2017-00120
MARCH 6, 2018

APPLICATION OF
APPALACHIAN POWER COMPANY

To revise its fuel factor

ORDER ESTABLISHING 2017-2018 FUEL FACTOR

On September 15, 2017, Appalachian Power Company ("APCo" or "Company") filed with the State Corporation Commission ("Commission") its application ("Application") pursuant to § 56-249.6 of the Code of Virginia ("Code") seeking a decrease in its fuel factor.[1] The Company proposed to reduce the current factor of 2.301 cents per kilowatt-hour ("¢/kWh") to 2.169¢/kWh, effective for service rendered on and after November 1, 2017.[2] As part of its Application, APCo filed the direct testimony of several witnesses.

The Company's proposed fuel factor consists of both an in-period and a prior-period factor. The Company's proposed in-period factor is designed to recover the Company's estimated Virginia jurisdictional fuel expenses, including purchased power expenses and a credit for 75% of projected off-system sales margins, of approximately $303 million for the period of November 1, 2017, to October 31, 2018.[3] The Company proposed to reduce the in-period factor component from the current 2.301¢/kWh to 2.129¢/kWh, effective for service rendered on and after November 1, 2017.[4]

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[1] The Company filed its Application in both confidential and public versions.

[2] Ex. 3 (Application) at 1.

[3] Ex. 8 (Simmons direct) at 4.

[4] Ex. 3 (Application) at 2, 4.

The prior-period component is designed to recover the deferred fuel balance, which the Company projected would be approximately $5.9 million by the end of October 2017.[5] The Company stated that it divided the projected deferred fuel cost balance by the projected Virginia jurisdictional energy sales for the period November 1, 2017 - October 31, 2018, to obtain the prior-period under-recovery component of 0.040¢/kWh.[6]

The Company represented that the net impact of using the Company's proposed fuel factor over the November 1, 2017, through October 31, 2018 period would be an annual revenue decrease of $24.5 million, or an approximately 1.9% decrease to current revenues.[7] According to the Company, the Company's proposal would decrease the monthly bill of a residential customer using 1,000 kilowatt-hours of electricity by $1.32, or approximately 1.13%.[8]

On October 12, 2017, the Commission entered an Order Establishing 2017-2018 Fuel Factor Proceeding ("Procedural Order") that, among other things, established a procedural schedule for this matter; required the Company to provide public notice of its Application; scheduled an evidentiary hearing on the Application; and placed into effect the Company's proposed fuel factor of 2.169¢/kWh on an interim basis for service rendered on and after November 1, 2017.

The Old Dominion Committee for Fair Utility Rates ("Committee"), VML/VACo APCo Steering Committee ("Steering Committee"), and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") filed notices of participation, but did not file testimony in this proceeding. On December 19, 2017, the Commission's Staff ("Staff") filed the testimony of three witnesses. On January 8, 2018, counsel for APCo filed a letter indicating that the Company would not file rebuttal testimony in this proceeding.

On January 22, 2018, Staff and the Company filed a Stipulation, agreeing and recommending to the Commission, in relevant part, that:

- The fuel factor of 2.169¢/kWh, requested in the Application, and implemented by the [Procedural Order], for service rendered on and after November 1, 2017, will remain in effect through October 31, 2018.

- In the Application, the Company proposed to change the assignment of natural gas pipeline reservation fees solely to internal load. Staff recommended that the Commission order the Company to continue its current practice of allocating natural gas pipeline reservation fees between its internal load and off-system sales. By being a Stipulating Participant and by signing this Stipulation, the Company does not waive its right, in a future proceeding, to make a similar proposal or contest any recommendation by Staff regarding the allocation of natural gas pipeline reservation fees, but accepts Staff's recommendation for purposes of settling the Application with this Stipulation.[9]

The evidentiary hearing was convened, as scheduled, on January 23, 2018. APCo, the Committee, the Steering Committee, Consumer Counsel, and Staff participated at the hearing. All parties and Staff either supported or did not oppose the proposed Stipulation. No public witnesses appeared at the hearing.

On February 8, 2018, the Report of D. Mathias Roussy, Jr., Hearing Examiner ("Report") was filed. The Hearing Examiner in his Report found that "the record in this case supports approval of the Stipulation, which no party opposed, while recognizing that approval of the 2.169¢/kWh fuel factor proposed therein would not represent ultimate approval of the Company's actual fuel expenses."[10]

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Hearing Examiner's recommendation should be adopted and that APCo's fuel factor shall be 2.169¢/kWh for service rendered on and after November 1, 2017.

The Commission agrees with the Hearing Examiner that the proposed Stipulation is reasonable and should be approved. As such, we hereby adopt the requirements set forth in the Stipulation, which is attached hereto, and direct the Company to comply therewith.

Pursuant to § 56-249.6 of the Code, APCo is statutorily entitled to recover its prudently incurred fuel costs. Indeed, in describing this statutory provision over twenty-five (25) years ago, the Commission explained that the fuel factor permits dollar for dollar recovery of prudently incurred fuel costs.[11] As also explained in prior fuel cases, approval of a fuel factor herein does not represent ultimate approval of the Company's actual fuel expenses. An audit and investigation of the Company's actual booked fuel expenses, among other things, is conducted by the Staff after the close of the fuel year. The Commission subsequently determines what are, in fact, reasonable, prudent and, therefore, allowable fuel expenses and credits, as well as the Company's recovery position as of the end of the audit period. For example, the Commission has previously described this review as follows:

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[5] Ex. 3 (Application) at 3.

[6] Ex. 8 (Simmons direct) at 5.

[7] *Id*. at 6.

[8] *Id*. at 7.

[9] Ex. 1 (Stipulation) at 2. Although not parties to the Stipulation, the Stipulation indicates that the Committee, the Steering Committee, and Consumer Counsel had represented, by counsel, that they do not oppose the Stipulation. *Id.*

[10] Report at 12.

[11] *Commonwealth of Virginia, ex rel. State Corp. Comm'n, Ex Parte: In the matter of establishing Commission policy regarding rate treatment of purchased power capacity charges by electric utilities and cooperatives*, Case No. PUE-1988-00052, 1988 S.C.C. Ann. Rept. 346, 347 (Nov. 10, 1988) (describing the "fuel factor" as "a statutory adjustment mechanism through which all prudently incurred energy costs are recovered, dollar for dollar"). *See also Application of Kentucky Utils. Co., t/a Old Dominion Power Co., To revise its fuel factor pursuant to Virginia Code § 56-249.6*, Case No. PUE-1994-00043, 1995 S.C.C. Ann. Rept. 309, 310 (Jan. 6, 1995) ("*Kentucky Utils.*") (explaining that the "fuel factor mechanism . . . gives the Company dollar for dollar recovery for allowable fuel expenses").

> Should the Commission find in its Final Audit Order (1) that any component of the Company's actual fuel expenses or credits has been inappropriately included or excluded, or (2) that the Company has failed to make every reasonable effort to minimize fuel cost or has made decisions resulting in unreasonable fuel cost, the Company's recovery position will be adjusted. This adjustment will be reflected in the recovery position of the Company's next fuel factor. We reiterate that no finding in this order is final, as this matter is continued generally, pending Staff's audit of actual fuel expenses.[12]

Likewise, while we find that the Company's proposed fuel factor shall be approved, no finding in this Order Establishing Fuel Factor is final. This matter is otherwise continued generally, pending audit and investigation of the Company's actual fuel expenses.

Accordingly, IT IS ORDERED THAT:

(1) The Company's fuel factor shall be 2.169¢/kWh for service rendered on and after November 1, 2017.

(2) The Stipulation filed with the Commission on January 22, 2018, and attached hereto, is approved.

(3) This case is continued generally.

NOTE: A copy of the 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.

[12] *Kentucky Utils.*, 1995 S.C.C. Ann. Rept. at 311.

CASE NO. PUR-2017-00122
JUNE 29, 2018

APPLICATION OF
VIRGINIA NATURAL GAS, INC. and SEQUENT ENERGY MANAGEMENT, L.P.

For approval of an Asset Management Agreement under Chapter 4, Title 56 of the Code of Virginia

ORDER

On September 20, 2017, Virginia Natural Gas, Inc. ("VNG" or "Company"), and Sequent Energy Management, L.P. ("Sequent") (collectively, "Applicants"), filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to Chapter 4, Title 56 of the Code of Virginia ("Code"),[1] seeking approval of a revised Asset Management and Agency Agreement ("AMAA") and revised Gas Purchase and Sale Agreement ("GPSA") (collectively, "2018 Agreements"), under which Sequent will continue to provide gas supply and asset management services to VNG.[2]

On December 1, 2017, Enspire Energy, LLC ("Enspire"), filed a Notice of Participation and Request for Hearing in this case, and on December 12, 2017, the Virginia Industrial Gas Users' Association filed comments. On December 13, 2017, the Staff of the Commission ("Staff") filed its Action Brief, and on December 14, 2017, the Applicants filed Comments on Staff's Action Brief. On December 15, 2017, Enspire filed a Response to Applicants' Comments on Staff's Action Brief.

On December 19, 2017, the Commission entered an Order approving the Company's Application for a period of 12 months, from April 1, 2018, through March 31, 2019, subject to certain requirements set forth in the Appendix attached to the Order. The Commission took under advisement the Applicants' request for approval of the 2018 Agreements for an additional 36 months beyond March 31, 2019, pending the proceedings required in the Order. Additionally, the Commission appointed a Hearing Examiner to establish an appropriate procedural schedule in this matter and to conduct all further proceedings.

On December 29, 2017, the Chief Hearing Examiner issued a procedural ruling ("Procedural Ruling"), which was modified on March 6, 2018 ("Modified Procedural Ruling"). The Procedural Ruling and Modified Procedural Ruling scheduled an evidentiary hearing and set forth a schedule for the filing of testimony and pre-hearing legal briefs. Testimony was filed by Applicants, Enspire, and Staff, in accordance with the Procedural Ruling and the Modified Procedural Ruling.

[1] Code § 56-76 *et seq*.

[2] Since 2000, the Commission has authorized the Applicants to operate under several previous versions of the AMAA and GPSA. The Applicants were authorized to enter into the prior AMAAs and GPSAs in Case Nos. PUA-2000-00085, PUE-2004-00111, PUE-2008-00119, PUE-2011-00089, and PUE-2015-00016. *See Application of Virginia Natural Gas, Inc., and AGL Energy Services, Inc., For approval of an Energy Services Agreement Under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUA-2000-00085, 2000 S.C.C. Ann. Rept. 240, Order Granting Approval (Nov. 30, 2000); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex parte, In Re: Investigation of gas supply asset assignment and agency agreement between Virginia Natural Gas, Inc., and Sequent Energy Management, L.P., f/k/a AGL Energy Services, Inc.*, Case No. PUE-2004-00111, 2005 S.C.C. Ann. Rept. 360, Order Approving Affiliate Agreements and Closing Investigation (Oct. 31, 2005); *Application of Virginia Natural Gas, Inc., and Sequent Energy Management, L.P., For Approval of an Asset Management Agreement under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2008-00119, 2009 S.C.C. Ann. Rept. 362, Order Granting Approval (Mar. 30, 2009); *Application of Virginia Natural Gas, Inc., and Sequent Energy Management, L.P., For approval of an asset management agreement under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2011-00089, 2011 S.C.C. Ann. Rept. 532, Order Granting Approval (Oct. 25, 2011); and *Application of Virginia Natural Gas, Inc., and Sequent Energy Management, L.P., For approval of an asset management agreement under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2015-00016, 2015 S.C.C. Ann. Rept. 281, Order Granting Approval (Mar. 20, 2015).

On March 21, 2018, Direct Energy Business Marketing, LLC ("Direct Energy"), filed a Motion to File Notice of Participation out of Time and Notice of Participation ("Motion"). The Chief Hearing Examiner granted Direct Energy's Motion, but limited Direct Energy's participation to the filing of a pre-hearing brief and participating in the hearing by counsel through cross-examination of witnesses and offering closing arguments.

The Chief Hearing Examiner convened an evidentiary hearing on April 25, 2018, to receive evidence regarding, among other things, (1) whether the term of the 2018 Agreements should be extended for an additional 36 months beyond the approved term of April 1, 2018, through March 31, 2019; (2) whether VNG should be required to conduct a Request for Proposal ("RFP") process to select its next gas procurement and asset manager; and (3) whether the Applicants should be required to develop a capacity release program. Applicants, Enspire, Direct Energy, and Staff participated in the hearing. The Chief Hearing Examiner heard closing arguments on April 27, 2018.

On May 29, 2018, the Chief Hearing Examiner issued her Report, in which she made the following findings and recommendations: (1) an RFP process should be followed to select the next gas procurement and asset manager for VNG to ensure optimal benefits are achieved on behalf of VNG and its firm sales customers, and an RFP process is in the public interest; (2) the term of the approved 2018 Agreements should not be extended beyond March 31, 2019; (3) Staff should be directed to conduct an audit of compliance with the 2018 Agreements and an investigation of such other conduct related to performance under those agreements as Staff deems warranted; and (4) a capacity release program need not be developed in conjunction with this proceeding.

The Chief Hearing Examiner recommended that the Commission adopt the findings in the Report; direct VNG to expeditiously develop and initiate an RFP process to select its next gas procurement and asset manager; direct the Staff to initiate an audit and investigation; and dismiss this case from the Commission's docket of active cases.

On May 31, 2018, Staff filed comments in support of the findings and recommendations made by the Chief Hearing Examiner in her Report.

On June 12, 2018, Enspire filed comments to the Chief Hearing Examiner's Report. In its comments, Enspire requested the Commission to require VNG to conduct an RFP and further requested the Commission to oversee the process and impose the same parameters it has adopted in other cases. Enspire further requested that the 2018 Agreements not be extended beyond March 31, 2019. With regard to Staff's audit and investigation, Enspire requested that the Commission instruct Staff to investigate the specific areas of conduct that Enspire highlighted during the case. Enspire also requested the Commission to require VNG to release its capacity to its next asset manager.

Also on June 12, 2018, Applicants filed comments to the Chief Hearing Examiner's Report. In their comments, Applicants supported the Chief Hearing Examiner's findings and recommendations, except the finding and recommendation regarding the term of the agreement. The Applicants requested the Commission to extend the 2018 Agreements an additional year until March 31, 2020.

On June 13, 2018, Direct Energy filed its comments along with a Motion to File Comments to the Chief Hearing Examiner's Report out of Time ("Motion to File Comments out of Time"). In its Motion to File Comments out of Time, Direct Energy stated that, because of an oversight, counsel to Direct Energy did not file its response to the Chief Hearing Examiner's Report with the Commission on June 12, 2018, but stated that it did send a copy by electronic mail to Applicants, Enspire, and Staff on the evening of June 12, 2018. Direct Energy further stated that it filed its comments with the Commission the morning of the next business day.

In its comments, Direct Energy requested the Commission to adopt the Chief Hearing Examiner's recommendations regarding the RFP process, the term of the agreement, and the Staff audit. However, with respect to the Chief Hearing Examiner's findings and recommendations regarding a capacity release program, Direct Energy requested the Commission to direct VNG to implement a collaborative process, with input from Staff, Enspire, Direct Energy, and other interested parties to determine how to best implement a program that requires VNG to release upstream capacity in order to encourage customer choice in the VNG service territory.

NOW THE COMMISSION, upon consideration of the record in this case, is of the opinion and finds that the findings and recommendations made by the Chief Hearing Examiner in her Report should be adopted, as modified herein. First, we agree that an RFP process is in the public interest, and therefore find that the Company should initiate such a process. As we have required in other cases,[3] the Company should provide Staff with a copy of the RFP prior to its issuance and file the results of the RFP in this docket on or before December 31, 2018. Further, we find that the term of the approved 2018 Agreements should not be extended beyond March 31, 2019. Next, we agree with the Chief Hearing Examiner that Staff should conduct an audit of compliance with the gas supply and asset management agreements between VNG and Sequent, and an investigation of such other conduct related to performance under those agreements, as Staff deems warranted. The results of Staff's audit should be filed in this docket on or before October 15, 2018. Additionally, we find that Direct Energy's Motion to File Comments out of Time should be granted. Lastly, we find that this docket should remain open to receive the filings required herein.

Accordingly, IT IS ORDERED THAT:

(1) Direct Energy's Motion to File Comments out of Time is granted.

(2) The Chief Hearing Examiner's Report is adopted, as modified herein.

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[3] *See Joint Application of Atmos Energy Corporation and Atmos Energy Marketing, L.L.C., For authority to enter into a gas exchange and optimization services agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia,* Case No. PUE-2005-00003, 2005 S.C.C. Ann. Rept. 389, Order Granting Authority (July 5, 2005); *Joint Application of Atmos Energy Corporation and Atmos Energy Marketing, L.L.C., For authority to enter into a gas supply and asset management agreement pursuant to the Affiliates Act, Va. Code § 56-76 et seq. and request for interim authority,* Case No. PUE-2008-00021, 2008 S.C.C. Ann. Rept. 498, Order Granting Authority (June 17, 2008); and *Joint Application of Atmos Energy Corporation and Atmos Energy Marketing, LLC, For authority to enter into a Gas Supply and Asset Management Agreement pursuant to the Affiliates Act, Va. Code § 56-76 et seq.*, Case No. PUE-2011-00018, 2011 S.C.C. Ann. Rept. 446, Order Granting Authority (May 9, 2011).

(3) The Company shall conduct an RFP process to select its next gas procurement and asset manager. VNG shall provide any gas supply and asset management agreement RFP to the Commission's Division of Public Utility Regulation Staff prior to issuance and make an aggressive effort to ensure that the RFP dissemination and bidding process is robust. On or before December 31, 2018, the Company shall file in this docket the results of its RFP, including a list of the parties that were invited to bid, the number of bids received, the winning bidder, and the reason(s) for the winner's selection.

(4) The Staff shall conduct an audit of compliance with the gas supply and asset management agreements between VNG and Sequent and an investigation of such other conduct related to performance under those agreements, as Staff deems warranted. On or before October 15, 2018, Staff shall file the results of its audit in this docket.

(5) This case is continued.

CASE NO. PUR-2017-00123
MARCH 30, 2018

PETITION OF
ALLEGHENY GENERATING COMPANY AND BATH COUNTY ENERGY, LLC

For approval of the transfer of generating facilities pursuant to the Utility Transfers Act, Va. Code § 56-88 *et seq*., for certification of the facilities pursuant to the Utility Facilities Act, Va. Code §56-265.1 *et seq*., and other related approvals

FINAL ORDER

On October 20, 2017, Allegheny Generating Company ("AGC") and Bath County Energy, LLC ("BCE,") (collectively, "Joint Petitioners") filed with the State Corporation Commission ("Commission") a Petition seeking Commission approval for AGC to dispose of, and BCE to acquire, 59.38% of AGC's existing 40% undivided ownership interest (*i.e.*, 23.75%) (the "Undivided Interest") in the non-transmission portion of the pumped storage hydroelectric station located in Bath County, Virginia (the "Bath County Project").[1] In addition, AGC seeks a determination that it is not required by § 13.1-620 (d) or (e) of the Code of Virginia ("Code") to remain incorporated as a public service corporation.

The Bath County Project is an approximately 3,003 megawatt (seasonal rating) pumped storage hydroelectric station located in Bath County, Virginia, which is jointly owned by AGC and Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("DEV").[2] In addition to the hydroelectric generation facilities, the Bath County Project includes other ancillary facilities, improvements, buildings, and other structures that are included as part of the Bath County Pumped Storage Station licensed by the Federal Power Commission, now the Federal Energy Regulatory Commission ("FERC"), as Project No. 2716. The Bath County Project also includes two 500 kilovolt transmission lines. The Joint Petitioners indicate that the proposed transaction does not include AGC's interest in the transmission lines.

The Joint Petitioners state that, after the Undivided Interest is transferred to BCE, DEV will continue to manage and operate the Bath County Project in the same manner as DEV has managed and operated it since the facility began commercial operations in 1985. The Joint Petitioners state that they have reached a preliminary understanding with DEV regarding necessary amendments to the Bath County Project's governing agreements to include necessary changes to reflect that BCE is a party, together with certain other changes regarding BCE's acquisition of the Undivided Interest that will not affect the day-to-day operation or management of the Bath County Project.[3]

The Joint Petitioners state that the proposed transaction is expected to close in the fourth quarter of 2017 or in the first quarter of 2018 subject to customary and other closing conditions, including approval by the Commission, FERC and other agencies, as well as third-party consents, including consent from DEV.

The Joint Petitioners request approval by the Commission of the proposed transfer pursuant to the Utility Transfers Act, § 56-88 *et seq.* of the Code. The Joint Petitioners also request that the Commission issue BCE a Certificate of Public Convenience and Necessity ("CPCN") pursuant to the Utility Facilities Act, § 56-265.1 *et seq.* of the Code. Following issuance of the CPCN, BCE requests that it be exempted from the otherwise applicable requirements of Chapter 10 of Title 56 of the Code because BCE's interest in the Bath County Project will not be included in the rate base of any regulated utility whose rates are established pursuant to Chapter 10 of Title 56, and because BCE will offer the energy and capacity associated with the Undivided Interest into the PJM market.[4]

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[1] On February 2, 2018, the Commission approved a transfer of control pursuant to the Utility Transfers Act, in which AGC proposed to use the proceeds from the instant transaction with BCE to redeem all outstanding shares of AGC currently held by Allegheny Energy Supply Company, LLC. *Joint Petition of Allegheny Generating Company and Allegheny Energy Supply Company, LLC, For approval of a disposition of control pursuant to the Utility Transfers Act, Va. Code § 56-88 et seq.*, Case No. PUR-2017-00166, Doc. Con. Cen. No. 180210034 (Feb. 2, 2018).

[2] Petition at 4.

[3] *Id*. at 8.

[4] *Id*. at 16.

In addition, the Joint Petitioners seek a determination by the Commission that Commission approval is not required for AGC to transfer to BCE a proportionate interest in the license initially issued to DEV on March 9, 1977, and transferred to AGC in 1981, pursuant to the Water Power Development Act ("WPDA").[5] According to the Joint Petitioners, § 62.1-96 of the Code states that Commission approval is only required for voluntary transfers of a license issued under the WPDA. This Code provision further states that "any sale of the greater part of the property of the licensee in the Commonwealth, shall not be deemed a voluntary transfer . . . ."[6] In the alternative, should the Commission conclude that Commission approval is required under the WPDA, the Joint Petitioners request that the Commission approve the transfer of a proportionate interest in the license.

Finally, the Joint Petitioners note that § 13.1-724 (I) of the Code states, in relevant part: "[N]o corporation organized to conduct the business of a railroad or other public service . . . may sell, lease or exchange its properties for the conduct of such business in the Commonwealth except to a corporation of the Commonwealth organized for the same purpose . . . ." While AGC currently is organized as a public service corporation, BCE is not; it is organized as a Delaware limited liability company. To consummate the proposed transaction, AGC requests Commission approval to amend its Articles of Incorporation to remove the designation as a "public service corporation." AGC states that, while it is a public utility as defined in the Utility Transfers Act and the Utility Facilities Act (and therefore is subject to regulation under those Code provisions), it does not conduct the business of a public service company as contemplated by §13.1-620 (D) of the Code.[7]

On December 19, 2017, the Commission entered a Notice for Order and Comment in this proceeding, directing the Joint Petitioners to serve a copy of the Petition on DEV and Bath County. The Commission also directed the Commission Staff ("Staff") to investigate the Petition and file a Report.

On February 23, 2018, the Staff filed its Report. No other party filed comments or a request for a hearing in this matter.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

Utility Transfers Act

Section 56-89 of the Code states that "[i]t shall be unlawful for any public utility, directly or indirectly, to acquire or dispose of any utility assets situated within the Commonwealth or any utility securities of any other company unless such acquisition or disposition shall have been authorized by the Commission." Section 56-90 of the Code provides that the Commission must find that "adequate service to the public at just and reasonable rates will not be impaired or jeopardized" before it may approve such a transaction.

The Joint Petitioners state that "[t]he Transaction will have no impact on the manner in which the Bath Facility is operated or dispatched. Accordingly, the Transaction will neither affect nor jeopardize the provision of adequate service at just and reasonable rates."[8] Staff states in its Report that "[b]ased on the Petitioners' representations that: (1) DEV's operation and majority ownership of the Bath County Project will be unaffected by proposed Transferred Interest transaction; (2) that BCE's resources to finance the proposed transaction are adequate; and (3) that BCE will offer its [Undivided] Interest[9] portion of the Bath County Project's output exclusively into PJM. Staff believes that adequate service to the public at just and reasonable rates will not be impaired by the proposed transaction."[10]

We find that the evidence presented in this proceeding indicates that the proposed transaction will not jeopardize adequate service to the public at just and reasonable rates, and thus approval under the Utility Transfers Act is appropriate.

Utility Facilities Act

Section 56-265.2 of the Code provides that "it shall be unlawful for any public utility to construct, enlarge or acquire, by lease or otherwise, any facilities for use in public utility service, except ordinary extensions or improvements in the usual course of business, without first having obtained a certificate from the Commission that the public convenience and necessity require the exercise of such right or privilege." Section 56-265.1 of the Code defines a public utility as "any company which owns or operates facilities within the Commonwealth of Virginia for the generation, transmission or distribution of electric energy for sale . . . ." Therefore, for purposes of the Utility Facilities Act, the Joint Petitioners are public utilities.

Section 56-265.2 B of the Code provides that the Commission "may permit the construction and operation of electrical generating facilities, which shall not be included in the rate base of any regulated utility whose rates are established pursuant to Chapter 10 (§ 56-232 *et seq*.), upon a finding that such generating facility and associated facilities including transmission lines and equipment: (i) will have no material adverse effect upon the rates paid by customers of any regulated public utility in the Commonwealth; (ii) will have no material adverse effect upon reliability of electric service provided by any such regulated public utility; and (iii) are not otherwise contrary to the public interest."

Staff in its Report notes that, based on the Petitioner's representations, it appears the requirements of § 56-265.2 B have been met, and issuance of a CPCN is appropriate.[11] We agree, and will direct that a CPCN be issued to BCE authorizing its purchase of an interest in the Bath County Project. In addition, we will approve the reissuance of a CPCN to AGC reflecting the change in its ownership interest.

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[5] *Application of Virginia Electric and Power Co. and Monongahela Power Co., The Potomac Edison Co., West Penn Power Co., and Allegheny Generating Co. Under Title 56, Chapters 3, 4, 5 and 10.1 and Title 62.1, Chapter 7 of the Code of Virginia*, Case No. PUA810039, 1981 S.C.C. Ann. Rept. 92, Order Granting Authority (Sept. 11, 1981). The WPDA is found at Code § 62.1-80 *et seq.*

[6] Petition at 18.

[7] *Id*. at 23.

[8] Petition at 11.

[9] In its Report, Staff refers to the proposed transfer as the "Transferred Interest."

[10] Staff Report at 5-6.

[11] *Id*. at 6.

Waiver of Requirements of Chapter 10

The Commission has previously held that a Virginia utility that offers all of its electric energy and capacity output to PJM's markets satisfies the statutory requirement for exemption from the rates and service requirements of Chapter 10.[12] The Joint Petitioners state that because "BCE seeks issuance of a CPCN related to the Undivided Interest that is not included in the rate base of any regulated utility whose rates are established pursuant to Chapter 10 of Title 56, and because BCE will offer the energy and capacity associated with the Undivided Interest into the PJM market, BCE respectfully requests that the Commission exempt it from Chapter 10 of Title 56 of the Code."[13]

Staff in its Report concludes that "[b]ased on the Petitioners' representation that BCE will dispatch its [Undivided] Interest portion of the Bath County Project's output exclusively into the PJM wholesale energy and capacity markets, Staff believes that BCE meets the statutory requirements for exemption from the rates and service requirements of Chapter 10 and, therefore, should be granted an exemption."[14] We agree with the Petitioners and Staff that, as BCE will sell the entirety of its portion of the output of the Bath County Project into the PJM market, it is appropriate to exempt BCE from the rates and service requirements of Chapter 10.

WPDA License

In its March 9, 1977 Order granting approval to DEV for the Bath County Project, the Commission issued DEV a license pursuant to the WPDA.[15] In approving the transfer of the 40% interest in the Bath County Project to AGC, the Commission also approved the transfer to AGC of a proportionate interest in this license.[16] Section 62.1-96 of the Code provides, in pertinent part, that

> No voluntary transfer or assignment of any license granted under this chapter shall be made to any transferee or assignee unless he be financially able to carry out the project or development, nor shall any such voluntary transfer or assignment be valid or of any effect whatsoever unless the same shall be in writing and a copy thereof be filed with, and approved by, the Commission, provided that any mortgage or trust deed, or foreclosure under any mortgage or deed of trust, or any judicial or tax sale, merger or consolidation, or any sale of the greater part of the property of the licensee in the Commonwealth, shall not be deemed a voluntary transfer within the meaning of this chapter.

The Joint Petitioners assert that, because AGC is transferring greater than 59% of its 40% interest in the Bath County Project to BCE, the transfer is not a voluntary transfer under the WPDA, as it represents the "sale of the greater part of the property of the licensee."[17] Staff, on the other hand, states that this transfer is a voluntary transfer, and therefore Commission approval is required. Staff further states that transfer of the license is appropriate, as the Joint Petitioners have provided evidence that BCE is financially able to carry out the project or development.[18]

We agree with Staff that BCE has demonstrated that it is financially able to carry out the project or development at issue in this proceeding, and therefore we will approve the transfer of a proportionate interest in the WPDA license to BCE. Consequently, we need not reach the issue of whether the transfer is voluntary or otherwise under § 62.1-96 of the Code. We also note that the FERC has approved the transfer of a partial interest in the hydropower license issued to the Bath County Project, and we incorporate the terms of the FERC's license as the WPDA license applicable to the Bath County Project.

Request to Change Corporate Form

AGC states that it was formed in 1981 to own the 40% Undivided Interest in the Bath County Project that it acquired from DEV. AGC further indicates that under Code § 13.1-620 (and predecessor statutes), AGC was incorporated as a public service corporation and has remained incorporated as a public service corporation. AGC states that it does not believe that it currently engages in the business of a public service company or that it provides a public service, and, therefore, it does not need to be incorporated as a public service corporation.[19] In its Report, Staff recommends that AGC be permitted to re-file its articles of amendment to remove the designation as a public service corporation from its articles of incorporation.[20]

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[12] *Joint Petition of Appalachian Power Company and Eagle Creek Revs ens Hydro, LLC, For approval of the transfer of generating facilities pursuant to the Utility Transfers Act, Va. Code § 56-88 el seq., and for certification of the facilities pursuant to Utility Facilities Act, Va. Code §56-265.1 et seq.*, Case No. PUE-2016-00120, Doc. Con. Cen. No 170210022 (Feb. 1, 2017); *Joint Petition of James River Cenco, LLC and City Point Energy Center, LLC, For approval of the disposition and acquisition of utility assets under the Utility Transfer Act, Chapter 5 of Title 56 of Va. Code §56-88 et seq., and for a certification to operate generating facilities pursuant to the Utility Facilities Act, Chapter 10.1 of the title 56 of the Va. Code §56-265.1 et seq.*, Case No. PUE-2016-00109, Doc. Con. Cen. No. 161130005 (Nov. 16, 2016).

[13] Petition at 17.

[14] Staff Report at 6.

[15] *Application of Virginia Electric and Power Co. For License to Construct Dams Under Virginia Code § 62.1-83, Transmission Lines Under Virginia Code § 56-46.1 and Certification of Electric Facilities Under the Utility Facilities Act*, Case Nos. 19345 and 11655, 1977 S.C.C. Ann. Rep. 98 (Mar. 9, 1977).

[16] Order Granting Authority, *Application of Virginia Electric and Power Co. and Monongahela Power Co., The Potomac Edison Co., West Penn Power Co., and Allegheny Generating Co. Under Tide 56, Chapters 3, 4, 5 and 10.1 and Title 62.1, Chapter 7 of the Code of Virginia*, Case No. PUA810039, 1981 S.C.C. Ann. Rep. 92 (Sept. 11, 1981).

[17] Petition at 19.

[18] Staff Report at 7.

[19] Petition at 20, 23.

[20] Staff Report at 7.

AGC is a public utility as such term is defined in the Utility Transfers Act and the Utility Facilities Act. It does not appear, however, that AGC conducts the business of a public service company as contemplated by §13.1-620 D of the Code. AGC has no retail customers in the Commonwealth, and exists solely to maintain ownership of its share of the Bath County Project and other associated facilities. Consequently, we find that continued operation as a public service corporation is not required. We note, however, that AGC remains subject to the requirements of all other applicable portions of the Code, including the Utility Transfers Act and the Utility Facilities Act.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-89 and 56-90, the Joint Petitioners hereby are granted approval of the proposed transfer of 23.75% of the Undivided Interest of the Bath County Project, subject to the requirements set forth herein.

(2) The Commission, having found that the public convenience and the necessity require the acquisition of a portion of the Bath County Project by BCE, hereby grants BCE a Certificate therefore pursuant to the Utility Facilities Act.

(3) The Division shall issue Certificate No. EG-215 to BCE to acquire the proportional interest in the Bath County Project described in the Petition.

(4) Certificate No. ET-140a shall be cancelled and reissued as Certificate No. ET-140b to reflect AGC's new partial interest in the Bath County Project.

(5) The Company shall forthwith file a map of the Bath County Project for certification.

6) BCE's dispatch of the entirety of its portion of the Bath County Project's output into the PJM wholesale energy market shall be exempt from the regulatory and ratemaking requirements under Chapter 10 of Title 56 of the Code.

(7) The Joint Petitioners' request for a partial transfer of the Bath County Project's WPDA license is approved, as set forth herein.

(8) AGC shall be permitted to re-file its articles of amendment to remove the designation as a public service corporation from its articles of incorporation.

(9) This matter is dismissed.

CASE NO. PUR-2017-00125
JANUARY 17, 2018

APPLICATION OF
ZITEL LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia

FINAL ORDER

On September 25, 2017, ZiTEL LLC ("ZiTEL" or "Company") 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 ("Application"). ZiTEL also requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia ("Code"). In accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*., ZiTEL filed a motion for a protective order ("Motion") to prevent public disclosure of confidential information contained in the Company's Application.

On October 24, 2017, the Commission issued an Order for Notice and Comment ("Scheduling Order") that, among other things, directed ZiTEL to provide notice to the public of its Application and directed the Staff of the Commission ("Staff") to conduct an investigation and file a report ("Staff Report"). On November 15, 2017, ZiTEL filed proof of service and proof of notice in accordance with the Scheduling Order.

On December 20, 2017, Staff filed its Staff Report concluding that the Company's Application is in compliance with the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers ("Local Rules"), 20 VAC 5-417-10 *et seq*., and the Rules Governing the Certification of Interexchange Carriers ("Interexchange Rules"), 20 VAC 5-411-10 *et seq*. Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant Certificates to ZiTEL subject to the following condition: ZiTEL should notify the Division of Public Utility Regulation no less than 30 days prior to the cancellation or lapse of its bond and should provide a replacement bond at that time. This requirement should be maintained until such time as the Commission determines it is no longer necessary.

The Scheduling Order provided an opportunity for ZiTEL to file a response to the Staff Report. On December 21, 2017, ZiTEL filed a letter stating that it supports the findings of Staff in the Staff Report and respectfully requests that the Commission grant the relief requested in its Application.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that it should grant Certificates to ZiTEL. Having considered Code § 56-481.1, the Commission finds that ZiTEL may price its interexchange services competitively. Finally, the Commission finds that the Company's Motion is no longer necessary; therefore, the Motion should be denied.[1]

[1] The Commission has not received a request to review the information that the Company designated confidential. Accordingly, we deny the Motion as moot but direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

Accordingly, IT IS ORDERED THAT:

(1) ZiTEL hereby is granted Certificate No. T-752 to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(2) ZiTEL hereby is granted Certificate No. TT-296A to provide interexchange telecommunications services subject to the provisions of the Interexchange Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(3) Pursuant to Code § 56-481.1, ZiTEL may price its interexchange telecommunications services competitively.

(4) Prior to providing telecommunications services pursuant to the Certificates granted by this Final Order, the Company shall provide tariffs to the Division of Public Utility Regulation that conform to all applicable Commission rules and regulations. If ZiTEL elects to provide retail services on a non-tariffed basis, it shall provide written notification pursuant to Local Rule 20 VAC 5-417-50 A.

(5) ZiTEL shall notify the Division of Public Utility Regulation no less than thirty (30) days prior to the cancellation or lapse of its bond and shall provide a replacement bond at that time. This requirement shall be maintained until such time as the Commission determines it is no longer necessary.

(6) The Company's Motion is denied; however, the Commission directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(7) This case is dismissed.

CASE NO. PUR-2017-00126
MAY 16, 2018

PETITION OF
APPALACHIAN POWER COMPANY

For approval of a rate adjustment clause, the EE-RAC, pursuant to § 56-585.1 A 5 c of the Code of Virginia and for approval of new energy efficiency programs

FINAL ORDER

On September 29, 2017, Appalachian Power Company ("APCo" or "Company"), pursuant to § 56-585.1 A 5 of the Code of Virginia ("Code") and the Final Order of the State Corporation Commission ("Commission") in Case No. PUE-2016-00089,[1] filed with the Commission its Petition for approval to implement new demand-side management ("DSM") programs and to extend two existing DSM programs (collectively, "Proposed EE/DR Portfolio"). The Company further requests Commission approval of an updated rate adjustment clause – the "EE-RAC" – to recover the costs of the Proposed EE/DR Portfolio.[2]

In its Petition, APCo requested approval to implement six new energy efficiency and demand response programs. Specifically, the Company requested that the Commission permit it to implement the following proposed DSM programs for a three-year period starting January 1, 2019, subject to future extensions as requested by the Company and granted by the Commission:

- Residential eScore Program;
- Residential Multi-Family Direct Install Program;
- Residential Bring-Your-Own Smart Thermostat Program;
- Commercial and Industrial ("C&I") Lighting Program;
- C&I Standard Program; and
- Small Business Direct Install Program.[3]

The Company also requested approval to extend the Residential Appliance Recycling Program and Residential Efficient Products Program, which the Commission approved in Case No. PUE-2014-00039,[4] for an additional three-year period starting in January 2019.[5]

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[1] *Petition of Appalachian Power Company, For approval to continue a rate adjustment clause, the EE-RAC, pursuant to § 56-585.1 A 5 c of the Code of Virginia*, Case No. PUE-2016-00089, Doc. Con. Cen. No. 170530280, Final Order (May 11, 2017).

[2] Supporting testimony and other documents also were filed with the Petition.

[3] Ex. 2 (Petition) at 1, 3-4; Ex. 3 (Bacon Direct) at 7.

[4] *Petition of Appalachian Power Company, For approval to implement a portfolio of energy efficiency programs and for approval of a rate adjustment clause pursuant to § 56-585.1 A 5 c of the Code of Virginia*, Case No. PUE-2014-00039, 2015 S.C.C. Ann. Rept. 215, Final Order (June 24, 2015), corrected *nunc pro tunc*, 2015 S.C.C. Ann. Rept. 221 (June 26, 2015) ("2015 EE-RAC Order").

[5] Ex. 2 (Petition) at 1, 4; Ex. 3 (Bacon Direct) at 7.

The Company estimated that it will spend approximately $27.3 million on the Proposed EE/DR Portfolio over the three-year period starting in January 2019.[6] The Company requested approval to recover the costs of the Proposed EE/DR Portfolio, including a margin on the program expenses, through the existing EE-RAC.[7] Specifically, the Company requested approval to continue the EE-RAC for the July 1, 2018 through June 30, 2019 rate year ("2018 Rate Year") for recovery of: (i) 2018 Rate Year costs associated with the Company's current and proposed EE/DR programs ("Projected Factor"); and (ii) any over/under recovery of costs associated with the EE/DR Portfolio as of June 30, 2018 ("True-Up Factor").[8] In the Petition, the Company proposed a total EE-RAC revenue requirement of $6,921,333 for the 2018 Rate Year, which consists of a Projected Factor in the amount of $7,547,888, and a True-Up Factor credit of $626,555.[9]

APCo is not seeking recovery of lost revenues in this proceeding.[10] For purposes of the Company's Petition, APCo calculated the margin on operating expenses for the Projected Factor and for the true-up of the recovery of costs incurred on DSM programs between October 1, 2016, and June 30, 2018, based on the return on common equity ("ROE") of 9.4% authorized by the Commission in Case No. PUE-2016-00038.[11] For purposes of the true-up of the recovery of costs incurred between January 1, 2016, and September 30, 2016, the Company calculated the margin on operating expenses based on the ROE of 9.7% authorized by the Commission in Case No. PUE-2014-00026.[12]

According to the Company, implementation of the EE-RAC as proposed in the Petition would increase the monthly bill of a residential customer using 1,000 kilowatt hours per month by approximately $0.20.[13]

On November 1, 2017, the Commission entered an Order for Notice and Hearing which, among other things, docketed the Petition; required APCo to publish notice of its Petition; gave interested persons the opportunity to comment on, or participate in, the proceeding; and scheduled a public hearing on the Company's Petition. The following parties filed notices of participation in this proceeding: the Virginia Energy Efficiency Council ("VAEEC"); Appalachian Voices ("Environmental Respondents"); the VML/VACo APCo Steering Committee; and the Office of Attorney General's Division of Consumer Counsel ("Consumer Counsel").

On January 23, 2018, the VAEEC and Environmental Respondents filed the testimony and exhibits of their expert witnesses. On February 6, 2018, the Commission Staff ("Staff") filed the testimony and exhibits of its witnesses. The Company subsequently filed its rebuttal testimony. The Commission convened a public evidentiary hearing on March 15, 2018. APCo, Staff, Consumer Counsel, VAEEC, and the Environmental Respondents participated in the hearing. The Commission received testimony from witnesses on behalf of the participants and also received public witness testimony.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

Code of Virginia

APCo seeks approval to continue the EE-RAC pursuant to § 56-585.1 A 5 of the Code, which allows a utility to petition the Commission for approval of a rate adjustment clause for the timely and current recovery from customers of the following costs:[14]

> b. Projected and actual costs for the utility to design and operate fair and effective peak-shaving programs. The Commission shall approve such a petition if it finds that the program is in the public interest; provided that the Commission shall allow the recovery of such costs as it finds are reasonable;
>
> c. Projected and actual costs for the utility to design, implement, and operate energy efficiency programs, including a margin to be recovered on operating expenses, which margin for the purposes of this section shall be equal to the general rate of return on common equity determined as described in subdivision 2. The Commission shall only approve such a petition if it finds that the program is in the public interest. As part of such cost recovery, the Commission, if requested by the utility, shall allow for the recovery of revenue reductions related to energy efficiency programs. The Commission shall only allow such recovery to the extent that the Commission determines such revenue has not been recovered through margins from incremental off-system sales as defined in § 56-249.6 that are directly attributable to energy efficiency programs.

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[6] Ex. 3 (Bacon Direct) at 10.

[7] *Id.*

[8] Ex. 2 (Petition) at 6, Schedule 46C; Ex. 3 (Bacon Direct) at 11, Schedule 3.

[9] Ex. 2 (Petition) at 6, Schedule 46C; Ex. 3 (Bacon Direct) at 11.

[10] Ex. 2 (Petition) at 6.

[11] *Id.*; Ex. 3 (Bacon Direct) at Schedule 3. *See Application of Appalachian Power Company, For the determination of the fair rate of return on common equity to be applied to its rate adjustment clauses*, Case No. PUE-2016-00038, 2016 S.C.C. Ann. Rept. 393, 396, Final Order (Oct. 6, 2016).

[12] Ex. 3 (Bacon Direct) at Schedule 3; *Application of Appalachian Power Company, For a 2014 biennial review of the rates, terms and conditions for the provision of generation, distribution and transmission services pursuant to § 56-585.1 A of the Code of Virginia*, Case No. PUE-2014-00026, 2014 S.C.C. Ann. Rept. 392, 402, Final Order (Nov. 26, 2014) ("2014 Biennial Review Order").

[13] Ex. 2 (Petition) at 7.

[14] At the hearing, APCo requested the Commission's consideration about whether the amendments to § 56-585.1 A 5 of the Code in the recently-enacted Grid Transformation and Security Act (2018 Acts of Assembly, Chapter 296) impact the current EE-RAC or affect the classes of customers who are subject to Code § 56-585.1 A 5. Tr. 20-22. As we stated at the hearing, this legislation does not go into effect until July 1, 2018. Accordingly, it does not apply retroactively to the current proceeding. Tr. 21.

Section 56-576 of the Code defines "in the public interest" as follows:

> "In the public interest," for purposes of assessing energy efficiency programs, describes an energy efficiency program if, among other factors, the net present value of the benefits exceeds the net present value of the costs as determined by the Commission upon consideration of the following four tests: (i) the Total Resource Cost Test; (ii) the Utility Cost Test (also referred to as the Program Administrator Test); (iii) the Participant Test; and (iv) the Ratepayer Impact Measure Test. Such determination shall include an analysis of all four tests, and a program or portfolio of programs shall not be rejected based solely on the results of a single test. In addition, an energy efficiency program may be deemed to be "in the public interest" if the program provides measurable and verifiable energy savings to low-income customers or elderly customers.

Consistent with our decision in prior DSM cases under this statute, we evaluated the Company's Petition to determine whether the programs in the Proposed EE/DR Portfolio are "in the public interest" under § 56-585.1 A 5 of the Code by considering the four tests discussed in § 56-576 of the Code as well as other relevant factors.[15] As we have stated in previous orders regarding DSM programs, we are sensitive to the impact of the proposed DSM programs on customers' bills, particularly the bills of customers not participating in the programs.[16]

As a preliminary matter, we find that there should be no change to the avoided capacity savings input to the cost/benefit tests to account for the fact that APCo does not anticipate a need for additional capacity before 2026[17] or to account for the fact that the Company will not seek lost revenues for the term of the programs approved herein.[18] Based on the record and the specific circumstances of this case, the tests should be performed as set forth in the applicable manuals.[19]

We also find that the cost/benefit tests for the programs in the Proposed EE-RAC Portfolio should be adjusted as recommended by Staff to account for the new federal lighting efficiency standards that will go into effect in 2020 pursuant to the Energy Independence and Security Act of 2007 ("EISA")[20] because, as discussed later, the lifetimes of the lighting measures in any approved programs will run well past 2020, the date of the baseline change.[21] We note that APCo agrees that this is the case for non-direct-install programs like the Residential Efficient Products Program and that, because of uncertainty and because the revised baseline would cause the Residential Efficient Products Program to fail two of the four cost/benefit tests,[22] APCo chose to withdraw the Company's request to continue that program.[23] We find that the higher baseline standard that will go into effect in 2020 should also be incorporated into the cost/benefit tests for direct-install programs that contain lighting measures to which the 2020 lighting efficiency standards will apply.

Consistent with the 2015 EE-RAC Order, the Commission further finds that, for the programs approved herein to be in the public interest, costs must be capped as set forth herein.[24] The specific cost caps include all potential costs of the programs – including but not limited to operating costs, lost revenues, common costs, return on capital expenditures, margins on operations and maintenance costs, and evaluation, measurement and verification ("EM&V") costs.[25] Further, since the programs are not in the public interest absent cost caps, and since the cost cap for each program is part of the Commission's public interest analysis of that program, the Commission finds that, to be in the public interest, the cost caps approved herein shall apply to each specific program, not to the Portfolio as a whole.[26] The Commission also concludes (as we have in prior cases) that the approved programs are only in the public interest if the risk of exceeding the cost cap remains with the utility, not the customers.[27]

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[15] *See, e.g.,* 2015 EE-RAC Order, 2015 S.C.C. Ann. Rept. at 216-217, n.12.

[16] *See id.* at 217. Certain large commercial and industrial customers are exempted from paying for these programs under § 56-585.1 A 5 of the Code. Accordingly, the costs fall most heavily on residential and small business customers who make up the majority of the Company's customers.

[17] *See* Ex. 11 (Pratt Direct) at 20-21.

[18] *See* Tr. 132.

[19] *See* Ex. 14 (Nichols Rebuttal) at 3-4.

[20] Pub.L. 110-140, December 19, 2007.

[21] *See* Ex. 11 (Pratt Direct) at 23-24. Specifically, Staff believes the Company's energy savings estimates for the lighting measures may be overstated because they do not incorporate the new lighting efficiency baseline standards that are scheduled to take effect in 2020. Pursuant to EISA, the sale of any general service lamp that does not meet a minimum efficacy standard of 45 lumens per watt will be prohibited after January 1, 2020. *See* 42 U.S.C.A. § 6295(i)(6). This means that, from 2020 forward, compact fluorescent bulbs, rather than incandescent bulbs, in effect will be the minimum efficiency standard and, accordingly, the baseline wattages against which Light Emitting Diode ("LED") savings are measured in energy efficiency programs. *See* Ex. 11 (Pratt Direct) at 24, Attachment No. BSP-6, page 7; Tr. 85-90.

[22] Ex. 11 (Pratt Direct) at 26.

[23] Ex. 16 (Bacon Rebuttal) at 4.

[24] 2015 EE-RAC Order, 2015 S.C.C. Ann. Rept. at 218.

[25] *Id.*

[26] *Id.* In addition, the cost caps established herein may be exceeded by a maximum of 5% without being in violation of this Order. The cost caps, however, do not represent an amount to which APCo is guaranteed recovery, and the Company must provide support to establish the reasonableness of actual expenditures in subsequent cases involving its DSM Programs.

[27] *Id.*

We further note that the Company has an ongoing obligation to show the energy savings attributable to every DSM/energy efficiency program, including how specific measures within each program provide adequate measurable and verifiable energy savings in comparison to the costs incurred. The recently adopted EM&V Rules[28] are applicable in determining such energy savings.

Residential Efficient Products Program

As noted above, in APCo's rebuttal testimony, the Company withdrew its request to extend the Residential Efficient Products Program. Accordingly, we do not approve the extension of this program beyond December 31, 2018.

Residential Multi-Family Direct Install Program

Based on the evidence in this case, the Commission finds that the Residential Multi-Family Direct Install Program is not in the public interest, and approval is therefore denied. APCo's argument that the 2020 EISA baseline standard only affects retail sales after that date and not early replacement of working incandescent bulbs[29] does not change the analysis because the cost/benefit tests for the LED measures in this program are run on a 16-year basis.[30] Accordingly, it is not appropriate to measure LED savings for 16 years against an incandescent bulb when lower efficiency incandescent bulbs will be phased out of the retail market after the baseline change in 2020.[31] Incandescent bulbs also burn out after approximately 1,000 hours and so may need to be replaced after only one or two years.[32]

The proposed Residential Multi-Family Direct Install Program is composed of five measure categories.[33] A significant portion of the estimated savings from this program comes from the lighting measures, *i.e.*, the direct installation of LED bulbs in place of incandescent bulbs.[34] As designed by APCo with the Company's original assumptions, with Staff's corrections as described in Staff witness Pratt's testimony[35] and accepted by the Company,[36] this program passes three of the four cost/benefit tests, including the Utility Cost Test and the Total Resource Cost Test (with scores of 1.28 and 1.18, respectively).[37] However, these scores drop below passing if the savings assumption for the lighting measure is appropriately updated to reflect changes in federal lighting standards starting in 2020.[38] Accordingly, we do not approve the proposed Residential Multi-Family Direct Install Program.

Residential Bring-Your-Own Smart Thermostat Program

We find that as proposed (with Staff's corrections), the Residential Bring-Your-Own Smart Thermostat ("BYOT") Program passes all four cost/benefit tests[39] and is, therefore, in the public interest. Accordingly, we approve this program for three years, with a total cost cap of $3,021,000.[40] We note Staff's concerns regarding possible overlap with the Company's Residential Peak Reduction Program[41] and APCo's high participation forecast for this program.[42] If the Company seeks to continue this program after three years, the Company's petition must include data showing the participation rates in the BYOT Program and any data regarding overlap with the Residential Peak Reduction Program. Such data should include, at a minimum, the following: (1) the number of customers that switch from the Residential Peak Reduction Program to the BYOT Program; (2) information from the Company's most recent EM&V supporting the assumptions used in the Company's cost/benefit analysis of this program; and (3) any data regarding the program's impact on capacity savings.

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[28] 20 VAC 5-318-10 *et seq.*

[29] Ex. 16 (Bacon Rebuttal) at 4-5.

[30] *See* Tr. 88-90.

[31] *See* Tr. 85-90.

[32] *See* Tr. 88-90; Ex. 11 (Pratt Direct) at Attachment No. BSP-5, page 3. It is conceivable that some customers will stock up on incandescent bulbs to use after the efficiency standard goes into place in 2020. However, those customers are not likely to be participants in a direct-install early replacement lighting program. *See* Tr. 123.

[33] Ex. 3 (Bacon Direct) at Schedule 2, page 14.

[34] *See* Ex. 11 (Pratt Direct) at 25.

[35] *Id.* at 11.

[36] Ex. 16 (Bacon Rebuttal) at 2.

[37] Ex. 11 (Pratt Direct) at 12.

[38] *Id.* at 25.

[39] *Id.* at 12.

[40] *See* Ex. 10 (Cost Caps Summary).

[41] The Residential Peak Reduction Program was originally approved in Case No. PUE-2014-00026 and was recently approved for a three-year extension in Case No. PUR-2017-00094. *See* 2014 Biennial Review Order, 2014 S.C.C. Ann. Rept. at 403; *Petition of Appalachian Power Company, For approval to extend two existing demand-side management programs*, Case No. PUR-2017-00094, Doc. Con. Cen. No. 180230006, Final Order (Feb. 15, 2018).

[42] Ex. 11 (Pratt Direct) at 17-19.

Residential eScore Program

We find that the proposed Residential eScore Program passes three of the four cost/benefit tests, even after adjusting the savings estimates with the new 2020 lighting efficiency baseline described above.[43] Accordingly, we approve this program for three years, at a total cost cap of $5,630,000.[44] Given Staff's concerns with APCo's participation and net to-gross assumptions,[45] however, we direct Staff and the Company to closely monitor participation and EM&V data for this program. Furthermore, the measures approved for this program are limited to those described in the Company's Petition and testimony,[46] and the Company must obtain approval from the Commission prior to adding any measures not described therein.

Residential Appliance Recycling Program

After Staff's corrections, the Residential Appliance Recycling Program fails two of the four cost/benefit tests.[47] Staff cites concerns regarding high free-ridership (*i.e.*, in 2016, 51% of participants would have recycled their refrigerators or freezers even without the program) and low participation rates.[48] In response, APCo described strategies that the Company is committed to implement in order to reduce free-ridership in this program.[49] Accordingly, we approve a continuation of the Residential Appliance Recycling Program for one year, with a total cost cap of $655,000.[50] We further approve the strategies the Company has committed to take to improve the net-to-gross ratio, and thereby the cost-effectiveness, of the Residential Appliance Recycling Program. If APCo desires to file a petition requesting approval to continue this program beyond January 1, 2020, the Company is directed to include with its filing an explanation of how the Company will further increase participation and decrease free-ridership in the Residential Appliance Recycling Program.

Non-residential Programs

As stated above, APCo requested approval of the following new non-residential energy efficiency programs:

- C&I Lighting Program;
- C&I Standard Program; and
- Small Business Direct Install Program.

Neither Staff nor any of the respondents opposed these programs.[51] Accordingly, we find that the proposed C&I Lighting Program, C&I Standard Program and Small Business Direct Install Program are in the public interest, and we approve these programs for a period of three years, with total cost caps per program of $12,674,000, $10,774,000, and $6,589,000, respectively.[52] Furthermore, the measures approved for these programs are limited to those described in the Company's Petition and testimony,[53] and the Company must obtain approval from the Commission prior to adding any measures not described therein.

Staff Audit Issues

In pre-filed testimony, Staff described several issues that complicated Staff's audit of the actual costs underlying the true-up factor in this proceeding.[54] Staff further noted that the Company collaborated with Staff to resolve these issues.[55] In rebuttal, the Company acknowledged the complications described by Staff and stated that the Company has already taken several steps to improve the audit process.[56] Accordingly, we approve the steps APCo has committed to take to enable Staff to audit the performance of the EE/DR portfolio more thoroughly, and we direct the Company to work with Staff to define what data would be useful to Staff in performing future audits.

[43] *Id.* at 28.

[44] *See* Ex. 10 (Cost Caps Summary).

[45] *See* Ex. 11 (Pratt Direct) at 28-31; Tr. 91-95.

[46] *See* Ex. 3 (Bacon Direct) at Schedule 2, page 2.

[47] Ex. 11 (Pratt Direct) at 12.

[48] *Id.* at 22-23.

[49] *See* Ex. 16 (Bacon Rebuttal) at 3; Ex. 17 (APCo Response to Staff Interrogatory No. 13-056).

[50] *See* Ex. 10 (Cost Caps Summary).

[51] *See* Ex. 8 (Loiter Direct) at 35; Ex. 11 (Pratt Direct) at 31; Tr. 23, 33.

[52] *See* Ex. 10 (Cost Caps Summary).

[53] *See* Ex. 5 (Nichols Direct) at Schedule 2, pages 6, 10-11, 16.

[54] Ex. 9 (Mangalam Direct) at 11-14.

[55] *Id.* at 14.

[56] Ex. 16 (Bacon Rebuttal) at 9.

In addition, the Company shall continue to provide, with subsequent DSM filings, the following: (1) a description of the controls and procedures in place around rebate, incentive, and/or vendor payments for each of its approved DSM programs; (2) a discussion of any changes in these controls and procedures since the previous filing; and (3) a statement or other support for how the Company is ensuring these controls remain appropriate and are functioning correctly. The Company also shall provide, with subsequent DSM filings, information outlining the fixed versus variable costs associated with each implementation vendor contract.

Staff also recommended that APCo should continue to include, in future DSM filings, a chart showing each approved DSM program, the target population (Residential or Non-residential), the start and end dates, the cost cap approved, the costs spent to date, and a participation summary (number of customers or number of measures).[57] Consistent with the 2015 EE-RAC Order,[58] we direct the Company to continue to submit, with future DSM filings, an exhibit similar to Exhibit 5 in Case No. PUE-2013-00072, which includes such information.

Revenue Requirement

Based on the findings herein, we approve an EE-RAC revenue requirement of $5.72 million for the rate year commencing July 1, 2018.

Accordingly, IT IS ORDERED THAT:

(1) The Company's Petition hereby is granted in part and denied in part as set forth herein.

(2) The Company forthwith shall file revised tariffs, designed to recover a Rate Year revenue requirement of $5.72 million, and terms and conditions of service and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as necessary to comply with the directives set forth in this Final Order.

(3) The EE-RAC as approved herein shall become effective for usage on and after July 1, 2018.

(4) The Company shall file its application to continue Rider EE-RAC no later than September 30, 2018.

(5) Consistent with the Commission's directive in Case No. PUE-2014-00039, the Company is directed to submit, with every DSM filing going forward, an exhibit similar to Exhibit 5 in Case No. PUE-2013-00072. The Company shall work with Staff in preparing this pre-filed exhibit, which shall, at a minimum, contain the same categories of information included in Exhibit 5 for all DSM programs proposed by the Company as of the date of each subsequent DSM filing.

(6) The Company shall file its annual EM&V report on or before May 1, 2019.

(7) This matter is continued.

[57] Ex. 9 (Mangalam Direct) at 17.

[58] 2015 EE-RAC Order, 2015 S.C.C. Ann. Rept. at 221.

CASE NO. PUR-2017-00127
JULY 3, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For revision of rate adjustment clause: Rider US-2, Scott, Whitehouse, and Woodland Solar Power Stations, for the Rate Year Commencing September 1, 2018

FINAL ORDER

On October 3, 2017, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company"), pursuant to § 56-585.1 A 6 of the Code of Virginia ("Code"), filed with the State Corporation Commission ("Commission") an annual update to the Company's rate adjustment clause, Rider US-2 ("Application"). Through its Application, the Company seeks to recover costs associated with three solar generation facilities: (i) the Scott Solar Facility, a 17-megawatt ("MW") (nominal alternating current ("AC")) facility located in Powhatan County; (ii) Whitehouse Solar Facility, a 20-MW AC facility located in Louisa County; and (iii) Woodland Solar Facility, a 19-MW AC facility located in Isle of Wight County.[1]

In its Application, Dominion requested Commission approval of a revised Rider US-2 for the rate year beginning September 1, 2018, and ending August 31, 2019 ("2018 Rate Year").[2] For service rendered during the 2018 Rate Year, the Company's Application requested a total revenue requirement of $14,653,000 calculated using a rate of return on common equity ("ROE") of 10.5%.[3]

[1] *Application of Virginia Electric and Power Company, For approval and certification for the proposed 2016 Solar Projects pursuant to §§ 56-580 D and 56-46.1 of the Code of Virginia, and for approval of a rate adjustment clause, designated Rider US-2, under § 56-585.1 A 6 of the Code of Virginia*, Case No. PUE-2015-00104, 2016 S.C.C. Ann. Rept. 295, Final Order (June 30, 2016).

[2] Ex. 2 (Application) at 4.

[3] *Id.* at 7-8.

On November 1, 2017, the Commission issued an Order for Notice and Hearing in this case that, among other things, docketed the Application; scheduled a public hearing on the Application; required Dominion to publish notice of its Application; gave interested persons the opportunity to comment on, or participate in, the proceeding; and appointed a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

Notices of participation were filed by the Board of Supervisors of Culpeper County, Virginia and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel").

On November 29, 2017, the Commission issued a Final Order in Case No. PUR-2017-00038.[4] In its Final Order in that proceeding, the Commission determined that, pursuant to Code § 56-585.1:1, a fair ROE of 9.2% should be applied to Dominion's Code §§ 56-585.1 A 5 and A 6 rate adjustment clauses for the next two years.

On January 30, 2018, Commission Staff ("Staff") filed its testimony and exhibits on the Application.[5] On February 13, 2018, the Company filed its rebuttal testimony.

A hearing was conducted by the Hearing Examiner as scheduled on February 27, 2018. No public witnesses appeared to testify at the hearing.[6] Counsel for the Company, Staff, and Consumer Counsel attended the hearing. At the hearing, both Staff and the Company supported a total revenue requirement of approximately $12,916,000, which incorporated the 9.2% ROE approved by the Commission in Case No. PUR-2017-00038.[7]

On April 2, 2018, the Report of Howard P. Anderson, Jr., Hearing Examiner ("Report"), was issued. In his Report, the Hearing Examiner found that a 2018 Rate Year revenue requirement of $12,916,000 is supported by the record in this proceeding and should be approved.[8] On April 9, 2018, Dominion filed comments indicating that the Company supports the findings and recommendations contained in the Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that for the 2018 Rate Year, the Rider US-2 revenue requirement is $12,916,000.[9]

Accordingly, IT IS ORDERED THAT:

(1) Rider US-2, as approved herein, shall become effective for service rendered on and after September 1, 2018.

(2) The Company forthwith shall file a revised Rider US-2 and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: http://www.scc.virginia.gov/case.

(3) On or before October 3, 2018, the Company shall file an application to revise Rider US-2 effective September 1, 2019.

(4) This case is dismissed.

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[4] *Application of Virginia Electric and Power Company, For the determination of the fair rate of return on common equity to be applied to its rate adjustment clauses*, Case No. PUR-2017-00038, Doc. Con. Cen. No. 171130298, Final Order (Nov. 29, 2017).

[5] On February 7, 2018, Staff filed an errata making certain corrections to Staff's testimony.

[6] Tr. 4.

[7] *See* Tr. 6, 8.

[8] Report at 12.

[9] *See id.* Our approval herein reflects the ROE for Rider US-2 that the Commission previously determined to be supported by the record and the Code in Case No. PUR-2017-00038.

CASE NO. PUR-2017-00128
JULY 3, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For revision of rate adjustment clause: Rider BW, Brunswick County Power Station

FINAL ORDER

On October 3, 2017, Virginia Electric and Power Company ("Dominion Energy Virginia" or "Company"), pursuant to § 56-585.1 A 6 of the Code of Virginia ("Code"), filed with the State Corporation Commission ("Commission") an annual update with respect to the Company's rate adjustment clause, Rider BW ("Application"). Through its Application, the Company seeks to recover costs associated with the Brunswick County Power Station, a 1,358 megawatt nominal natural gas-fired combined-cycle electric generating plant and associated transmission facilities located in Brunswick County, Virginia.[1]

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[1] Ex. 2 (Application) at 1.

In this proceeding, Dominion Energy Virginia has asked the Commission to approve Rider BW for the rate year beginning September 1, 2018, and ending August 31, 2019 ("2018 Rate Year").[2] The two key components of the proposed total revenue requirement for the 2018 Rate Year are the Projected Cost Recovery Factor and the Actual Cost True-Up Factor.[3] The Company is requesting a Projected Cost Recovery Factor revenue requirement of $127,566,000, and an Actual Cost True-Up Factor revenue requirement of $4,825,000.[4] Thus, the Company is requesting a total revenue requirement of $132,391,000 for service rendered during the 2018 Rate Year.[5]

Dominion Energy Virginia used an enhanced rate of return on common equity ("ROE") of 11.5% for purposes of calculating the Projected Cost Recovery Factor in this case.[6] This ROE comprises a general ROE of 10.5%,[7] plus a 100 basis point enhanced return applicable to a combined-cycle generating station as described in § 56-585.1 A 6 of the Code.[8] For purposes of calculating the Actual Cost True-Up Factor, the Company used an enhanced ROE of 11% for the months of January 2016 through August 2016; and an enhanced ROE of 10.6% for the months of September 2016 through December 2016, which comprises the general ROE of 10%[9] and 9.6%[10] respectively, plus the 100 basis point enhanced return.[11]

On November 1, 2016, the Commission issued an Order for Notice and Hearing in this case that, among other things, docketed the Application, required Dominion Energy Virginia to publish notice of its Application; gave interested persons the opportunity to comment on, or participate in, the proceeding; scheduled a public hearing for the purpose of receiving testimony and evidence on the Application; directed the Commission Staff ("Staff") to investigate the Application and file testimony and exhibits containing its findings and recommendations; and assigned a Hearing Examiner to conduct all further proceedings in this matter.

Notices of participation were filed by the Virginia Committee for Fair Utility Rates and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel").

On March 1, 2018, the Staff filed testimony. In its prefiled testimony, Staff recommended a 2017 Rate Year revenue requirement of approximately $116,000,000, which is approximately $16,390,000 less than the Company's proposed Rider BW revenue requirement.[12] Staff recommended an Actual Cost True-Up Factor revenue requirement of $4,830,000.[13] Staff recommended a Projected Cost Recovery Factor revenue requirement of $111,170,000.[14] The differences between the Company's and Staff's revenue requirements are the result of Staff's use of a lower ROE for the purpose of calculating the Projected Cost Recovery Factor, as well as the inclusion of some effects of the Federal Tax Cuts and Jobs Act of 2017 ("Act").[15]

The Hearing Examiner convened a hearing as scheduled on March 29, 2018. No public witnesses appeared to testify at the hearing. Counsel for the Company, Staff, and Consumer Counsel attended this hearing.

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[2] *Id*. at 4, 14.

[3] *Id*. at 8.

[4] *Id*.; Ex. 5 (Propst Direct) at 5-8, 10, Schedule 1.

[5] Ex. 2 (Application) at 8-9; Ex. 5 (Propst Direct) at 10, Schedule 1.

[6] Ex. 2 (Application) at 7.

[7] The Company indicates the general ROE of 10.5% is supported by the direct and rebuttal testimony of Company Witness Robert B. Hevert in Case No. PUR-2017-00038. *Id*. at 7; *Application of Virginia Electric and Power Company, For the determination of the fair rate of return on common equity to be applied to its rate adjustment clauses*, Case No. PUR-2017-00038, Doc. Con. Cen. No. 170340088, Pre-filed Direct Testimony of Robert B. Hevert (filed Mar. 31, 2017); *Application of Virginia Electric and Power Company, For the determination of the fair rate of return on common equity to be applied to its rate adjustment clauses*, Case No. PUR-2017-00038, Doc. Con. Cen. No. 170830204, Pre-filed Rebuttal Testimony of Robert B. Hevert (filed Aug. 23, 2017).

[8] Ex. 2 (Application) at 7.

[9] The 10% ROE was approved by the Commission in its Final Order in Case No. PUE-2013-00020. *Id.*, *Application of Virginia Electric and Power Company, For a 2013 biennial review of the rates, terms and conditions for the provision of generation, distribution and transmission services pursuant to § 56-585.1 A of the Code of Virginia*, Case No. PUE-2013-00020, 2013 S.C.C. Ann. Rept. 371, Final Order (Nov. 26, 2013).

[10] The 9.6% ROE was approved by the Commission in its Final Order in Case No. PUE-2015-00102. *Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider BW, Brunswick County Power Station for the rate year commencing September 1, 2016*, 2016 S.C.C.Ann. Rept. 292, Final Order (June 30, 2016).

[11] Ex. 2 (Application) at 7.

[12] Ex. 11 (Mangalam Direct) at 7.

[13] *Id*.

[14] *Id*.

[15] *Id.* at 7-10. Staff used a 10.20% ROE comprised of the 9.2% ROE authorized in *Application of Virginia Electric and Power Company, For the determination of the fair rate of return on common equity to be applied to its rate adjustment clauses*, Case No. PUR-2017-00038, Doc. Con. Cen. No. 171130298, Final Order (Nov. 29, 2017), plus the 100 basis point adder prescribed by § 56-585.1 A 6 of the Code. Staff's Revenue Requirement recognizes the 21% income tax rate and removed the Domestic Production Activities Deduction in accordance with the Act.

On April 16, 2018, the Hearing Examiner issued the Report of Deborah V. Ellenberg, Chief Hearing Examiner ("Hearing Examiner's Report" or "Report"). The Report incorporated the Commission's findings in Case No. PUR-2017-00038 regarding ROE, and presented findings and recommendations on the non-ROE issues in this proceeding. In her Report, the Hearing Examiner found:

(1) The Company's revenue requirement in this proceeding is $116,001,000 comprised of a Projected Cost Recovery Factor of $111,172,000 and an Actual Cost True-Up Factor of $4,829,000;

(2) The proposed rate design and methodology for allocating the Rider BW revenue requirement among the rate classes is reasonable and the new charges should be adjusted proportionately.[16]

On April 23, 2018, Dominion Energy Virginia filed comments on the Hearing Examiner's Report agreeing with the findings in the Report and requesting the Commission to issue a final order approving an updated Rider BW for implementation beginning September 1, 2018. No other participants filed comments on the Report.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds as follows:

For the 2018 Rate Year, the Rider BW Projected Cost Recovery Factor revenue requirement is $111,172,000, the Actual Cost True-Up Factor revenue requirement is $4,829,000, and the total revenue requirement is $116,001,000. Our approval herein reflects the 9.2% ROE for Rider BW Projected Cost Recovery Factor that the Commission previously determined in Case No. PUR-2017-00038 plus the 100 basis point adder prescribed by the Code.[17]

Accordingly, IT IS ORDERED THAT:

(1) Rider BW, as approved herein, shall become effective for service rendered on and after September 1, 2018.

(2) The Company forthwith shall file a revised Rider BW and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: http://www.scc.virginia.gov/case.

(3) On or before November 30, 2018, the Company shall file an application to revise Rider BW effective September 1, 2019.

(4) This case hereby is dismissed.

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[16] Report at 11.

[17] *See Application of Virginia Electric and Power Company, For the determination of the fair rate of return on common equity to be applied to its rate adjustment clauses*, Case No. PUR-2017-00038, Doc. Con. Cen. No. 171130298, Final Order (Nov. 29, 2017).

CASE NO. PUR-2017-00129
MAY 10, 2018

PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval to extend an existing demand-side management program and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia

FINAL ORDER

On October 3, 2017, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company"), pursuant to § 56-585.1 A 5 of the Code of Virginia ("Code"), the Rules Governing Utility Rate Applications and Annual Informational Filings[1] of the State Corporation Commission ("Commission"), the Commission's Rules Governing Utility Promotional Allowances,[2] the Commission's Rules Governing Cost/Benefit Measures Required for Demand-Side Management Programs,[3] and the directive contained in Ordering Paragraph (4) of the Commission's June 1, 2017 Final Order in Case No. PUE-2016-00111,[4] filed with the Commission its petition for approval to extend an existing demand-side management ("DSM") program and for approval of two updated rate adjustment clauses ("Petition").[5]

In its Petition, the Company requested approval to extend its Phase IV Residential Income and Age Qualifying Home Improvement Program ("IAQHI") for an additional five years (through May 31, 2023) subject to future extensions as requested by the Company and granted by the Commission.[6] In Case No. PUE-2014-00071, the Commission approved the IAQHI Program with a cost cap of $15.2 million.[7] According to the Petition, the Company has spent the majority of this cost cap and, therefore, the Company requested a new five-year cost cap of $24,812,590 for the IAQHI Program.[8]

Further, the Company requested approval of an annual update to continue two rate adjustment clauses, Riders C1A and C2A, for the July 1, 2018 through June 30, 2019 rate year ("2018 Rate Year") for recovery of: (i) 2018 Rate Year costs associated with programs previously approved by the Commission in Case No. PUE-2011-00093 ("Phase II programs"),[9] Case No. PUE-2013-00072 ("Phase III programs"),[10] Case No. PUE-2014-00071 ("Phase IV programs"), Case No. PUE-2015-00089 ("Phase V program"),[11] and Case No. PUE-2016-00111 ("Phase VI program");[12] (ii) calendar year 2016 true-up of costs associated with the Company's approved Phase II, Phase III, Phase IV, and Phase V programs;[13] and (iii) 2018 Rate Year costs and calendar year 2016 true-up of costs associated with the Company's Electric Vehicle Pilot Program,[14] which was approved by the Commission in Case No. PUE-2011-00014.[15]

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[1] 20 VAC 5-201-10 *et seq.*

[2] 20 VAC 5-303-10 *et seq.*

[3] 20 VAC 5-304-10 *et seq.*

[4] *Petition of Virginia Electric and Power Company, For approval to implement new, and to extend existing, demand-side management programs, and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUE-2016-00111, Doc. Con. Cen. No. 170610052, Final Order (June 1, 2017).

[5] Supporting testimony and other documents also were filed with the Petition.

[6] Exhibit ("Ex.") 2 (Petition) at 6.

[7] *Id. See Petition of Virginia Electric and Power Company, For approval to implement new demand-side management programs and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUE-2014-00071, 2015 S.C.C. Ann. Rept. 230, Final Order (Apr. 24, 2015) ("2015 DSM Order").

[8] Ex. 2 (Petition) at 6.

[9] *Application of Virginia Electric and Power Company, For approval to implement new demand-side management programs and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia,* Case No. PUE-2011-00093, 2012 S.C.C. Ann. Rept. 298, Order (Apr. 30, 2012) ("2012 DSM Order").

[10] *Petition of Virginia Electric and Power Company, For approval to implement new demand-side management programs and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUE-2013-00072, 2014 S.C.C. Ann. Rept. 289, Final Order (Apr. 29, 2014).

[11] *Petition of Virginia Electric and Power Company, For approval to implement new demand-side management programs, for approval to continue a demand-side management program, and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUE-2015-00089, 2016 S.C.C. Ann. Rept. 275, Final Order (Apr. 19, 2016) ("2016 DSM Order").

[12] Ex. 2 (Petition) at 2.

[13] *Id*. at 9.

[14] *Id.* at 2, 7.

[15] *Application of Virginia Electric and Power Company, For approval to establish an electric vehicle pilot program pursuant to § 56-234 of the Code of Virginia*, Case No. PUE-2011-00014, 2011 S.C.C. Ann. Rept. 436, Order Granting Approval (July 11, 2011).

The cost components of the proposed Riders C1A and C2A are the projected revenue requirement, which includes operating expenses that are projected to be incurred during the 2018 Rate Year, and a monthly true-up adjustment, which compares actual costs for the 2016 calendar year to the actual revenues collected during the same period.[16] In the Petition, the Company proposed a total revenue requirement for Riders C1A and C2A of $31,066,341.[17]

For purposes of calculating the 2018 Rate Year projected revenue requirement, the Company utilized a general rate of return on common equity ("ROE") of 10.5%.[18] For the 2016 calendar year monthly true-up adjustment, the Company utilized a general ROE of 10.0% for the period of January 1, 2016, through April 30, 2016,[19] which was approved by the Commission in Case No. PUE-2013-00020.[20] For the period May 1, 2016, through December 31, 2016, the Company utilized a general ROE of 9.6%,[21] which was approved by the Commission in Case No. PUE-2015-00089.[22]

On October 25, 2017, the Commission issued an Order for Notice and Hearing, which, among other things, docketed the Petition; required Dominion to publish notice of its Petition; gave interested persons the opportunity to comment on, or participate in, the proceeding; and scheduled a public hearing on the Company's Petition. The following parties filed notices of participation in this proceeding: the Virginia Energy Efficiency Council ("VAEEC"); Appalachian Voices ("Environmental Respondents"); the Board of Supervisors of Culpeper County, Virginia; and the Office of Attorney General's Division of Consumer Counsel ("Consumer Counsel").

On November 29, 2017, the Commission issued a Final Order in Case No. PUR-2017-00038.[23] In its Final Order in that proceeding, the Commission determined that, pursuant to Code § 56-585.1:1, a fair ROE of 9.2% should be applied to Dominion's Code §§ 56-585.1 A 5 and A 6 rate adjustment clauses for the next two years.

The VAEEC, Environmental Respondents, and the Commission Staff ("Staff") filed the testimony and exhibits of their witnesses. Subsequently, the Company filed its rebuttal testimony. The Commission convened a public and evidentiary hearing on March 14, 2018. Dominion, Staff, Consumer Counsel, VAEEC, and the Environmental Respondents participated in the hearing. The participants agreed that all witness testimony should be admitted into the record and waived cross-examination on the testimony. The Commission also received testimony from seven public witnesses. In place of opening statements and live testimony of the witnesses, the Commission heard closing arguments from counsel for the Company, Staff, and respondents.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

Code of Virginia

Dominion seeks approval to continue the two rate adjustment clauses, Riders C1A and C2A, pursuant to § 56-585.1 A 5 of the Code, which allows a utility to petition the Commission for approval of a rate adjustment clause for the timely and current recovery from customers of the following costs:

> b. Projected and actual costs for the utility to design and operate fair and effective peak-shaving programs. The Commission shall approve such a petition if it finds that the program is in the public interest; provided that the Commission shall allow the recovery of such costs as it finds are reasonable;
>
> c. Projected and actual costs for the utility to design, implement, and operate energy efficiency programs, including a margin to be recovered on operating expenses, which margin for the purposes of this section shall be equal to the general rate of return on common equity determined as described in subdivision 2. The Commission shall only approve such a petition if it finds that the program is in the public interest. As part of such cost recovery, the Commission, if requested by the utility, shall allow for the recovery of revenue reductions related to energy efficiency programs. The Commission shall only allow such recovery to the extent that the Commission determines such revenue has not been recovered through margins from incremental off-system sales as defined in § 56-249.6 that are directly attributable to energy efficiency programs.

Section 56-576 of the Code defines "in the public interest" as follows:

> "In the public interest," for purposes of assessing energy efficiency programs, describes an energy efficiency program if, among other factors, the net present value of the benefits exceeds the net present value of the costs as determined by the Commission upon consideration of the following four tests: (i) the Total Resource Cost Test; (ii) the Utility Cost Test (also

[16] Ex. 2 (Petition) at 9.

[17] *Id.* at 10.

[18] *Id.* at 7.

[19] *Id.* at 7-8.

[20] *Application of Virginia Electric and Power Company, For a 2013 biennial review of the rates, terms and conditions for the provision of generation, distribution and transmission services pursuant to § 56-585.1 A of the Code of Virginia*, Case No. PUE-2013-00020, 2013 S.C.C. Ann. Rept. 371, Final Order (Nov. 26, 2013).

[21] Ex. 2 (Petition) at 8.

[22] 2016 DSM Order, 2016 S.C.C. Ann. Rept. at 279.

[23] *Application of Virginia Electric and Power Company, For the determination of the fair rate of return on common equity to be applied to its rate adjustment clauses*, Case No. PUR-2017-00038, Doc. Con. Cen. No. 171130298, Final Order (Nov. 29, 2017).

> referred to as the Program Administrator Test); (iii) the Participant Test; and (iv) the Ratepayer Impact Measure Test. Such determination shall include an analysis of all four tests, and a program or portfolio of programs shall not be rejected based solely on the results of a single test. In addition, an energy efficiency program may be deemed to be "in the public interest" if the program provides measurable and verifiable energy savings to low-income customers or elderly customers.

Residential Income and Age Qualifying Home Improvement Program

Consistent with our decisions in Dominion's previous DSM proceedings, we evaluated the Company's Petition to determine whether the proposed extension of the Residential IAQHI Program is "in the public interest" under § 56-585.1 A 5 of the Code by considering the four tests discussed in § 56-576 of the Code (Total Resource Cost Test, Utility Cost Test, Participant Test, and Ratepayer Impact Measure Test), as well as other relevant factors. As we have stated in previous orders regarding the Company's DSM programs, we are sensitive to the impact of the proposed DSM programs on customers' bills, particularly the bills of customers not participating in the programs.[24]

Consistent with our finding in Case No. PUE-2014-00071,[25] we find that it is neither necessary, nor in the public interest, to approve an extension of the IAQHI Program for five years. We note the continued low overall cost/benefit test results for this program.[26] Further, in light of Staff's concerns regarding the estimated energy savings attributable to the lighting measures in this program,[27] we find that the estimated energy savings for the lighting measures should be adjusted as recommended by Staff to account for the new federal lighting efficiency standards that will go into effect in 2020 pursuant to EISA. Since, however, the proposed IAQHI Program meets the statutory requirements of § 56-576 of the Code of providing measurable and verifiable energy savings to low-income or elderly customers, we approve a three-year extension of the IAQHI Program with a total cost cap of $12,662,321.[28] Furthermore, the measures approved for this program are limited to those described in the Company's Petition and testimony,[29] and the Company must obtain approval from the Commission prior to adding any measures not described therein.

We further note that the Company has an ongoing obligation to show the energy savings attributable to every DSM/energy efficiency program, including how specific measures within each program provide adequate measurable and verifiable energy savings in comparison to the costs incurred. The recently adopted EM&V Rules[30] are applicable in determining such energy savings.

We adopt Staff's recommendation that the Company conduct biennial internal audits of the controls surrounding incentive and rebate payments with regard to each of the Company's DSM programs.[31] The Company shall provide to Staff the audit report with supporting documentation, including a detailed description of how the audit findings have been addressed.

In addition, the Company shall continue to provide, with subsequent DSM filings, the following: (1) a description of the controls and procedures in place around rebate, incentive, and/or vendor payments for each of its approved DSM programs; (2) a discussion of any changes in these controls and procedures since the previous filing; and (3) a statement or other support for how the Company is ensuring these controls remain appropriate and are functioning correctly.

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[24] Certain large commercial and industrial customers are exempted from paying for these programs under § 56-585.1 A 5 of the Code. Accordingly, the costs fall most heavily on residential and small business customers who make up the majority of the Company's customers.

[25] 2015 DSM Order, 2015 S.C.C. Ann. Rept. at 232-33.

[26] *See* Ex. 5 (Kesler Direct) at Corrected Schedule 3.

[27] *See* Ex. 23 (Dalton Direct) at 14-15, 26. Specifically, Staff believes the Company's savings estimates for the lighting measures may be overstated because they do not incorporate the new lighting efficiency baseline standards that are scheduled to take effect in 2020, pursuant to the Energy Independence and Security Act of 2007 ("EISA"). *See* Pub.L. 110-140, December 19, 2007. Pursuant to EISA, the sale of any general service lamp that does not meet a minimum efficiency standard of 45 lumens per watt will be prohibited after January 1, 2020. *See* 42 U.S.C.A. § 6295(i)(6). This means that, from 2020 forward, compact fluorescent bulbs, rather than incandescent bulbs, will be the minimum efficacy standard and, accordingly, the baseline wattages against which LED savings are measured in energy efficiency programs. *See* Ex. 23 (Dalton Direct) at 14-15, Attachment No. DJD-9, page 7 of 11.

[28] The calculation of the approved budget for the IAQHI Program includes a change from the 9.4% ROE originally used by the Company to calculate the total cost of the program to an ROE of 9.2%, which the Commission found to be reasonable in its November 29, 2017 Final Order in Case No. PUR-2017-00038. *See* Ex. 21 (Drumheller Direct) at 7-8. The cost cap approved herein includes all potential costs of the programs – including, but not limited to, operating costs; lost revenues; common costs; return on capital expenditures; margins on operation and maintenance; and evaluation, measurement, and verification ("EM&V") costs. This cap may be exceeded by a maximum of 5% without being in violation of this Order. However, as discussed in our 2012 DSM Order, Dominion must provide support to establish the reasonableness of actual expenditures in subsequent cases involving its DSM Programs. As we stated in our 2012 DSM Order, we do not guarantee recovery by Dominion of the total amount of the approved cost cap. *See* 2012 DSM Order, 2012 S.C.C. Ann. Rept. at 301, n. 20. Finally, the Company has not requested herein – nor have we approved – recovery of any lost revenues for these programs. *See* Ex. 2 (Petition) at 9. Further, the Company represented in its Petition that it would not seek recovery of lost revenues for periods that have been trued-up for Riders C1A and C2A. *Id.*, n. 23.

[29] *See* Ex. 4 (Hubbard Direct) at 10, Schedule 1.

[30] 20 VAC 5-318-10 *et seq.*

[31] Ex. 21 (Drumheller Direct) at 19. The Company agreed to Staff's recommendation in this regard. *See* Ex. 12 (Hubbard Rebuttal) at 14.

The Company also shall continue to provide, with subsequent DSM filings, information outlining the fixed versus variable costs associated with each implementation vendor contract. Finally, the Company shall include a sensitivity analysis, as required by the Commission's Rules Governing Cost/Benefit Measures for DSM Programs, in future petitions for extension or re-approval of existing DSM programs, as well as petitions for newly designed programs.[32]

Riders C1A and C2A

For purposes of calculating the monthly true-up adjustment for calendar year 2016, an ROE of 10.0% shall be utilized for the period of January 1, 2016, through April 30, 2016, and an ROE of 9.6% shall be utilized for the period May 1, 2016, through December 31, 2016. As we held in the November 29, 2017 Order in Case No. PUR-2017-00038, for purposes of calculating the projected cost recovery factor, an ROE of 9.2% shall be utilized and shall be effective July 1, 2018, which is the effective date for Riders C1A and C2A. Further, a December 31, 2016 ratemaking capital structure shall be used to calculate the revenue requirement.[33] Accordingly, we approve a Rate Year revenue requirement of $450,329 for Rider C1A and a revenue requirement of $30,279,872 for Rider C2A, for a total revenue requirement of $30,730,201.[34] Finally, we approve the Company's proposed cost allocation and rate design.[35]

Accordingly, IT IS ORDERED THAT:

(1) The Company's Petition hereby is granted in part and denied in part as set forth herein.

(2) The Company forthwith shall file revised tariffs, designed to recover a Rate Year revenue requirement of $450,329 for Rider C1A and revenue requirement of $30,279,872 for Rider C2A, and terms and conditions of service and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as necessary to comply with the directives set forth in this Final Order.

(3) Riders C1A and C2A as approved herein shall become effective for usage on and after July 1, 2018.

(4) Consistent with § 56-585.1 A 5 of the Code, the Company shall file its application to continue Riders C1A and C2A no later than October 3, 2018.

(5) Consistent with the Commission's directive in Case No. PUE-2013-00072, the Company is directed to submit, with every DSM filing going forward, an exhibit similar to Exhibit 5 in Case No. PUE-2013-00072. The Company shall work with Staff in preparing this pre-filed exhibit, which shall, at a minimum, contain the same categories of information included in Exhibit 5 for all DSM programs proposed by the Company as of the date of each subsequent DSM filing.

(6) As directed in the Commission's Order Granting Motion, dated March 8, 2018,[36] Dominion shall file its annual EM&V reports on or before May 1 every year going forward.

(7) This matter is continued.

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[32] *See* Ex. 23 (Dalton Direct) at 11, 27.

[33] *See* Ex. 7 (Givens Direct) at 9; Ex. 22 (Gereaux Direct) at 2.

[34] We approve a total revenue requirement of $30,730,201 for Riders C1A and C2A for the 2018 Rate Year associated with the extended Phase IV IAQHI Program, the Phase VI Non-residential Prescriptive Program, the Phase V program, the Phase III programs, the Phase II Non-residential Distributed Generation Program, the Electric Vehicle Pilot Program, and the calendar year 2016 true-up of costs.

[35] *See* Ex. 8 (Lyons Direct); Ex. 9 (Stephens Direct) at 3-6; Ex. 23 (Dalton Direct) at 23-24, 27.

[36] *Petition of Virginia Electric and Power Company, For approval to extend an existing demand-side management program and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia*, Case No. PUR-2017-00129, Doc. Con. Cen. No. 180326041, Order Granting Motion (Mar. 8, 2018).

CASE NO. PUR-2017-00129
MAY 23, 2018

PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval to extend an existing demand-side management program and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia

ORDER ON PETITION FOR LIMITED RECONSIDERATION

On October 3, 2017, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company") filed a Petition with the State Corporation Commission ("Commission") for approval to extend an existing demand-side management ("DSM") program and for approval of two updated rate adjustment clauses. On May 10, 2018, the Commission issued a Final Order in this case, finding that the Petition is granted in part and denied in part, as set forth therein.[1]

On May 21, 2018, the Company filed a Petition for Limited Reconsideration Based on Impact of Senate Bill 966 ("Petition for Limited Reconsideration"). Senate Bill 966 was passed during the 2018 General Assembly and signed into law on March 9, 2018, as the Grid Transformation and Security Act (the "Act"), which has an effective date of July 1, 2018. The Act includes amendments to § 56-585.1 A 5 c of the Code of Virginia, which governs cost recovery for the Company's energy efficiency programs, specifically with regard to large general service customers. Dominion requests that the Commission find that the Act has no impact on the instant proceeding for the rate year commencing July 1, 2018 ("2018 Rate Year"), and that the Company's large general service customers in the GS3 and GS4 customer classes will continue to pay and participate in energy efficiency programs through the 2018 Rate Year.[2]

NOW THE COMMISSION, upon consideration of the Petition and the record, finds and clarifies that the Act has no impact on the instant Dominion DSM proceeding, as supported by our Final Order in Case No. PUR-2017-00126.[3]

Accordingly, IT IS SO ORDERED.

[1] *Petition of Virginia Electric and Power Company, For approval to extend an existing demand-side management program and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia,* Case No. PUR-2017-00129, Doc. Con. Cen. No. 180530060, Final Order (May 10, 2018).

[2] *See* Petition for Limited Reconsideration at 2-4.

[3] *Petition of Appalachian Power Company, For approval of a rate adjustment clause, the EE-RAC, pursuant to § 56-585.1 A 5 c of the Code of Virginia and for approval of new energy efficiency programs,* Case No. PUR-2017-00126, Doc. Con. Cen. No. 180540050, Final Order at 5, n. 14 (May 16, 2018).

CASE NO. PUR-2017-00137
MARCH 26, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval to establish experimental companion tariff, designated Schedule RF, pursuant to § 56-234 B of the Code of Virginia

ORDER APPROVING TARIFF

On October 23, 2017, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") for approval to establish an experimental and voluntary companion tariff, designated Schedule RF, Environmental Attributes Purchase From Renewable Energy Facilities (Experimental) ("Schedule RF") pursuant to § 56-234 B of the Code of Virginia ("Code") and Rule 80 of the Commission's Rules of Practice and Procedure.[1] According to the Application, Schedule RF will be a voluntary companion tariff to an approved embedded cost-based tariff, currently including Rate Schedules GS-1, GS-2, GS-2T, GS-3, GS-4, and Rate Schedule 10, under which participating customers will be serviced concurrently.[2]

Dominion states that Schedule RF will be available to eligible existing or new commercial and industrial customers who (i) wish to bring incremental load to the Company's system that will support the development of new renewable energy generation facilities;[3] and (ii) commit to support the development of such facilities by enhancing their cost-effectiveness for all customers in exchange for the environmental attributes, including, without limitation, renewable energy certificates associated with these new facilities in an amount that corresponds to up to 100 percent of the energy they produce.[4]

[1] Ex. 2 (Application) at 1; 5 VAC 5-20-10 *et seq*.

[2] Ex. 2 (Application) at 3, 7.

[3] The Company states that any customer wishing to apply for service under Schedule RF must be adding new load of at least 30,000,000 kilowatt hours annually at one account or in total across multiple accounts in the Company's Virginia service territory. *Id.* at 8.

[4] *Id.* at 3.

The Company states that new renewable generation facilities constructed in connection with this experimental offering will serve as system resources.[5] The Company further states that neither the approvals for construction of any such facilities, nor the recovery of costs associated with any such facilities, are being sought in connection with this proceeding.[6] According to the Application, the Company intends the revenue stream associated with Schedule RF to be credited back to all Company customers through one or more future cost recovery mechanisms, as determined by the Commission in future cost recovery proceedings.[7]

As proposed, Dominion would open enrollment in Schedule RF for a period of five years from the initial effective date of Schedule RF.[8] The Application states that each Schedule RF customer will execute a Renewable Facilities Agreement ("RFA") setting forth the general terms and conditions of each customer's commitment to enhance the cost-effectiveness of one or more renewable facilities to be constructed and operated by the Company as a system resource.[9] The RFA will require that the customer and the Company execute a Confirmation providing for the pricing and certain other terms and conditions of the customer's commitment in exchange for the transfer of environmental attributes associated with a specific renewable generation facility's output for a specified term.[10] The Company states that each participating customer's Schedule RF charge will be based on a price that is to be separately negotiated and memorialized in the Confirmation.[11] The customer and the Company also will execute an Agreement for Electric Service, which will memorialize the customer's election of Schedule RF for its applicable accounts for a term continuing through and until the latest termination date of any applicable Confirmation.[12]

The Application states that participating customers will enroll in Schedule RF by a date specified in the RFA, but no charges will be incurred under Schedule RF unless and until all necessary approvals have been obtained and the renewable facility identified in the Confirmation is constructed, becomes operational, and begins to generate renewable energy.[13] Dominion states that in the event the Commission does not grant necessary approvals of the construction, operation or cost recovery for any new renewable generation facility, any applicable Confirmation – and the customer's corresponding enrollment in Schedule RF – will terminate.[14]

According to the Application, Schedule RF is necessary to provide information about demand for the development of new renewable generation facilities and support for their development through environmental attribute purchases by existing and new commercial and industrial class customers of the Company, with associated economic and environmental benefits, which is in furtherance of the public interest pursuant to Code § 56-234 B.[15] Dominion commits, through its Application, to track key metrics, make annual updates to the Commission, and submit a final comprehensive report within 90 days of the conclusion of the five-year enrollment period.[16]

Finally, the Application notes that one new customer, Scout Development LLC ("Facebook"), a subsidiary of Facebook, Inc., has provisionally committed to subscribe to Schedule RF, subject to the provisions of an agreement between Facebook and the Company.[17]

On November 13, 2017, the Commission issued an Order for Notice and Hearing that, among other things: docketed the Application; required Dominion to publish notice of its Application; gave interested persons the opportunity to comment on or participate in the proceeding; and scheduled a public hearing. The Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel") and the Board of Supervisors of Culpeper County, Virginia ("Culpeper County"), filed notices of participation in this proceeding. On January 30, 2018, the Staff of the Commission ("Staff") filed the testimony of its witnesses in this proceeding. On February 13, 2018, the Company filed its rebuttal testimony in this proceeding.

The Commission convened a public hearing on March 6, 2018, to receive public witness testimony and evidence on the Company's Application from Staff, respondents, and the Company.[18] The Commission received testimony from witnesses on behalf of the participants and admitted evidence on the Application. At the conclusion of the hearing, the Commission heard the closing arguments of the participants.

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[5] *Id.* at 4.

[6] *Id.* The Company further states that any such approvals would be sought in connection with future certificate of public convenience and necessity proceedings under Code §§ 56-46.1 and 56-580 D and any proceedings for approval of cost recovery, including rate adjustment clauses pursuant to Code § 56-585.1 A 6, as applicable. The Company notes that it recognizes that, in any future proceeding, it will bear the burden to demonstrate that all statutory requirements attendant to such approvals have been met. *Id.* at 5.

[7] *Id.* at 5.

[8] *Id.* at 10.

[9] *Id.* at 8.

[10] *Id.*

[11] *Id.* at 9-10. According to the Application, Dominion must also be the exclusive provider of electric service, for a term continuing through and until the latest termination date of the Confirmation. *Id.* at 8.

[12] *Id.* at 8-9.

[13] *Id.* at 10.

[14] *Id.*

[15] *Id.* at 11.

[16] *Id*.

[17] *Id.* at 4.

[18] No public witness appeared at the hearing. Tr. 8. Culpeper County did not participate at the hearing. Tr. 7.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that proposed Schedule RF is approved on the date of this Order and shall continue for a period of five years, subject to certain requirements described below.

The Company seeks approval of Schedule RF under Code § 56-234 B, which states, in part:

> It shall be the duty of every public utility to charge uniformly therefor all persons, corporations or municipal corporations using such service under like conditions. However, no provision of law shall be deemed to preclude voluntary rate or rate design tests or experiments, or other experiments involving the use of special rates, where such experiments have been approved by order of the Commission after notice and hearing and a finding that such experiments are necessary in order to acquire information which is or may be in furtherance of the public interest.

The Company proposes Schedule RF as an "experimental, optional and newly designed tariff structured as a companion tariff" "to facilitate the development of renewable energy offerings that will help to attract industry-leading, innovative commercial and industrial customers with sustainability goals or renewable energy mandates, growing jobs and diversifying the economy of the Commonwealth."[19] Among other things, Schedule RF is intended to permit participating customers to support the development of new renewable generation facilities by enhancing their cost effectiveness for all customers in exchange for the environmental attributes associated with the new facilities in an amount up to 100% of the energy they produce.[20] In addition to the Schedule RF charge, customers participating in Schedule RF will continue to pay the same tariffed rate for retail electric service as any other customer of the Company.[21] While the details of Schedule RF represent a case of first impression for this specific type of rate schedule, the Commission has previously considered and approved seven other renewable offerings by the Company.[22] Based on the record developed in this case, we find that proposed Schedule RF is an experiment "necessary in order to acquire information which is or may be in furtherance of the public interest" under Code § 56-234 B and should be approved.

As acknowledged by the Company, however, our approval herein does not represent a presumption or preapproval of any subsequent proposals related to Schedule RF.[23] It does not, for example, imply approval of any negotiated price of environmental attributes, any certificate of public convenience and necessity, or any associated rate adjustment clause. Commission approval of specific proposals related to Schedule RF will be addressed in separate proceedings and will be determined based on the specific facts and applicable law attendant thereto. We agree with Consumer Counsel that Schedule RF should be implemented in a manner that holds non-participating customers harmless.[24] As Consumer Counsel recognized, however, that determination is not before the Commission in this proceeding and will be dependent on the specific proposals related to Schedule RF that will be addressed in separate proceedings.[25]

The Commission further finds that the proposed reporting requirements of the Company and Staff are reasonable and should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) Schedule RF is approved on the date of this Order, as set forth herein, and shall continue for a period of five (5) years. Any request to continue or modify Schedule RF shall be filed on or before September 1, 2022.

(2) On or before May 1, 2018, Dominion shall file Schedule RF, as approved by this Order Approving Tariff, with the Clerk of the Commission and the Commission's Division of Public Utility Regulation and Utility Accounting and Finance. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: http://www.scc.virginia.gov/case.

(3) The Company shall track key metrics associated with Schedule RF and file annual updates with the Commission commencing May 1, 2019, and concluding May 1, 2022. The Company shall also submit a final report within ninety (90) days of the conclusion of the five-year approval period.

(4) The Company shall track and record the Schedule RF revenues using accounting protocols similar to those used to isolate other rate adjustment clause-eligible revenues, costs, and investments.

(5) This case is continued.

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[19] Ex. 2 (Application) at 11.

[20] Ex. 2 (Application) at 3.

[21] *Id.* at 7.

[22] Ex. 8.

[23] Tr. 25 (opening statement); Ex. 2 (Application) at 5; Ex. 9 (Trexler rebuttal) at 3-4.

[24] Tr. 109.

[25] Tr. 110.

CASE NO. PUR-2017-00139
MARCH 15, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
GEORGETOWN NEIGHBORS AGAINST THE PIPELINE PROJECT
v.
VIRGINIA NATURAL GAS, INC.

ORDER DISMISSING PETITION

On October 20, 2017, James A. Hampton ("Mr. Hampton") filed a complaint ("Petition") with the State Corporation Commission ("Commission") regarding Virginia Natural Gas, Inc.'s ("VNG" or "Company"), construction of natural gas facilities that would pass through the Georgetown, Holly Glen, and Sunrise Hills neighborhoods in Chesapeake, Virginia.

On November 13, 2017, the Commission entered an Order Docketing Case, which docketed the case pursuant to 5 VAC 5-20-110 B of the Commission's Rules of Practice and Procedure,[1] required VNG to file with the Commission a response to the Petition, and permitted Mr. Hampton to file a reply to the Company's response. On November 15, 2017, Mr. Hampton filed a Motion for Action/Judgment.

On December 13, 2017, VNG filed a Consolidated Response and Motion to Dismiss. On January 8, 2018, by counsel, the Georgetown Neighbors Against the Pipeline Project ("Petitioners") filed a Reply.[2] On March 9, 2018, Petitioners filed a Supplemental Reply and Request for Expedited Hearing and Ruling.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

Code § 56-265.2 A 1 states in part:

> [I]t shall be unlawful for any public utility to construct, enlarge or acquire, by lease or otherwise, any facilities for use in public utility service, *except ordinary extensions or improvements in the usual course of business*, without first having obtained a certificate from the Commission that the public convenience and necessity require the exercise of such right or privilege. (Emphasis added.)

The Commission finds that Petitioners have not alleged "facts, proof of which would warrant the action sought."[3] Based on the facts alleged by, and considering the pleadings in the light most favorable to, Petitioners, the Commission finds that the natural gas facilities at issue herein represent "ordinary extensions or improvements in the usual course of business" under Code § 56-265.2 A 1.

The Company has a certificate of public convenience and necessity from the Commission to furnish natural gas distribution services in the Cities of Norfolk and Virginia Beach, and in part of the City of Chesapeake.[4] Pursuant to such certificate, VNG has the obligation to provide adequate natural gas distribution services in these areas and, further, to make reasonable capital investments for the construction of facilities that provide such services. Thus, the statutory scheme quoted above permits the Company – without separate Commission approval – to construct or enlarge ordinary extensions or improvements in the usual course of business in order to meet its public utility service obligations.

Consistent with Commission and Virginia Supreme Court precedent, the natural gas facilities at issue herein represent ordinary extensions or improvements in the usual course of business. As discussed by the Supreme Court, a significant factor is whether the facilities are being constructed within the utility's certificated service territory. Specifically, the Court has found that where a utility was enlarging or improving its facilities in order to provide public utility service, and there was "no intrusion by the utility into unauthorized territory," that such facilities were ordinary extensions or improvements in the usual course of business within the meaning of the statute.[5] It is uncontested that the natural gas facilities will be constructed within VNG's certificated service territory.

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[1] 5 VAC 5-20-10 *et seq*. ("Rules").

[2] According to the Petition, the Georgetown Neighbors Against the Pipeline Project is a large group of concerned citizens and neighbors from the Georgetown, Holly Glen, and Sunrise Hills neighborhoods in Chesapeake, Virginia. Petition at 2.

[3] Rule 100 B (iii).

[4] Certificate No. G-18C (Dec. 16, 1986).

[5] *Kricorian v. The Chesapeake and Potomac Telephone Company of Virginia, et al.,* 217 Va. 284, 289 (1976). *See also Application of Commonwealth Gas Pipeline Corporation, For a certificate of public convenience and necessity under the Virginia Facilities Act,* Case No. PUE-1989-00072, Order on Motion for Jurisdictional Determination at 3 (Nov. 22 1989).

The Commission has also considered the location and size of these facilities, including the proximity to existing rights-of-way and neighborhoods. The very nature of a natural gas utility's public service obligation will at times entail such installation. The location and size of these specific facilities do not prevent such from being found as ordinary extensions or improvements in the usual course of business, as the Commission has concluded herein. This is also consistent with Commission precedent. The Commission has previously found natural gas pipeline improvement projects (including the construction and operation of 16- and 24-inch diameter pipes) within residential areas as ordinary extensions or improvements in the usual course of business.[6] The Commission has similarly found that a 13.5-mile, 24-inch high pressure pipeline crossing 37 parcels of private property represents an ordinary extension or improvement in the usual course of business.[7]

The Commission emphasizes that it has fully considered all of the Petitioners' assertions, including those regarding safety concerns and analyses. Safety issues are paramount wherever natural gas facilities exist, and this instance is no exception. While the Commission shares the Petitioners' focus on pipeline safety, we continue to find that such natural gas facilities represent ordinary extensions or improvements in the usual course of a natural gas utility's public service business. These are the type of facilities that, under the Virginia statutory construct, the natural gas utility may install and operate in the usual course of business without prior Commission approval.[8]

The spotlight on safety, however, extends beyond the instant proceeding. The public safety requirements attendant to the construction and operation of these natural gas facilities fall under the safety standards established by the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration ("PHMSA"). Thus, to protect the safety of the public, including Petitioners, installation and operation of these natural gas facilities must meet or exceed all required federal safety standards and regulations.[9] As a result, the location, size, and pressure of these facilities must meet federal safety requirements, or the facilities cannot be built and operated. Furthermore, pursuant to the pipeline safety authority granted to the Commission in Code § 56-257.2, the Commission will be directly engaged in the enforcement of these pipeline safety requirements.

Accordingly, IT IS ORDERED THAT this case is dismissed.

[6] *See Petition of Glenn M. Heller and Sheila E. Frace v. Washington Gas Light Company, For review of a pipeline realignment project through Pimmit Hills subdivision in Fairfax County, Virginia*, Case No. PUE-2015-00031, Final Order (Nov. 2, 2015) ("*Pimmit Hills Subdivision*"); *Petition of John F. Pavlansky, Jr. and Dianne H. Pavlansky, For a declaratory judgment*, Case No. PUE-2014-00097, Order (Oct. 22, 2014); *Petition of Chih-Yuan Derek Wang and Hui-Hsin Amy Wang, Trustees Under the Wang Family Trust Dated September 23, 2011, For a declaratory judgment*, Case No. PUE-2014-00098, Order (Oct. 22, 2014). Moreover, in recommending a finding of ordinary extensions or improvements in the usual course of business in *Pimmit Hills Subdivision* (which recommendation the Commission adopted), the Commission's Hearing Examiner further explained that the natural gas utility's "completion of pipeline improvement projects within residential areas is not unusual." *Pimmit Hills Subdivision*, Report of A. Ann Berkebile, Hearing Examiner, at 7 (Aug. 26, 2015).

[7] *Petition of Columbia Gas of Virginia, Inc., For a declaratory judgment*, Case No. PUE-2009-00077, Order (Sept. 18, 2009).

[8] Furthermore, an opportunity for hearing is only mandated under the statutory scheme if the Commission finds that proposed facilities are not ordinary extensions or improvements in the usual course of business. Code §§ 56-265.2 and -265.2:1.

[9] The Commission's finding herein does not relieve VNG of any other legal requirements, federal, state, or local, that may exist with respect to the construction, ownership, or operation of these natural gas facilities.

CASE NO. PUR-2017-00142
MARCH 26, 2018

JOINT PETITION OF
VIRGINIA NATURAL GAS COMPANY and DOSWELL LIMITED PARTNERSHIP

For authority to transfer utility assets pursuant to Chapter 5 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On October 31, 2017, Virginia Natural Gas, Inc. ("VNG"), filed with the State Corporation Commission ("Commission") a petition requesting approval of a transaction, pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"),[1] to transfer certain natural gas facilities to Doswell Limited Partnership ("Doswell"). On November 9, 2017, the Commission Staff ("Staff") filed a memo of incompletenesss and noted several deficiencies in the October 31, 2017 petition.

On December 21, 2017, VNG and Doswell (collectively, "Petitioners") filed a Motion for Leave to Amend ("Motion to Amend") along with an Amended Joint Petition For Authority to Transfer Utility Assets Pursuant to Chapter 5 of Title 56 of the Code ("Joint Petition") for the purpose of incorporating Doswell as a joint petitioner in this proceeding. On January 29, 2018, the Commission issued an Order which granted Petitioners' Motion to Amend, further granted a separate motion filed on December 21, 2017, for the admission *pro hac vice* of James D'Andrea to practice before the Commission on behalf of Doswell, and directed the assignment of a Hearing Examiner to rule on Petitioners' Motion for the Entry of a Protective Order filed on January 23, 2018. A Protective Ruling was issued in this case by Hearing Examiner Howard P. Anderson, Jr., on February 7, 2018.

[1] Code § 56-88 *et seq*.

Commission authority is requested for VNG to sell to Doswell specified interconnection and related facilities ("Facilities") that were originally constructed over twenty-five years ago for VNG to provide gas to Doswell's electric generation plant ("Doswell Energy Center") in Hanover County, Virginia. The Joint Petition states that the Facilities are no longer needed or used by VNG to serve Doswell following the completion of new interconnection facilities ("New Facilities") that were placed in services in October 2017. Such New Facilities were necessary to serve the Doswell Energy Center after completion of a new 340 megawatt generating facility anticipated to become operational in the first quarter of 2018.

VNG states that the Facilities had a net book value of $254,284 as of October 1, 2017, however, the cost to dismantle and abandon the Facilities is estimated to be $295,453. Pursuant to the terms of a proposed Purchase and Sale Agreement attached to the Joint Petition, VNG desires to convey ownership, operation, and maintenance of the Facilities to Doswell for a price of $10 ("Transfer"). The Petitioners represent that the Transfer of the Facilities for the proposed price would neither impair nor jeopardize adequate service to the public at just and reasonable rates.

NOW THE COMMISSION, upon review of the Joint Petition and having been advised by its Staff is of the opinion and finds that the Transfer of the Facilities from VNG to Doswell will not impair or jeopardize the provision of adequate service to the public at just and reasonable rates and, therefore, we will approve the proposed transfer subject to the requirements listed in the attached Appendix, which are necessary to protect the public interest.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-88 *et seq.* of the Code, the Petitioners are hereby granted approval of the Petition as described herein subject to the requirements set forth in the Appendix attached to this Order.

(2) This case is dismissed.

APPENDIX

(1) The Commission's Utility Transfers Act approval shall have no accounting or ratemaking implications. In particular, such approval shall not guarantee the recovery of, or accounting or ratemaking treatment provided for, any revenues or costs directly or indirectly related to the Transfer.

(2) VNG shall record the result of the Transfer in the period it occurs, with the Facilities plant, accumulated depreciation, and accumulated deferred income tax ("ADIT") removed from VNG's books.

(3) Within sixty (60) days of completing the Transfer, VNG shall file a Report of Action ("Report") with the Commission, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director"). The Report shall include the following information: (l) the effective date of the Transfer; (2) an executed copy of the Purchase and Sale Agreement; (3) and the actual accounting entries, including any tax-related accounting entries, on VNG's books to record the Transfer, and a schedule showing by date, FERC account, and amount the Facilities plant, accumulated depreciation, and ADIT removed from VNGs books. The Transfer accounting entries shall be in accordance with the Uniform System of Accounts for gas utilities.

(4) VNG shall retain a copy of all Transfer records utilized at closing, which shall be available to Staff upon request.

(5) All transactions associated with the Transfer shall be included in VNG's Annual Report of Affiliate Transactions, submitted to the UAF Director subject to administrative extension by the UAF Director. The Transfer information shall include the case number, Joint Petition description, Transfer amount, and Report filing date.

CASE NO. PUR-2017-00143
SEPTEMBER 5, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of electric transmission facilities: Idylwood-Tysons 230 kV single circuit underground transmission line, Tysons Substation rebuild and related transmission facilities

FINAL ORDER

On November 8, 2017, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an application for approval and for a certificate of public convenience and necessity for the proposed underground Idylwood-Tysons 230 kilovolt ("kV") single circuit transmission line ("Application"). Dominion filed the Application pursuant to § 56-46.1 of the Code of Virginia ("Code") and the Utility Facilities Act, Code § 56-265.1 *et seq*.

Specifically, Dominion proposes to: (i) construct a new single circuit 230 kV underground transmission line, designated 230 kV Idylwood-Tysons Line #2175, to run approximately 4.3 miles from the Company's existing Idylwood Substation to the Company's existing Tysons Substation, with the project located entirely in Fairfax County; (ii) rebuild the Tysons Substation using Gas Insulated Substation ("GIS") equipment to accommodate a six-breaker 230 kV ring bus within the existing property boundaries; (iii) install new Gas Insulated Line terminal equipment at Idylwood Substation for the new Line #2175 installation; and (iv) perform relay work at the Reston Substation (collectively, "Project").[1]

[1] Ex. 2 (Application) at 2.

On December 8, 2017, the Commission issued an Order for Notice and Hearing ("Procedural Order") that, among other things, directed the Company to provide notice of its Application to interested persons and the public; provided interested persons the opportunity to comment on the Application or to participate as a respondent in this proceeding; directed the Commission's Staff ("Staff") to investigate the Application and file testimony and exhibits containing Staff's findings and recommendations; scheduled a hearing to receive public witness testimony and other evidence on the Application; and assigned a Hearing Examiner to conduct further proceedings in this matter.

On December 27, 2017, the Fairfax County Board of Supervisors ("Fairfax") filed a notice of participation in this proceeding. On January 16, 2018, the Old Dominion Electric Cooperative ("ODEC") filed a notice of participation in this proceeding.

As noted in the Procedural Order, the Staff requested the Department of Environmental Quality ("DEQ") to coordinate an environmental review of the proposed Project by the appropriate agencies and to provide a report on the review. On January 25, 2018, DEQ filed with the Commission its report ("DEQ Report"), which included a Wetlands Impact Consultation prepared by DEQ.[2] The DEQ Report provides general recommendations for the Commission's consideration that are in addition to any requirements of federal, state, or local law. Specifically, the DEQ Report contains the following Summary of Recommendations regarding the proposed Project. The Company should:

- Conduct an on-site delineation of all wetlands and stream crossings within the project area with verification by the U.S. Army Corps of Engineers, using accepted methods and procedures, and follow DEQ's recommendations to avoid and minimize impacts to wetlands and streams;
- Follow DEQ's recommendations regarding air quality protection, as applicable;
- Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable;
- Coordinate with the Department of Conservation and Recreation's ("DCR") Division of Natural Heritage regarding its recommendations to protect natural heritage resources as well as for updates to the Biotics Data System database;
- Coordinate with the Department of Game and Inland Fisheries regarding its recommendations to protect wildlife resources;
- Coordinate with the Virginia Outdoors Foundation regarding its recommendation for additional consultation as necessary;
- Coordinate with the Department of Historic Resources regarding its recommendations to protect historic and archaeological resources;
- Follow the principles and practices of pollution prevention to the maximum extent practicable;
- Limit the use of pesticides and herbicides to the extent practicable.[3]

On April 13, 2018, Fairfax filed its testimony and exhibits which, among other things, addressed possible impacts of the Project on Fairfax's wastewater and storm water infrastructure;[4] consistency of the Project with Fairfax County's Comprehensive Plan;[5] the scale and traffic impacts of the Project;[6] as well as the need and potential routes of the Project.[7]

On April 27, 2018, Staff filed its testimony and exhibits summarizing the results of its investigation of Dominion's Application. Staff concluded that the Company has reasonably demonstrated the need for the proposed Project and that the proposed route provides the most optimal route for the proposed Project.[8]

On April 11, 2018, the Company filed rebuttal testimony which, among other things, addressed that both Staff and Fairfax acknowledge the need for the Project;[9] concerns raised by Fairfax regarding storm water and wastewater pipes;[10] construction of the proposed Project and coordination with other government agencies;[11] and support of both Staff and Fairfax for proposed Underground Alternative 05.[12]

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[2] Ex. 15 (DEQ Report).

[3] *Id.* at 6-7.

[4] Ex. 12 (Carinci Direct) at 3-5.

[5] Ex. 10 (Bell Direct) at 3.

[6] Ex. 13 (Fuller Direct) at 3-6.

[7] Ex. 11 (Lanzalotta Direct) at 3-12.

[8] Ex. 14 (Joshipura Direct, Staff Report) at 37.

[9] Ex. 16 (Gill Rebuttal) at 2.

[10] Ex. 17 (Reitz Rebuttal) at 2.

[11] Ex. 18 (Mayhew Rebuttal) at 2.

[12] Ex. 19 (Berkin Rebuttal) at 2.

On February 26, 2018, a public hearing was held in Fairfax, Virginia. Three public witnesses appeared and testified at the hearing. On May 8, 2018, a public hearing was held in Richmond, Virginia. No public witnesses appeared to testify at the hearing.[13]

On June 8, 2018, Dominion and Fairfax ("Stipulating Parties") filed a Joint Motion For Leave to Present Stipulation and Recommendation, attaching a proposed stipulation ("Stipulation") between the two parties which stated, among other things, that the Company and Fairfax agree that the Project is needed, that the Company has met the statutory requirements for approval; and that Underground Alternative 05 is the optimal route for the Project.[14]

On June 12, 2018, a hearing was convened in which Dominion, Fairfax, and Staff introduced evidence into the record.[15]

The Report of Alexander F. Skirpan, Jr., Senior Hearing Examiner ("Report") was entered on July 26, 2018. In his Report, the Hearing Examiner found that:

1. The Project is needed to (i) resolve a potential criteria violation of the mandatory NERC Reliability Standards for the 230 kV lines feeding the Tysons Loop, and (ii) maintain reliable service to the Tysons Loop area;

2. The Company's proposed Underground Alternative 05 best satisfies the statutory requirement that the line is needed and that the corridor or route the line is to follow will reasonably minimize adverse impact on the scenic assets, historic districts and environment of the area concerned;

3. The recommendations contained in the DEQ Report, with the proposed modification to the recommendation of the DCR's Division of Natural Heritage presented in the rebuttal testimony of Company witness Mayhew, should be adopted by the Commission as conditions of approval;

4. The proposed Project should be approved and granted a Certificate;

5. The Replacement Tower Proposal should be approved and the Company's Certificate for Line #2097 should be amended as requested; and

6. The Stipulation should be adopted.[16]

On August 6, 2018, Dominion and Staff each filed comments on the Report. Dominion stated that it agrees with the Report's Findings and Recommendations in the Report.[17] Staff noted that while it disagreed with the Report's ultimate recommendation regarding the Replacement Tower Proposal, the Hearing Examiner's recommendation was not unreasonable under the facts and circumstances of this case.[18]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the public convenience and necessity require that the Company construct the proposed Project; that the proposed Stipulation is reasonable and should be approved; and that a certificate of public convenience and necessity authorizing the proposed Project should be issued subject to certain findings and conditions contained herein.

Approval

The statutory scheme governing the Company's Application is found in several chapters of Title 56 of the Code.

Section 56-265.2 A 1 of the Code 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 require the exercise of such right or privilege."

Section 56-46.1 of the Code further directs the Commission to consider several factors when reviewing the Company's Application. Subsection A of the statute 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 every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection; and if requested by any county or municipality in which the facility is proposed to be built, to local comprehensive plans that have been adopted . . . . Additionally, the Commission (a) shall consider the effect of the proposed facility on economic development within the Commonwealth, . . . and (b) shall consider any improvements in service reliability that may result from the construction of such facility.

[13] The Commission received written comments from Macerich Land Holdings on May 31, 2018.

[14] Ex. 20 (Stipulation). The Stipulation is attached to this Order at Attachment A.

[15] ODEC did not participate at the hearing.

[16] Report at 40.

[17] Comments of Virginia Electric and Power Company at 2.

[18] Comments of Staff at 1.

Section 56-46.1 B of the Code further provides that "[a]s a condition to approval the Commission shall determine that the line is needed and that the corridor or route the line is to follow will reasonably minimize adverse impact on the scenic assets, historic districts and environment of the area concerned."

The Code further requires that the Commission consider existing right-of-way easements when siting transmission lines. Section 56-46.1 C of the Code provides that "[i]n any hearing the public service company shall provide adequate evidence that existing rights-of-way cannot adequately serve the needs of the company." In addition, § 56-259 C of the Code provides that "[p]rior to acquiring any easement of right-of-way, public service corporations will consider the feasibility of locating such facilities on, over, or under existing easements of rights-of-way."

Public Convenience and Necessity

The Commission finds that the Company's Project is needed to (i) resolve a potential criteria violation of the of the mandatory NERC Reliability Standards for the 230 kV lines feeding the Tysons Loop, and (ii) maintain reliable service to the Tysons Loop area.

Economic Development

The Commission finds that the proposed Project will promote economic development in the Commonwealth of Virginia, including the area of the proposed Project, by assuring continued reliable bulk electric power delivery in Fairfax County, specifically in the Tysons and McLean areas.[19]

Rights-of-Way and Routing

The Commission finds that Underground Alternative 05 is the optimal route for the Project, and that the Project should be constructed accordingly. Underground Alternative 05 is the shortest route, crosses the least amount of private land, requires no additional clearing of forested lands, has low impact on the W&OD Park trail and vehicular traffic, has no residences within 60 feet, and is the least costly option of all underground and overhead alternatives.[20] Dominion has adequately considered existing right-of-way. The Project, using Underground Alternative 05, will primarily be located within existing ROW or road ROW belonging to Virginia Department of Transportation.[21]

Scenic Assets and Historic Districts

Due to the fact that the Project will be constructed primarily within existing ROW in conjunction with road ROW, the Commission finds that adverse impacts on scenic assets and historic districts in the Commonwealth of Virginia will be minimized as required by § 56-46.1 B of the Code. The record supports that minimal disturbance to the W&OD Park trail, since it will be installed under the trail via horizontal directional drilling.[22]

Environmental Impact

Pursuant to § 56-46.1 A and B of the Code, the Commission is required to consider the Project's impact on the environment and to establish such conditions as may be desirable or necessary to minimize adverse environmental impacts. The statute further provides that the Commission shall receive, and give consideration to, all reports that relate to the Project by state agencies concerned with environmental protection.

The Commission finds that there are no adverse environmental impacts that would prevent the construction or operation of the Project. The DEQ Report supports a finding that the Company's proposed route reasonably minimizes adverse environmental impacts, provided that the Company complies with the recommendations set forth in the DEQ Report.[23] We therefore find that, as a condition of our approval herein, Dominion must comply with all of DEQ's recommendations as provided in the DEQ Report with the following exceptions. The Commission adopts the Hearing Examiner's recommendation that the Company shall consult with DCR for updates to the Biotics Data System only if (i) the scope of the Project involves material changes or (ii) 12 months from the date of this Order pass before the Rebuild Project commences construction.[24] Further, Dominion should be required to obtain all necessary environmental permits and approvals that are needed to construct and operate the Project.

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[19] Ex. 14 (Joshipura Direct, Staff Report) at 34.

[20] *Id.* at 33-34 and 37.

[21] Ex. 2 (Application, Appendix) at 66.

[22] Ex. 2 (Application, Appendix) at 71.

[23] The DEQ recommendations are set forth above and discussed in the DEQ Report.

[24] Report at 40.

Tower Replacement Proposal

In its Application, the Company also requested approval to replace lattice tower 2097/177 located just south of the Idylwood Substation property.[25] Dominion further asserted that "[a]s part of Fairfax County's approval of Special Exception Amendment application SEA 2014-PR-032 to permit the redevelopment of Idylwood Substation, which was approved by the Commission in Case No. PUR-2017-00002, Fairfax County Staff recommended as a condition of approval that the Company replace lattice tower 2097/177 in order to minimize visual impacts on neighboring properties."[26] We agree with the Hearing Examiner that the record reflects the negative visual impact of the tower, as well as the fact that the tower is 59 years old with a projected useful life of 40 to 60 years.[27] We therefore find, that tower 2097/177 should be replaced.

Accordingly, IT IS ORDERED THAT:

(1) Dominion is authorized to construct and operate the Project, as proposed in its Application and amended in the Stipulation, subject to the findings and conditions imposed herein.

(2) Dominion is authorized to replace tower 2097/177 as proposed in its Application.

(3) The Stipulation is reasonable and shall be adopted.

(4) Pursuant to §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Company's request for a certificate of public convenience and necessity to construct and operate the Project is granted as provided for herein, subject to the requirements set forth herein.

(5) Pursuant to the Utility Facilities Act, § 56-265.1 *et seq.* of the Code, the Commission issues the following certificate of public convenience and necessity to Dominion:

> Certificate No. ET-79pp, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Fairfax County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2017-00143, cancels Certificate No. ET-79oo, issued to Virginia Electric and Power Company in Case No. PUR-2017-00002 on September 8, 2017.

(6) Within thirty (30) days from the date of this Final Order, the Company shall provide to the Commission's Division of Public Utility Regulation three copies of an appropriate map that shows the routing of the transmission line approved herein, in addition to the facilities shown on the map for cancelled Certificate No. ET-79oo.

(7) Upon receiving the map directed in Ordering Paragraph (6), the Commission's Division of Public Utility Regulation forthwith shall provide the Company copies of the certificates of public convenience and necessity issued in Ordering Paragraph (5) with the map attached.

(8) The Project approved herein must be constructed and in service by June 30, 2022. The Company, however, is granted leave to apply for an extension for good cause shown.

(9) This matter is hereby dismissed.

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[25] Ex. 2 (Application) at 2. On May 11, 2018, the Company filed a Motion for Leave to Clarify Its Application ("Motion") in which the Company clarified that it is requesting an amended CPCN for Line #2097 from the Commission to the extent necessary for approval of the Replacement Tower Proposal. The Motion was granted by ruling issued by the Senior Hearing Examiner on May 14, 2018.

[26] Ex. 2 (Application) at 2.

[27] Report at 40.

CASE NO. PUR-2017-00144
JANUARY 30, 2018

JOINT APPLICATION OF
RCVA, INC. AND RCLEC, INC.

For approval of an indirect transfer of control pursuant to Va. Code § 56-88 *et seq.*

ORDER GRANTING APPROVAL

On December 22, 2017, RCVA, Inc. ("RCVA"), and its sister corporation RCLEC, Inc. ("RCLEC") (collectively, "Applicants"),[1] completed the filing of a joint application ("Application") with the State Corporation Commission ("Commission"), pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"),[2] requesting approval of the transfer of control of RCVA from its current parent company, RingCentral, to RCLEC ("Proposed Transfer").

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[1] RingCentral, Inc. ("RingCentral") is also considered an Applicant and has provided the statutorily required verifications.

[2] Code § 56-88 *et seq*.

RCVA is authorized to provide local exchange and interexchange telecommunications services in Virginia pursuant to certificates of public convenience and necessity issued by the Commission.[3] According to the Application, RCVA and RCLEC are both wholly owned subsidiaries of RingCentral. RingCentral plans to modify its existing organizational structure by transferring all ownership interests in RCVA to RCLEC. As a result, RCVA will be a direct subsidiary of RCLEC instead of RingCentral.

The Applicants assert that upon completion of the Proposed Transfer, RCVA will continue to provide the same services to their customers in Virginia without any immediate changes to the rates, terms, or conditions of service as currently provided. Information filed with the Application indicates that RCVA will continue to have the financial, technical, and managerial resources to provide telecommunications services under RCLEC's ownership and control.

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff, is of the opinion and finds that the above-described Proposed Transfer should be approved.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-88.1 and 56-90, the Applicants hereby are granted approval of the Proposed Transfer as described herein.

(2) The Applicants shall file a report of action with the Commission's Document Control Center within thirty (30) days after closing of the Proposed Transfer, which shall note the date the Proposed Transfer occurred.

(3) This case is dismissed.

[3] *See Application of RCVA, Inc., For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia*, Case No. PUC-2015-00012, 2015 S.C.C. Ann. Rept. 156, Final Order (Oct. 5, 2015).

CASE NO. PUR-2017-00146
AUGUST 1, 2018

APPLICATION OF
SOUTHWESTERN VIRGINIA GAS COMPANY

For an Annual Informational Filing

FINAL ORDER

On October 27, 2017, Southwestern Virginia Gas Company ("Southwestern" or "Company") filed with the State Corporation Commission ("Commission") its Annual Informational Filing for the test period ending June 30, 2017 ("2017 AIF"). The federal *Tax Cuts and Jobs Act of 2017* (Public Law 115-97) ("TCJA") reduced the federal corporate income tax rate from 35% to 21% and was enacted while the 2017 AIF was under review by the Commission's Staff ("Staff").

To ensure ratepayers could ultimately benefit from the corporate income tax rate reductions, the Commission issued an Order requiring utilities subject to the TCJA to provide information about the potential effects of the TCJA on the utility's cost of service, among other requirements.[1] On April 25, 2018, the Commission issued an Order requiring certain utilities subject to the TCJA, including Southwestern, to file a rate case or expanded AIF to reflect the federal income tax benefits resulting from the TCJA.[2]

On May 22, 2018, Southwestern filed a Motion for Waivers ("Motion") requesting, among other things, that the Commission permit it to convert the 2017 AIF into an expanded AIF ("Expanded AIF"). The Commission granted the Motion on May 25, 2018.

On June 15, 2018, the Company filed its Expanded AIF and supplemented the filing on June 22, 2018. In its Expanded AIF, the Company requested to reduce base rates by $132,971 on an annual basis for bills rendered on and after July 31, 2018. The Company further requested authority to implement a temporary base rate adjustment through a surcredit mechanism ("Surcredit") to refund $42,153 of projected overcollection of income taxes from ratepayers for the year July 1, 2017, through June 30, 2018. The Company's proposed Surcredit would extend from July 2018 through June 2019.[3]

[1] *See Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: Regulatory Accounting related to the federal Tax Cuts and Jobs Act of 2017,* Case No. PUR-2018-00005, Doc. Con. Cen. No. 180110073, Order (Jan. 8, 2018) ("January Order").

[2] *See Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte: Regulatory Accounting related to the federal Tax Cuts and Jobs Act of 2017,* Case No. PUR-2018-00005, Doc. Con. Cen. No. 180440173, Order (Apr. 25, 2018).

[3] The Surcredit was proposed by the Company to comply with the directive in the Commission's January Order requiring utilities to accrue a regulatory liability for the tax savings associated with the TCJA.

On July 18, 2018, Staff filed its report ("Staff Report" or "Report") on the 2017 AIF and Expanded AIF. In its Report, Staff recommended a base rate revenue requirement reduction of $127,109, effective for billings rendered on and after July 31, 2018, to recognize the income tax savings resulting from the TCJA.[4] Staff further recommended that a Surcredit of $56,912 be approved to refund to ratepayers the estimated overcollection of federal income taxes, due to the TCJA, for bills rendered on and after July 31, 2018, through June 30, 2019.[5] Additionally, Staff recommended that the Commission adopt the rates and Surcredit included in the Company's revised tariff sheet filed on July 11, 2018 ("Revised Tariff").[6]

On July 24, 2018, the Company filed its response to the Staff Report ("Response"). In its Response, the Company stated that for purposes of this proceeding, the Company agrees that the proposed base rate reduction and Surcredit reflected in the Revised Tariff are appropriate for reflecting the impact of the TCJA on the Company's rates.[7] Therefore, the Company requested that the Commission permit it to implement the revised rates and Surcredit reflected in the Revised Tariff, on a permanent basis, for bills rendered on and after July 31, 2018.[8]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Company shall implement the revised rates and Surcredit reflected in the Revised Tariff and that this case should be dismissed.

Accordingly, IT IS SO ORDERED.

[4] Report at 9.

[5] *Id.*

[6] *Id.*

[7] Response at 1.

[8] *Id.*

CASE NO. PUR-2017-00147
JANUARY 29, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY and DOMINION ENERGY FUEL SERVICES, INC.

For approval of a Revised Fuel Purchase, Sale and Services Agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On November 1, 2017, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("DEV" or "Company") and Dominion Energy Fuel Services, Inc. ("DEFUEL")[1] (collectively, "Applicants"),[2] filed an Application with the State Corporation Commission ("Commission"), pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code")[3] and Ordering Paragraphs (2) and (4) of the Commission's August 13, 2012 Order Granting Approval in Case No. PUE-2012-00061,[4] requesting approval of a Revised Fuel Purchase, Sale and Services Agreement ("Revised Agreement") for affiliate transactions regarding the purchase and sale of "Fuel," as well as the "Transportation" of Fuel and "Emission Reduction Products" ("ERPs"), as those terms are defined in the Revised Agreement,[5] with a proposed effective date of February 1, 2018.

The Applicants currently operate under a substantively identical Fuel Purchase, Sale and Services Agreement ("Current Agreement"), which was approved by the Commission in its 2012 Order for a five-year term ending December 31, 2017. Therefore, concurrent with the Application, the Applicants filed a motion in Case No. PUE-2012-00061 ("Motion"), requesting a one month extension of the Current Agreement to avoid any gap in time between the expiration of the Current Agreement and the proposed effective date of the Revised Agreement (February 1, 2018). The Commission granted the Applicants' Motion on November 8, 2017.[6]

[1] DEFUEL was formerly known as Virginia Power Energy Marketing, Inc. ("VPEM").

[2] DEV and DEFUEL are both wholly owned subsidiaries of Dominion Energy, Inc. ("DEI").

[3] Code § 56-76 *et seq*.

[4] *Application of Virginia Electric and Power Company and Virginia Power Energy Marketing, Inc., For approval of Revised Fuel Purchase, Sale and Services Agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia,* Case No. PUE-2012-00061, 2012 S.C.C. Ann. Rept. 468, Order Granting Approval (Aug. 13, 2012) ("2012 Order").

[5] "Fuel" is defined as "any fuel (including but not limited to coal, wood and wood chips), excluding natural or enriched uranium, natural gas, No. 2 and No. 6 fuel oil, gasoline and diesel fuel that can be utilized to generate power in [DEV's] power plants." ERPs are defined as "products that are injected before or after combustion to reduce emissions at the stations. These products include, but are not limited to: Lime, Limestone, Processed Limestone, Ammonia, Urea, Powdered Activated Carbon, DSI [dry sorbent injection], and Calcium Bromide." "Transportation" is defined as "transportation via rail, truck, barge, or vessel, including any terminaling, storage, handling, loading or other associated services or any other means by which Fuel or [ERPs] is moved or is deemed to move." *See* Exhibit A (General Terms and Conditions), Article 1 (Definitions) of the Revised Agreement.

[6] *Application of Virginia Electric and Power Company and Virginia Power Energy Marketing, Inc., For approval of Revised Fuel Purchase, Sale and Services Agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia,* Case No. PUE-2012-00061, Doc. Con. Cen. No. 171120112, Order (Nov. 8, 2017).

The Applicants represent that they are not proposing any substantive changes to the Current Agreement previously approved in the 2012 Order; specifically, the only changes proposed in the Revised Agreement are changes to the names of the entities that are listed in the agreement (*e.g.*, references to VPEM are now references to DEFUEL). The Applicants state that transactions under the Revised Agreement will continue to be evaluated on a one-time basis prior to execution for compliance with the Commission's lower of cost or market ("LCM") standard (for DEFUEL's sales to DEV), or the higher of cost or market ("HCM") standard (for DEV's sales to DEFUEL). To the extent that the Applicants enter into a transaction whereby DEFUEL provides Transportation services to the Company, and DEFUEL uses the services of another DEI affiliate, the Applicants represent that the services of that affiliate will be charged to the Company at the LCM. Transportation services involving third parties will continue to be provided at cost with no mark-up from DEFUEL under the Revised Agreement.[7]

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff, is of the opinion and finds that the Revised Agreement is in the public interest and should be approved subject to certain requirements set forth in the Appendix attached hereto.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code, the Applicants hereby are granted approval to enter into the Revised Agreement effective as of February 1, 2018, subject to the requirements set forth in the Appendix attached hereto.

(2) This case is dismissed.

APPENDIX

(1) The Commission's approval of the Revised Agreement shall be effective as of February 1, 2018, and shall extend for five (5) years from the effective date. Should the Applicants wish to continue under the Revised Agreement beyond the five-year period, separate Commission approval shall be required.

(2) The Commission's approval shall be limited to the specific transactions identified in the Revised Agreement. Should the Applicants wish to enter into additional transactions other than those specifically identified in the Revised Agreement, separate Commission approval shall be required.

(3) Separate Commission approval shall be required for any changes in the terms and conditions of the Revised Agreement, including successors or assigns.

(4) The Commission's approval shall have no accounting or ratemaking implications. Specifically, the approval granted in this case shall not guarantee the recovery of, or accounting or ratemaking treatment provided for, any revenues, costs, or reimbursements directly or indirectly related to the Revised Agreement.

(5) The approval granted in this case shall not preclude the Commission from exercising its authority under the provisions of § 56-78 and § 56-80 of the Code hereafter.

(6) The Commission reserves the right to examine the books and records of any affiliate in connection with the approval granted in this case whether or not such affiliate is regulated by this Commission.

(7) The Applicants shall file with the Commission a signed and executed copy of the Revised Agreement within ninety (90) days of the effective date of the Order in this case, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director").

(8) All transactions under the Revised Agreement shall be included in the Company's Annual Report of Affiliate Transactions ("ARAT"), submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. All DEV ARAT reporting shall include, but not be limited to, the following information:

(a) The most recent Case Number under which the agreement was approved;
(b) The name and type of activity performed by each affiliate under the agreement; and,
(c) A schedule, in Excel electronic spreadsheet format with formulas intact, listing the prior year's transactions by month, type of service, FERC account, and dollar amount (as the transaction is recorded on the utility's books).

(9) In addition to Requirement (8) above, the Company shall continue to provide as an attachment to its ARAT an annual report containing the following information related to the Revised Agreement:

(a) All Fuel purchases and sales by DEV from or to DEFUEL pursuant to the Revised Agreement;
(b) The quantity of Fuel purchased or sold;
(c) The delivered price charged to DEV by DEFUEL, or charged to DEFUEL by DEV, broken down by components (*i.e.*, Fuel, Transportation, ERPs, taxes, etc.);

[7] Application at 8.

(d) The corresponding market price;
(e) The third-party that provided such market price, and demonstration that DEV purchased Fuel from DEFUEL at the LCM or that DEV sold Fuel to DEFUEL at the HCM; and,
(f) In the event that DEFUEL provides Transportation services to the Company and DEFUEL uses the services of another DEI affiliate, the Company shall provide the following information: (i) the specific affiliate providing the service; (ii) the specific service the affiliate will be providing; (iii) the cost of such service; and (iv) the calculation of such charges with supporting detail, which demonstrates that DEV received said services at the LCM.

(10) In the event that any rate proceeding filings are not based on a calendar year, then DEV shall include the affiliate information contained in its ARAT in such filing.

CASE NO. PUR-2017-00149
MARCH 13, 2018

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY

For approval to implement a Water and Wastewater Infrastructure Service Charge Plan and Rider

ORDER APPROVING WWISC PLAN AND RIDER

On October 31, 2017, Virginia-American Water Company ("VAWC" or "Company") filed with the State Corporation Commission ("Commission") an application ("Application") for approval to implement a pilot Water and Wastewater Infrastructure Service Charge ("WWISC") plan ("WWISC Plan") for VAWC's Alexandria operating district, which is located in and around the City of Alexandria, Virginia, and for approval to recover costs incurred in replacing WWISC-eligible water infrastructure through a WWISC rider ("WWISC Rider").[1]

According to VAWC, the infrastructure projects undertaken by the Company in the WWISC Plan would enhance system reliability by accelerating water infrastructure replacement aimed at reducing system integrity risks associated with customer outages, distribution main failures, underperforming mains and services, and unaccounted-for water.[2]

VAWC states that, as approved by the Commission in Case No. PUE-2015-00097,[3] its WWISC Plan is a three-year pilot program that is designed to facilitate the accelerated replacement of WWISC-eligible water infrastructure between 2017 and 2020.[4] In the present proceeding, the Company is requesting approval to recover the costs associated with approximately $11.5 million of incremental WWISC-eligible infrastructure investment that the Company has incurred or projects to incur between April 1, 2017, and December 31, 2018.[5]

VAWC is also seeking Commission approval of a WWISC Rider. The WWISC Rider would be comprised of two components, a WWISC Current Service Charge ("Projected Factor") and a WWISC Reconciliation Credit/Charge ("True-Up Factor").[6] The Company requests authority to implement its initial WWISC Rider for the period March 1, 2018, through February 28, 2019. In this initial WWISC Rider, the Company would recover the approximately $11.5 million of WWISC-eligible costs that the Company has incurred or projects to incur between April 1, 2017, and December 31, 2018.[7] In its Application, VAWC requested that the service charge for the initial WWISC Rider be set at $0.020 per 100 gallons of usage.[8]

On November 17, 2017, the Commission issued an Order for Notice and Hearing in this case that, among other things, docketed the Application; scheduled a public hearing on the Application; required VAWC to publish notice of its Application; gave interested persons the opportunity to comment on, or participate in, the proceeding; and directed the Commission's Staff ("Staff") to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon.

Notices of participation were filed by the City of Alexandria, Virginia ("Alexandria") and the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel").

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[1] Ex. 2 (Application) at 1.

[2] *Id*.

[3] *Application of Virginia-American Water Company, For a general increase in rates*, Case No. PUE-2015-00097, Doc. Con. Cen. No. 170550163, Final Order (May 24, 2017).

[4] Ex. 2 (Application at 1, 5). In total, VAWC proposes to spend approximately $18 million on WWISC-eligible infrastructure between 2017 and 2020. The Company states in its Application that while it anticipates spending approximately $6 million per year for each of the three years of the WWISC Plan, it is seeking Commission approval to spend up to 5% above or below this amount in any specific year. *Id*. at 5.

[5] *Id*. at 6; Ex. 3 (McGee Direct) at KEM-1; Ex. 4 (Akmentins Direct) at GLA-2, p.3.

[6] Ex. 2 (Application) at 6; Ex. 4 (Akmentins Direct) at 9.

[7] Ex. 2 (Application) at 1-2, 6.

[8] Ex. 4 (Akmentins Direct) at GLA-2.

Alexandria filed the testimony of Carl W. Eger III on January 19, 2018. Mr. Eger opposes the Company's proposed Application, stating that many of the infrastructure replacement and rehabilitation projects the Company proposes to complete are not eligible to be included in the WWISC Plan.[9] First, Mr. Eger states that a significant number of the 32 proposed projects improperly increases the size of pipes, often seeking to replace existing 2-inch diameter pipes to pipes with diameters between 6 inches and 8 inches.[10] VAWC's proposed tariff states in part that WWISC-eligible property will consist of transmission and distribution system mains installed as in-kind replacements.[11] Mr. Eger contends that the replacement of these smaller pipes with larger ones does not reflect the commonly understood definition of "in-kind replacement," and instead represents betterments that will increase capacity and revenue and therefore should be considered in a rate case.[12] Second, Mr. Eger claims that several of the proposed projects do not appear to meet the definition of eligible infrastructure or the Company's stated goals for the WWISC and should be excluded from the WWISC Plan because the Company failed to provide support for its inclusion of those projects.[13]

On January 26, 2018, Staff filed testimony. In Staff's testimony, Staff witness Scott C. Armstrong: (i) analyzes the Company's proposed jurisdictional revenue requirement of $971,330; (ii) develops a revised revenue requirement of $875,388; (iii) describes the four primary differences between Staff's and the Company's revenue requirement; (iv) recommends that the Company file an earnings test with next year's WWISC application based on a test year ended June 30, 2018; (v) recommends that the Company defer costs it intends to recover through a WWISC Rider as the costs are incurred; and (vi) recommends that the Commission direct the Company to provide testimony and quantification of certain potential impacts related to the recent enactment of the federal Tax Cuts and Jobs Act of 2017.[14] Marc A. Tufaro also filed testimony, in which he reviews VAWC's proposed tariff and WWISC service charge. Mr. Tufaro recommends that the term "wastewater utility" be removed from Section 1 of the proposed tariff, but otherwise finds that the tariff complies with the directives set forth in the Commission's Final Order in Case No. PUE-2015-00097. Mr. Tufaro further recommends, based on Mr. Armstrong's recommended revenue requirement, that the service charge for the initial WWISC Rider be set at $0.018 per 100 gallons of usage.[15]

On February 8, 2018, the Company filed rebuttal testimony. Company witness Gary L. Akmentins opposes one of Staff's four primary adjustments to the revenue requirement, related to Staff's exclusion of $579,928 of projected 2018 expenditures. As a result, Mr. Akmentins recommends a revised jurisdictional revenue requirement of $906,725, with a service charge for the initial WWISC Rider of $0.0186 per 100 gallons of usage.[16] Company witness Kristina McGee states in rebuttal testimony that the proposed WWISC tariff defines "in-kind replacement" as the "replacement with new materials and or equipment designed, constructed, and sized to meet current industry standards, and federal, state or local regulation."[17] Ms. McGee notes that the Company generally has not installed mains with diameters that are less than 4 inches for several decades, and further notes that Rule 22 of VAWC's Rules and Regulations does not permit water main pipes smaller than 6 inches in diameter to be installed except where public fire protection service is not involved.[18] As such, Ms. McGee contends the replacement of undersized pipes with larger ones represents WWISC-eligible investment and is appropriate for inclusion in the WWISC Plan and for recovery in the WWISC Rider.[19]

Ms. McGee also provides further descriptions of certain projects proposed by the Company and details why certain projects, such as projects that eliminate dead-end mains, are deemed eligible for inclusion in the WWISC Plan.[20] Ms. McGee cites to the proposed WWISC tariff, which defines WWISC-eligible property to include "main extensions installed to eliminate dead ends…" and asserts that the elimination of dead-end mains in the proposed projects would improve service reliability and fire hydrant flow capacity.[21]

An evidentiary hearing was conducted as scheduled on February 21, 2018. No public witnesses appeared to testify at the hearing.[22] Counsel for the Company, Staff, Alexandria, and Consumer Counsel participated at the hearing.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that, as modified in accordance with the findings made herein and subject to the requirements of this Order and the Final Order in Case No. PUE-2015-00097, the Company is authorized to implement its WWISC Plan. The Commission further finds that, as discussed herein, the WWISC Rider is approved.

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[9] Ex. 5 (Eger Direct) at 7-8.

[10] *Id*. at 8; Ex. 3 (McGee Direct) at KEM-1.

[11] *See* Ex. 4 (Akmentins Direct) at GLA-1, p. 2.

[12] Ex. 5 (Eger Direct) at 7-9.

[13] *Id*. at 7-11.

[14] Ex. 6 (Armstrong Direct) at 7-22.

[15] Ex. 8 (Tufaro Direct) at 1-5. Staff did not take issue with any of the Company's proposed projects. *See id*.

[16] Ex. 10 (Akmentins Rebuttal) at 2-5, GLA-3, p. 1.

[17] Ex. 9 (McGee Rebuttal) at 2; Ex. 4 (Akmentins Direct) at GLA-1, p. 2.

[18] Ex. 9 (McGee Rebuttal) at 2-3, KEM-2.

[19] *Id*. at 2-4.

[20] *Id*. at 4-5. Descriptions of several of the proposed projects were also included in Ms. McGee's direct prefiled testimony. *See* Ex. 3 (McGee Direct) at 9-11. *See also* Tr. 57, 64-66.

[21] *See* Ex. 4 (Akmentins Direct) at GLA-1, p. 2; Ex. 9 (McGee Rebuttal) at 4-5.

[22] Tr. 8.

Infrastructure Replacement Projects

We approve the infrastructure replacement projects proposed by VAWC and listed in Company witness McGee's direct prefiled testimony.[23] We find that the proposed projects, including VAWC's replacement of undersized pipes with larger ones and the elimination of certain dead-end mains, are supported by the record, meet the criteria of WWISC-eligible investment, and comply with the purpose and plain language of the WWISC tariff, as well as with the relevant provisions of the Company's Rules and Regulations.[24] Moreover, the infrastructure projects covered under the WWISC Plan, and approved by the Commission, should be implemented in a manner that complies with industry standards and other applicable requirements. This applies to matters such as pipe sizes and configurations, as well as construction practices. That is why the instant Order approves, for example, infrastructure projects that reflect today's standards (as opposed to when the original pipes were installed) for pipe diameters and for the looping of pipes to avoid dead-end mains.[25]

WWISC Tariff

We find that the Company's proposed WWISC tariff, as modified by Staff witness Tufaro, should be approved.[26]

WWISC Rider

There is no disagreement between Staff and VAWC with regard to any proposed project at this time. As noted above, the primary difference between Staff's and the Company's revenue requirement concerns whether the return of, and return on, $579,928 of projected 2018 expenditures should be included in the Projected Factor revenue requirement. As Staff noted at the hearing, despite spending above projected levels in 2017, VAWC confirmed that its projection to spend a total of approximately $11.5 million on incremental WWISC-eligible infrastructure investment between April 1, 2017, and December 31, 2018, had not changed.[27] As such, Staff removed $579,928 of projected 2018 expenditures in order to limit the Company's investment to a total of $11.5 million.[28] We find that Staff's exclusion of $579,928 of projected 2018 expenditures, and the corresponding reduction of the Projected Factor, is reasonable. We note that if the Company incurs additional costs for approved projects not incorporated in the Projected Factor, such expenditures will be considered in the appropriate True-Up Factor.[29]

Thus, for the period April 1, 2017, through December 31, 2018, the WWISC Projected Factor revenue requirement is $875,388, the True-Up Factor revenue requirement is $0.00, and the total revenue requirement is $875,388.[30]

Finally, we find that the booking and procedural recommendations set forth in the direct prefiled testimony of Staff witness Armstrong, which were not contested by the Company, are hereby adopted.[31]

Accordingly, IT IS ORDERED THAT:

(1) The Company is authorized to implement its WWISC Plan as set forth in this Order.

(2) A WWISC Rider is approved as set forth in this Order and shall become effective for service rendered on and after March 1, 2018.

(3) Within thirty (30) days of the date of this Order, VAWC shall file revised tariffs for the WWISC Rider with the Clerk of the Commission and the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: http://www.scc.virginia.gov/case.

(4) This case is dismissed.

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[23] Ex. 3 (McGee Direct) at KEM-1.

[24] *See, e.g.,* Ex. 3 (McGee Direct) at 9-11, KEM-1; Ex. 4 (Akmentins Direct) at GLA-1; Ex. 9 (McGee Rebuttal) at 2-5, KEM-2; Tr. 57, 60-62, 64-66. Our determinations herein are based solely on the proposed projects included in this proceeding. We make no finding in this case as to whether any future projects that the Company may propose meet the criteria for WWISC-eligible investment.

[25] *See, e.g.,* Ex. 9 (McGee Rebuttal) at 2-5, KEM-2; Tr. 66.

[26] Ex. 8 (Tufaro Direct) at 4.

[27] Tr. 45-46; Ex. 7.

[28] *See* Tr. 46.

[29] *See* Tr. 47.

[30] Ex. 6 (Armstrong Direct) at Statement 1.

[31] *Id*. at 7-22.

CASE NO. PUR-2017-00150
FEBRUARY 28, 2018

APPLICATION OF
IGO TECHNOLOGY, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia

FINAL ORDER

On November 2, 2017, iGo Technology, Inc. ("iGo" or "Company"), 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 in the Commonwealth of Virginia in the counties of Buchanan, Dickenson, Wise, Lee, Scott, Russell, Tazewell, and Washington ("Application").[1] 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 ("Code"). In accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*., iGo filed a motion for a protective order ("Motion") with the Company's Application.

On November 28, 2017, the Commission issued an Order for Notice and Comment ("Scheduling Order") that, among other things, directed iGo to provide notice to the public of its Application and directed the Staff of the Commission ("Staff") to investigate and file a report ("Staff Report"). On January 26, 2018, iGo filed proof of service and proof of notice in accordance with the Scheduling Order. On the same date, the Company filed notice of its election to be regulated as a competitive telephone company in accordance with Code § 56-54.2 *et seq*.[2] On January 31, 2018, the Applicant filed a Motion to Extend the Procedural Scheduled and the Commission issued an Order granting the Company's request for an extension of the procedural scheduled.

On February 16, 2018, Staff filed its Staff Report concluding that the Company's Application is in compliance with the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers ("Local Rules"), 20 VAC 5-417-10 *et seq*., and the Rules Governing the Certification of Interexchange Carriers ("Interexchange Rules"), 20 VAC 5-411-10 *et seq*. Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant Certificates to iGo subject to the following condition: iGo should notify the Division of Public Utility Regulation no less than 30 days prior to the cancellation or lapse of its bond and should provide a replacement bond at that time. This requirement should be maintained until the Commission determines it is no longer necessary.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that it should grant Certificates to iGo. Having considered Code § 56-481.1, the Commission finds that iGo may price its interexchange services competitively. The Commission finds that pursuant to Code of 56-54.2, iGo is eligible to elect to be regulated as a competitive telephone company and that such election, pursuant to Code of 56-54.3, becomes effective on the date of this Final Order. Finally, the Commission finds that the Company's Motion is no longer necessary; therefore, the Motion should be denied.[3]

Accordingly, IT IS ORDERED THAT:

(1) iGo hereby is granted Certificate No. T-752 to provide local exchange telecommunications services in the counties of Buchanan, Dickenson, Wise, Lee, Scott, Russell, Tazewell, and Washington[4] subject to the restrictions set forth in the Local Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(2) iGo hereby is granted Certificate No. TT-296A to provide interexchange telecommunications services in in the counties of Buchanan, Dickenson, Wise, Lee, Scott, Russell, Tazewell, and Washington[5] subject to the provisions of the Interexchange Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(3) iGo shall be regulated as a competitive telephone company pursuant to the provisions of Code § 56-54.2 *et seq*.

(4) Pursuant to Code § 56-481.1, iGo may price its interexchange telecommunications services competitively.

(5) Prior to providing telecommunications services pursuant to the Certificates granted by this Final Order, the Company shall provide tariffs to the Division of Public Utility Regulation that conform to all applicable Commission rules and regulations. If iGo elects to provide retail services on a non-tariffed basis, it shall provide written notification pursuant to Local Rule 20 VAC 5-417-50 A.

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[1] Specifically, the Company's request is limited to the rate centers of Abingdon, Appalachia, Big Rock, Big Stone Gap, Bluefield, Burkes Garden, Clinchco, Clinchport, Clintwood, Coeburn, Damascus, Dante, Davenport, Duffield, Dungannon, Fort Blackmore, Gate City, Glade Spring, Grundy, Haysi, Honaker, Hurley, Jewell Ridge, Jonesville, Konnarock, Lebanon, Maxie, Meadowview, Nicklesville, Oakwood, Pennington Gap, Pocahontas, Pound, Richlands, St. Charles, Saltville, Stony Creek, Tazewell, Willis, and Wise.

[2] Chapter 2.1 of Title 56 of the Code became effective on July 1, 2014. *See* 2014 Va. Acts ch. 340 and ch. 376.

[3] The Commission has not received a request to review the information that the Company designated confidential. Accordingly, we deny the Motion as moot but direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

[4] The specific list of rate centers in which iGo may provide service can be found in Footnote 1 of this Order.

[5] The specific list of rate centers in which iGo may provide service can be found in Footnote 1 of this Order.

(6) iGo shall notify the Division of Public Utility Regulation no less than thirty (30) days prior to the cancellation or lapse of its bond and shall provide a replacement bond at that time. This requirement shall be maintained until the Commission determines it is no longer necessary.

(7) The Company's Motion is denied; however, the Commission directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(8) This case is dismissed.

CASE NO. PUR-2017-00150
MARCH 12, 2018

APPLICATION OF
IGO TECHNOLOGY, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia

ORDER NUNC PRO TUNC

On November 2, 2017, iGo Technology, Inc. ("iGo" or "Company"), 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 in the Commonwealth of Virginia in the counties of Buchanan, Dickenson, Wise, Lee, Scott, Russell, Tazewell, and Washington ("Application").[1]

On February 28, 2018, the Commission issued a Final Order granting iGo Certificates to provide local and interexchange telecommunications services as requested. However, upon further review, it has been determined that the correct certificate numbers were not listed in Ordering Paragraphs (1) and (2) of the Final Order.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that an Order *Nunc Pro Tunc* should be entered to revise Ordering Paragraphs (1) and (2) of the Final Order. Said revisions are to be effective as if originally made with the Final Order.

Accordingly, IT IS ORDERED THAT:

(1) Ordering Paragraph (1) of the February 28, 2018 Final Order is removed and replaced, *nunc pro tunc*, with the following:

> (1) iGo hereby is granted Certificate No. T-753 to provide local exchange telecommunications services in the counties of Buchanan, Dickenson, Wise, Lee, Scott, Russell, Tazewell, and Washington[2] subject to the restrictions set forth in the Local Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(2) Ordering Paragraph (2) of the February 28, 2018 Final Order is removed and replaced, nunc pro tunc, with the following:

> (2) iGo hereby is granted Certificate No. TT-297A to provide interexchange telecommunications services in the counties of Buchanan, Dickenson, Wise, Lee, Scott, Russell, Tazewell, and Washington[3] subject to the provisions of the Interexchange Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(3) This case is dismissed.

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[1] Specifically, the Company's request was limited to the rate centers of Abingdon, Appalachia, Big Rock, Big Stone Gap, Bluefield, Burkes Garden, Clinchco, Clinchport, Clintwood, Coeburn, Damascus, Dante, Davenport, Duffield, Dungannon, Fort Blackmore, Gate City, Glade Spring, Grundy, Haysi, Honaker, Hurley, Jewell Ridge, Jonesville, Konnarock, Lebanon, Maxie, Meadowview, Nicklesville, Oakwood, Pennington Gap, Pocahontas, Pound, Richlands, St. Charles, Saltville, Stony Creek, Tazewell, Willis, and Wise.

[2] The specific list of rate centers in which iGo may provide service can be found in Footnote 1 of this Order.

[3] *Id.*

CASE NO. PUR-2017-00153
FEBRUARY 28, 2018

APPLICATION OF
THE ENERGY LINK, LLC

For a license to conduct business as an aggregator for electricity

ORDER GRANTING LICENSE

On November 13, 2017, The Energy Link, LLC ("Energy Link" or "Company") filed an application with the State Corporation Commission ("Commission") for a license to conduct business as an aggregator for electricity ("Application").[1] In its Application, the Company seeks to serve commercial customers throughout the Commonwealth of Virginia.[2] Energy Link 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").[3]

On January 9, 2018, the Commission entered an Order for Notice and Comment ("Scheduling Order") that, among other things, docketed the case; required Energy Link to serve a copy of the Scheduling Order upon appropriate persons; provided an opportunity for interested persons to comment on the Application; required the Commission's Staff ("Staff") to analyze the reasonableness of the Application and present its findings and recommendations in a report ("Staff Report"); and provided an opportunity for participants to file any reply comments to the Staff Report.

On January 22, 2018, Energy Link filed proof of service in accordance with the Scheduling Order. On January 30, 2018, Dominion filed a notice of participation and comments urging the Commission and its Staff to closely examine (1) the Application for completeness and (2) Energy Link's business model and financial fitness. Dominion also asserted that the Retail Access Rules do not expressly subject aggregators to lower standards or less rigorous reviews than competitive service providers ("CSP"), and consistency in enforcing the licensure rules between CSPs and aggregators is important to protect customers.

On February 6, 2018, Staff filed its Staff Report summarizing Energy Link's Application and evaluating its financial condition and technical fitness. Staff recommended that the Commission grant Energy Link a license to conduct business as an aggregator of electricity to commercial customers throughout the Commonwealth of Virginia where retail choice exists.

No one filed a response to the Staff Report.

NOW THE COMMISSION, upon consideration of this matter, finds that Energy Link meets the requirements for a license to conduct business as an aggregator of electricity to commercial customers and that such license should be granted subject to the conditions set forth below.

Accordingly, IT IS ORDERED THAT:

(1) Energy Link is granted License No. A-57 to conduct business as an electricity aggregator for commercial customers in the Commonwealth of Virginia where retail choice exists. This license is granted subject to the provisions of the Retail Access Rules, this Order Granting License, and other applicable law.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to the license granted herein.

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[1] The Application was accompanied by a Motion for Entry of Protective Order that was not in compliance with the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.*, and therefore was not properly filed with the Commission.

[2] Although Energy Link seeks to serve customers throughout the Commonwealth of Virginia, retail choice exists only in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"), Appalachian Power Company, and the electric cooperatives. Moreover, retail choice for electricity is only permitted pursuant to the customer classes, load parameters, and renewable energy sources as set forth in the Code of Virginia.

[3] 20 VAC 5-312-10 *et seq.*

CASE NO. PUR-2017-00154
JANUARY 23, 2018

JOINT APPLICATION OF
BCHI HOLDINGS, LLC, CBEYOND COMMUNICATIONS, LLC,
FUSION TELECOMMUNICATIONS INTERNATIONAL, INC., and NETWORK BILLING SYSTEMS, LLC

For approval of the transfer of control of authorized providers pursuant to Va. Code § 56-88 *et seq.*

ORDER GRANTING APPROVAL

On December 12, 2017, BCHI Holdings, LLC ("BCHI"), Cbeyond Communications, LLC ("Cbeyond"), Fusion Telecommunications International, Inc. ("FTI"), and Network Billing Systems, LLC ("NBS") (collectively, "Applicants")[1] completed the filing of a Joint Application ("Application") with the State Corporation Commission ("Commission"), pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"),[2] requesting approval of a merger between FTI, Birch Holdings, and Fusion BCHI Acquisition LLC ("Merger"), and an associated pre-Merger intra-corporate restructuring of the Birch Companies ("Restructuring"), that ultimately will result in the transfer of control of NBS, Cbeyond, and Birch-VA (the Merger and Restructuring collectively, the "Transfers"). The Applicants also filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*.

NBS, Cbeyond, and Birch-VA each hold a certificate of public convenience and necessity issued by the Commission to provide telecommunications services in Virginia.[3] As a result of the proposed Transfers, the following changes will occur to the ownership and control of the Virginia certificated entities: (1) NBS will become an indirect, wholly owned subsidiary of BCHI as a result of the Merger; (2) Cbeyond will become an indirect, wholly owned subsidiary of FTI as a result of the Merger; and (3) Birch-VA will become an indirect subsidiary of Lingo as a result of the Restructuring.

The Applicants assert that NBS, Cbeyond, and Birch-VA will continue to provide services to their customers in Virginia without any immediate changes to the rates, terms, or conditions of service as currently provided. The Applicants further represent that the proposed Transfers are expected to enhance the ability of NBS, Cbeyond, and Birch-VA to compete in the telecommunications marketplace. In support of the Application, the Applicants provided a description of the key management leadership teams and the current financial statements for both FTI and the Birch Companies.

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff, is of the opinion and finds that the above-described Transfers should be approved. The Commission also finds that the Applicants' Motion is no longer necessary and, therefore, should be denied.[4]

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to §§ 56-88.1 and 56-90 of the Code, the Applicants hereby are granted approval of the Transfers as described herein.

(2) The Applicants shall file a report of action with the Commission's Document Control Center within thirty (30) days after closing of the Transfers, which shall note the date(s) the Transfers occurred.

(3) The Applicants' Motion is denied; however, we direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(4) This case is dismissed.

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[1] Birch Communications Holdings, Inc. ("Birch Holdings"), Birch Communications, Inc., and Birch Communications of Virginia, Inc. ("Birch-VA") (collectively with the other Birch Holdings subsidiaries, the "Birch Companies"); Cbeyond, Inc., Fusion NBS Acquisition Corp., Lingo Communications, LLC ("Lingo"), Primus Holdings, Inc., Primus of Puerto Rico, LLC, and Holcombe T. Green, Jr., are also considered Applicants in this proceeding and have provided the statutorily required verifications.

[2] Code § 56-88 *et seq*.

[3] *See Application of Network Billing Systems, LLC, For a certificate of public convenience and necessity to provide local exchange telecommunications services*, Case No. PUC-2011-00017, 2011 S.C.C. Ann. Rept. 246, Final Order (May 13, 2011); *Application of Cbeyond Communications, LLC, For a certificate of public convenience and necessity to provide local exchange telecommunications services*, Case No. PUC-2000-00193, 2000 S.C.C. Ann. Rept. 348, Final Order (Nov. 9, 2000); and *Application of Birch Communications of Virginia, Inc., For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services*, Case No. PUC-2010-00060, 2010 S.C.C. Ann. Rept. 271, Final Order (Dec. 21, 2010).

[4] The Commission held the Applicants' Motion in abeyance and has not received a request for leave to review the confidential information submitted in this proceeding. Accordingly, the Commission denies the Motion as moot but directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

CASE NO. PUR-2017-00158
FEBRUARY 7, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY and DOMINION GENERATION, INC.

For approval of a Renewed Rotor Purchase and Sale Agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On November 21, 2017, Virginia Electric and Power Company ("DEV" or "Company") and Dominion Generation, Inc. ("DGI") (collectively "Applicants"), filed an application ("Application") with the State Corporation Commission ("Commission") seeking approval of a Renewed Rotor Purchase and Sale Agreement between the Company and DGI ("2018 Rotor Agreement"),[1] pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code").[2] Concurrent with the Application, the Applicants filed a Motion for Entry of a Protective Order pursuant to Rule 5 VAC 5-20-170 of the Commission's Rules for Practice and Procedure ("Protective Motion").

The 2018 Rotor Agreement is a derivative of an agreement that was originally approved by the Commission in 2002.[3] The Applicants state that the original application involved a volume-based fleet contractual service agreement between DGI and General Electric International, Inc. ("GEII"), and individual unit specific agreements between the Company and GEII, and between DGI and GEII.

In 2012, DEV and DGI filed an application for approval of a Rotor Purchase and Sale Agreement ("2012 Rotor Agreement"), which set forth the terms and conditions by which the Applicants proposed to share a spare rotor ("Spare Rotor"). The 2012 Rotor Agreement was approved by the Commission on January 30, 2013, for a period of five years.[4]

The Applicants state that the 2018 Rotor Agreement is substantively similar to the 2012 Rotor Agreement and has only been updated to reflect the corporate name changes, relevant dates, and the occurrence of the initial sale of the Spare Rotor from DEV to DGI on August 31, 2014. The Applicants also represent that the terms and conditions set forth in the 2018 Rotor Agreement are not substantively different from those in the 2012 Rotor Agreement. In particular, the Applicants state that the 2018 Rotor Agreement will continue to utilize a nominal payment of $10.00 as legal consideration for all future sales of the Spare Rotor as authorized in the 2012 Rotor Agreement. In addition, the 2018 Rotor Agreement implements the same cost-sharing terms and conditions as the 2012 Rotor Agreement.

NOW THE COMMISSION, upon consideration of the Application and the record herein, and having been advised by its Staff, is of the opinion and finds that the Applicants' request for approval of the 2018 Rotor Agreement as described herein is in the public interest, subject to the requirements set forth in the Appendix attached to this Order. The Commission also finds that the Applicant's Protective Motion is no longer necessary and, therefore, should be denied.[5]

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code, the Applicants are hereby granted approval of the 2018 Rotor Agreement as described herein, subject to the requirements set forth in the Appendix attached to this Order.

(2) The Applicants' Protective Motion is denied as moot; however, we direct the Clerk of the Commission to retain the confidential information to which the Protective Motion pertains under seal.

(3) This case is dismissed.

APPENDIX

1. The duration of the Commission's approval for the 2018 Rotor Agreement shall be limited to five (5) years, from March 2, 2018 to March 1, 2023. Should the Applicants wish to continue the 2018 Rotor Agreement after that period, separate Commission approval shall be required.

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[1] The term "rotor" and "unit rotor assembly" are used interchangeably throughout the Application.

[2] Code § 56-76 *et seq*. ("Affiliates Act").

[3] *See Petition of Virginia Electric and Power Company and Dominion Energy, Inc., For an exemption from the filing and prior approval requirements of Chapter 4 of Title 56 of the Code of Virginia or, in the alternative, approval of the transfer of inventory and Part Reimbursement Agreement*, Case No. PUE-2002-00573, 2003 S.C.C. Ann. Rept. 421, Order Granting Approval (Jan. 21, 2003).

[4] *See Application of Virginia Electric and Power Company and Dominion Energy, Inc., For approval of a Rotor Purchase and Sale Agreement pursuant to Chapter 4, Title 56 of the Code of Virginia, as amended,* Case No. PUE-2012-00130, 2013 S.C.C. Ann. Rep. 320, Order Granting Approval (Jan 30, 2013). Concurrent with the filing of the present Application, the Applicants filed a motion in Case No. PUE-2012-00130 for a one-month extension for the currently operative 2012 Rotor Agreement through March 1, 2018. The Commission approved the extension request. *Id.*, Doc. Con. Cen. No. 171210104, Order Granting Extension (Dec. 7, 2017).

[5] The Commission held the Applicants' Protective Motion in abeyance and has not received a request for leave to review the confidential information submitted in this case. Accordingly, the Commission denies the Protective Motion as moot but directs the Clerk of the Commission to retain the confidential information to which the Protective Motion pertains under seal.

2. The approval granted in this case shall have no ratemaking implications. Specifically, it shall not guarantee the recovery of, or ratemaking treatment provided for, any costs or gains directly or indirectly related to the 2018 Rotor Agreement.

3. Separate Affiliates Act approval shall be required for any changes in the terms and conditions of the 2018 Rotor Agreement, including successors and assigns.

4. The Commission shall reserve the right to examine the books and records of any affiliate in connection with the approval granted in this case whether or not such affiliate is regulated by this Commission.

5. The approval granted herein shall not preclude the Commission from exercising the provisions of § 56-78 and § 56-80 of the Code hereafter.

6. All transactions under the 2018 Rotor Agreement shall be tracked separately and reported annually in DEV's Annual Report of Affiliate Transactions submitted to the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director") on May 1 of each year, subject to administrative extension by the UAF Director.

7. The Applicants shall file a signed and executed copy of the 2018 Rotor Agreement approved in this case within ninety (90) days of the entry of the Order in this case.

CASE NO. PUR-2017-00159
MARCH 15, 2018

JOINT PETITION OF
PRINCE GEORGE SEWERAGE AND WATER COMPANY, PRINCE GEORGE WASTEWATER, LLC,
BEXLEY PROPERTIES, LLC, and WAP MHC I, LLC

For authorization to transfer utility securities pursuant to the Utility Transfers Act

ORDER GRANTING APPROVAL

On November 21, 2017, Prince George Sewerage and Water Company ("Prince George"),[1] Prince George Wastewater, LLC ("PG Wastewater"), Bexley Properties, LLC ("Bexley Properties"), and WAP MHC I, LLC ("WAP MHC I") (collectively, "Petitioners"), filed a joint petition ("Petition")[2] with the State Corporation Commission ("Commission") seeking approval, under Chapter 5, Title 56 of the Code of Virginia ("Code"),[3] of the transfer to WAP MHC I of Bexley Properties' membership interest in PG Wastewater ("Transfer"), which owns 50% of the common stock in Prince George.[4] The Petitioners also filed a Motion for Entry of a Protective Order ("Motion") pursuant to Rules 110 and 170 of the Commission's Rules of Practice and Procedure,[5] seeking confidential treatment of the Purchase Agreement and financial statements filed with the Petition.[6]

The Petition states that the proposed Transfer is part of a larger transaction involving refinance of a loan through which WAP MHC I purchased the Bexley Mobile Home Park from Bexley Properties in 2015.[7] The purchase of the Bexley Mobile Home Park was seller-financed by Bexley Properties.[8] At that time, Bexley Properties and WAP MHC I orally agreed that, upon satisfaction of the underlying promissory note, Bexley Properties would transfer its membership interest in PG Wastewater to WAP MHC I.[9] The Petitioners state that the proposed Transfer is in the public interest because it will allow the entity owning the Bexley Mobile Home Park – WAP MHC I – to also own a portion of the Prince George facility that provides sewerage services to the residents of the Bexley Mobile Home Park.[10]

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[1] Prince George owns and operates a sewerage treatment plant ("Sewerage Treatment Plant") that serves two customers: (1) the Bexley Mobile Home Park, and (2) a neighboring hotel named the Gateway Inn.

[2] The Petitioners also filed a Transaction Summary and other exhibits with the Petition, including confidential financial statements for WAP MHC I.

[3] Code § 56-88 *et seq*.

[4] The Petitioners filed additional information on December 19, 2017. Accordingly, the Petition was deemed complete as of that date.

[5] 5 VAC 5-20-10 *et seq*.

[6] On January 26, 2018, the Commission entered an Order Extending Time for Review, which docketed the Petition and extended the period of review of the Petition for an additional 30 days.

[7] Petition at 4.

[8] *Id.*

[9] Transaction Summary at 3.

[10] Petition at 5.

The Petitioners state that the loan repayment took place on September 29, 2017.[11] According to the Petition, the aforementioned refinance will also allow WAP MHC I to pay for its interest in PG Wastewater, but cannot be completed until the Commission grants the authorization requested in the Petition.[12]

The Petitioners assert that upon completion of the proposed Transfer, Prince George will continue to provide the same services to its customers pursuant to agreements already in place,[13] "at levels equal or superior to the sewerage treatment services currently provided to those customers."[14] The Petitioners further state that there will be no change in the operations or maintenance of the Sewerage Treatment Plant and that the proposed Transfer will have no adverse impact on the services received or rates paid by the customers of Prince George.[15]

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Staff of the Commission, is of the opinion and finds that the proposed Transfer will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved. The Commission also finds that the Petitioners' Motion is no longer necessary; therefore, the Motion should be denied.[16]

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-88.1 and 56-90, the Petitioners hereby are granted approval of the proposed Transfer as described herein.

(2) The Petitioners shall file a report of action with the Commission's Document Control Center within thirty (30) days after closing of the proposed Transfer, which shall note the date the Transfer occurred.

(3) The Petitioners' Motion is denied; however, we direct the Clerk of the Commission to retain the confidential information, to which the Motion pertains, under seal.

(4) This case is dismissed.

[11] Transaction Summary at 6.

[12] Petition at 6.

[13] *Id.* at 5.

[14] *Id.*

[15] *Id.* The Petitioners state that no upgrades or improvements are anticipated at this time, but "capital improvements may be necessary within the next several years" and when that occurs, "Prince George may raise rates in accordance with existing service agreements to cover such costs." *See* Transaction Summary at 4-5.

[16] The Commission held the Petitioners' Motion in abeyance. We note that the Commission has received no requests for leave to review the confidential information contained in the Petition in this proceeding. Accordingly, we deny the Motion as moot but direct the Clerk of the Commission to retain the confidential information, to which the Motion pertains, under seal.

CASE NO. PUR-2017-00160
APRIL 12, 2018

APPLICATION OF
APPALACHIAN POWER COMPANY

For approval to implement a renewable energy rider, Rider R.E.C.

FINAL ORDER

On November 21, 2017, Appalachian Power Company ("APCo" or "Company"), pursuant to § 56-236 of the Code of Virginia ("Code"), filed with the State Corporation Commission ("Commission") an application ("Application") for approval to implement an optional renewable energy rider, Rider Renewable Energy Certificate ("Rider R.E.C."). The Company stated that if approved, Rider R.E.C. would allow participating customers to offset their energy usage by purchasing low-cost Renewable Energy Certificates ("RECs"), which would "offer a simple and economical way for Appalachian's customers to support the production of renewable energy."[1]

[1] Application at 1.

The Application stated that Rider R.E.C. will be open to customers from all classes that take service under the Company's Standard Tariff.[2] Rider R.E.C. is designed eventually to replace the Company's current Renewable Power Rider ("Rider R.P.R."), which the Commission approved in 2008.[3] Rider R.P.R. allows customers to purchase a specific number of 100 kilowatt-hour ("kWh") "blocks" of RECs from the Summersville Hydro Facility, at a price of $1.50 per block per month, or to purchase RECs in an amount equivalent to customers' monthly energy consumption, at the price of $0.015 per kWh.[4] The Application stated that "the price of RECs has fallen drastically, making the cost to participate in Rider R.P.R. much higher than the current market prices warrant."[5] Accordingly, the Company said it developed Rider R.E.C. to allow customers that seek to support the production of renewable energy to do so easily and at a low cost.[6]

Rider R.E.C. would operate similarly to Rider R.P.R. but at a price of $0.10 per 100 kWh block of RECs or $0.001 per kWh to offset monthly usage.[7] For example, a residential customer using 1000 kWh per month could purchase RECs equivalent to his entire monthly usage for $1.00, instead of $15.00 under Rider R.P.R.[8] The amount a customer pays under Rider R.E.C. will be in addition to the amount the customer pays for full standard service.[9]

The Company stated that the decline in price between Rider R.P.R. and Rider R.E.C. is due in part to the source and price of the RECs that the Company will purchase and retire on behalf of Rider R.E.C. participants. If Rider R.E.C. is approved, the Company will purchase and retire cheaper Tier II RECs from the PJM Interconnection, L.L.C., market, rather than RECs generated by the Summersville Hydro Facility, which trade at a premium over other equivalent RECs due to the facility's location.[10] The Application stated that Tier II RECs typically are associated with energy generated from biomass, landfill gas, waste-to-energy, and certain hydro facilities.[11]

The Application stated that to the extent that the rates proposed for Rider R.E.C. exceed market costs for Tier II RECs, the Company would credit the difference to its Renewable Portfolio Standard rate adjustment clause ("RPS-RAC") deferred balance. APCo stated that this would benefit all customers subject to the RPS-RAC, regardless of whether they participate in Rider R.E.C.[12] The Company further stated that non-participants would not subsidize or pay for any cost associated with Rider R.E.C. because the payments pursuant to Rider R.E.C. would constitute a premium over what participants pay the Company for full standard service.[13]

If Rider R.E.C. is approved, the Company stated that it would notify the 58 customers currently enrolled in Rider R.P.R. of the availability of the less expensive option of Rider R.E.C., and the Company stated that it may seek to withdraw Rider R.P.R. in the future.[14]

On December 20, 2017, the Commission issued an Order for Notice and Comment in this proceeding that directed APCo to provide public notice of its Application and invited interested persons to file comments or a notice of participation or request a hearing on the Company's Application. The Commission also directed the Staff of the Commission ("Staff") to investigate the Application and file a report containing Staff's findings and recommendations. On February 2, 2018, the Office of the Attorney General's Division of Consumer Counsel filed a notice of participation but did not file comments or request a hearing.

On March 2, 2018, the Staff filed its Report. Staff stated that in general, it does not oppose Rider R.E.C. However, Staff noted that the Company's proposal to refund any overcollections through the RPS-RAC is not consistent with the requirements of Section 56-585.1 A 5 d of the Code, as Rider R.E.C. overcollections are not "[projected and actual costs of participation in a renewable energy portfolio standard program" nor are they at all related to RPS participation.[15] Staff proposed instead that Rider R.E.C. overcollections could be considered in reviews of base rates by including any Rider R.E.C. revenues exceeding associated REC expenses in base rate cost of service.

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[2] *Id.* at 2.

[3] *Application of Appalachian Power Company, For approval of its Renewable Power Rider*, Case No. PUE-2008-00057, 2008 S.C.C. Ann. Rept. 557, Order Approving Tariff (Dec. 3, 2008).

[4] Application at 2.

[5] *Id.*

[6] *Id.*

[7] *Id.* The Company states that it is not seeking approval of Rider R.E.C. as a "tariff for electric energy provided 100 percent from renewable energy" pursuant to Code § 56-577 A 5. *Id.* at n.2.

[8] *Id.* at 2-3.

[9] *Id.* at 4.

[10] *Id.* at 3.

[11] *Id.*

[12] *Id.* at 4.

[13] *Id.*

[14] Pre-filed Direct Testimony of Eleanor K. Nowak at 3.

[15] Section 56-585.1 A 5 d of the Code provides for timely and current RAC recovery from customers of "[p]rojected and actual costs of participation in a renewable energy portfolio standard program pursuant to § 56-585.2 that are not recoverable under subdivision 6."

On March 14, 2018, APCo filed the Rebuttal Testimony of Eleanor K. Nowak, in which the Company indicated that "the Company supports Staff's recommendation to flow through the differences between the realized costs of RECs purchased on behalf of customers who participate in Rider R.E.C. and any Rider R.E.C[.] revenues as a cost of service in base rates."[16]

The Commission received no requests for hearing or other comments addressing Rider R.E.C.[17]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that APCo's proposed Rider R.E.C. is reasonable and should be approved. The Commission further finds that any Rider R.E.C. overcollections should be recognized by the Company in cost of service in the Company's future base rate reviews.

Accordingly, IT IS ORDERED THAT:

(1) APCo's Application is approved, subject to the limitations identified herein.

(2) The Company shall file with the Clerk of the Commission and the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance a revised Rider R.E.C., which shall reflect the findings and requirements set forth herein.

(3) Rider R.E.C., as approved herein, shall become effective for service rendered on and after the date of this Order.

(4) Within thirty (30) days of the date of this Order, the Company shall notify all customers currently enrolled in Rider R.P.R. of the availability of Rider R.E.C.

(5) This matter is dismissed.

[16] Rebuttal Testimony at 1.

[17] The Commission did receive two public comments addressing the overall level of the Company's rates.

CASE NO. PUR-2017-00162
AUGUST 8, 2018

APPLICATION OF
PLEINMONT SOLAR, LLC *et al.*

For certificates of public convenience and necessity for a 500 MW solar generating facility in Spotsylvania County pursuant to §§ 56-46.1 and 56-580 D of the Code of Virginia

ORDER GRANTING CERTIFICATES

On November 28, 2017, Pleinmont Solar, LLC ("Pleinmont") along with certain other special purpose entities ("SPEs," collectively with Pleinmont, the "Joint Applicants") filed an application ("Application" or "Joint Application") with the State Corporation Commission ("Commission") for Certificates of Public Convenience and Necessity ("CPCNs") for the construction and operation of a nominal 500 megawatt ("MW") solar generating facility in western Spotsylvania County (the "Project"). The Joint Applicants filed their Application pursuant to §§ 56-46.1 and 56-580 D of the Code of Virginia ("Code") and the Filing Requirements in Support of Applications for Authority to Construct and Operate an Electric Generating Facility, 20 VAC 5-302-10 *et seq.*

The proposed Project is a 500 MW solar generating facility that would be constructed in four phases by four different SPEs that would each develop, construct, own, and operate a separate phase of the Project.[1] The four SPEs are: Pleinmont Solar 1, LLC (75 MW); Pleinmont Solar 2, LLC (240 MW); Highlander Solar Energy Station 1, LLC (165 MW); and Richmond Spider Solar, LLC (20 MW).[2] The Joint Applicants anticipate the in-service date for Phase 1 of the proposed Project, constructed by Pleinmont Solar 1, LLC, to be on or before June 30, 2019.[3] The Joint Applicants anticipate the in-service date for the remaining phases of the proposed Project to be December 31, 2019.[4]

[1] The Joint Application originally identified the Project as being completed in seven phases by seven unidentified SPEs. The Joint Applicants amended and supplemented their Application through a motion filed April 6, 2018. The Joint Applicants represented in their Motion to Amend and Supplement the Joint Application that the proposed Project would be constructed by these four SPEs in four, rather than seven, phases. The Commission accepted the Joint Applicants' Motion to Amend and Supplement the Joint Application by Order dated May 8, 2018. *Compare* Ex. 2 (Application) at 3, *with* Ex. 3 (Motion to Amend and Supplement the Joint Application) at 2.

[2] Ex. 3 (Motion to Amend and Supplement) at 2. In addition, the Joint Applicants identified Highlander IA, LLC. Highlander IA, LLC is another SPE involved in the Project, however Highlander IA, LLC is not requesting a CPCN in this case because Highlander IA, LLC would not own or operate any phase of the Project.

[3] Ex. 3 (Motion to Amend and Supplement) at 2.

[4] *Id.*

Each of the SPEs is a direct wholly owned subsidiary of sPower Development Company, LLC, which is a wholly owned direct subsidiary of FTP Power, LLC ("FTP Power").[5] The Joint Applicants assert that they, along with FTP Power, bring significant resources and expertise to support the successful development of the proposed Project.[6] The Joint Applicants represent that none of the SPEs are regulated utilities.[7] Therefore, the business risk associated with the proposed Project would be borne solely by the Joint Applicants, with no direct impact on rates paid by ratepayers in Virginia.[8]

The proposed Project would be located in western Spotsylvania County on approximately 6,000 acres of land (the "Site"), of which approximately 3,500 acres would be used for construction.[9] The Site is rural, consisting primarily of cleared forest and timber land.[10] The Site generally is bounded by West Catharpin Road (Route 608) to the south, Old Plank Road (Route 621) to the north, and Dulin Road to the west.[11] The Site is traversed by several logging roads and two transmission lines, including an east-west 115 kilovolt ("kV") line and a north-south 500 kV line, which bisect the Site.[12]

According to the Application, each phase of the proposed Project would use photovoltaic modules mounted on racking systems supported by a pile-driven foundation design.[13] The racking configuration would be a single-axis tracking configuration with north-south trending rows that would track the sun from east to west over the course of the day.[14] Each phase would share interconnection facilities.[15]

The electricity generated by the proposed Project would be sold into the PJM Interconnection, LLC ("PJM") wholesale market.[16] Each SPE has entered into one or more agreements with third parties for the conveyance of green attributes associated with the energy sold into the PJM wholesale market.[17]

The Joint Applicants assert that the proposed Project would promote the public interest by providing economic benefits to Spotsylvania County and the surrounding area.[18] The Joint Applicants assert that the proposed Project would have no material adverse effect on the reliability of electric service provided by any regulated public utility.[19] The Joint Applicants further assert that the proposed Project promotes the goals set out in the 2010 and 2014 Virginia Energy Plans, as well as the 2016 update to the 2014 Energy Plan, by providing renewable generating capacity in the Commonwealth.[20]

The Joint Applicants represent that the proposed Project would obtain all necessary permits and approvals required for environmental impacts.[21] The Joint Applicants anticipate that there would be no or minimal adverse environmental impacts associated with the proposed Project.[22]

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[5] Ex. 2 (Application) at 2; Ex. 3 (Motion to Amend and Supplement) at 3. AES Corporation (through AES Lumos Holdings, LLC) and Alberta Investment Management Corporation (through PIP5 Lumos, LLC) each own fifty percent (50%) of the common voting equity (for a cumulative total of one hundred percent (100%)) of FTP Power.

[6] Ex. 2 (Application) at 2.

[7] *Id.* at 7; Ex. 3 (Motion to Amend and Supplement) at 3.

[8] Ex. 2 (Application) at 7.

[9] Ex. 2 (Application) at 2; Ex. 2 (Appendix) at 2.

[10] *Id.*

[11] Ex. 2 (Appendix) at 2.

[12] Ex. 2 (Application) at 3.

[13] *Id.*

[14] *Id.* at 3-4.

[15] *Id.* at 4. Highlander IA, LLC would be the SPE's jointly owned subsidiary. Highlander IA, LLC would enter into an interconnection agreement on behalf of the Joint Applicants for the Project. As noted in footnote 2, *supra*, because Highlander IA, LLC will not own or operate any phase of the Project, the Joint Applicants do not believe a CPCN is required for this entity. Ex. 3 (Motion to Amend and Supplement the Joint Application) at 2.

[16] Application at 4.

[17] *Id.* The Joint Applicants represented at the hearing that all third-party agreements have been concluded. Tr. 449-450.

[18] Ex. 2 (Application) at 6, 8.

[19] *Id.*

[20] *Id.* at 7, 9.

[21] *Id.* at 5.

[22] *Id.* at 5, 9.

On December 28, 2017, the Commission issued an Order for Notice and Hearing ("Procedural Order") that, among other things, docketed the Joint Application; required the Joint Applicants to publish notice of the Joint Application; gave interested persons the opportunity to comment on, or participate in, the proceeding; scheduled a public hearing for the purpose of receiving testimony and evidence on the Joint Application; directed the Commission Staff ("Staff") to investigate the Joint Application and file testimony and exhibits containing its findings and recommendations; and assigned a Hearing Examiner to conduct all further proceedings in this matter. Rappahannock Electric Cooperative ("REC") and Mr. Russell J. Mueller ("Mr. Mueller") filed notices of participation.

In the Procedural Order, the Commission noted that Staff had requested the Department of Environmental Quality ("DEQ") to coordinate an environmental review of the proposed Project.[23] The DEQ filed a report ("DEQ Report") on the proposed Project on February 8, 2018.[24] The DEQ Report summarizes the proposed Project's potential impacts, makes recommendations for minimizing those impacts, and outlines the Joint Applicants' responsibilities for compliance with certain legal requirements governing environmental protection.

The DEQ Report contains the following recommendations:

- Conduct an on-site delineation of all wetlands and stream crossings within the project area with verification by the U.S. Army Corps of Engineers, using accepted methods and procedures, and follow DEQ's recommendations to avoid and minimize impacts to wetlands and streams;
- Follow DEQ's recommendations regarding air quality protection, as applicable.
- Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable;
- Coordinate with the Department of Conservation and Recreation's ("DCR") Division of Natural Heritage regarding its recommendations to protect natural heritage resources, a survey for the small whorled pogonia and an invasive species management plan. Contact DCR for updates to the Biotics Data System database;
- Coordinate with the Department of Game and Inland Fisheries ("DGIF") regarding its recommendations to protect wildlife resources;
- Coordinate with DGIF regarding its recommendations to implement a monitoring plan on the potential thermal island impacts and lake effect perception by wildlife as a condition of Project operation.
- Coordinate with the Virginia Outdoors Foundation regarding its recommendation for additional coordination if necessary.
- Coordinate with the Department of Health regarding recommendations to protect water supplies.
- Follow the principles and practices of pollution prevention to the maximum extent practicable; and
- Limit the use of pesticides and herbicides to the extent practicable.[25]

On March 26, 2018, Mr. Mueller filed respondent testimony.[26] Through his prefiled respondent testimony, Mr. Mueller, among other things, made several recommendations, including that the Commission condition any approval of the proposed Project to: (1) ensure that the proposed Project minimizes stress on the local acquifer; (2) ensure that only non-toxic chemicals are applied to the Site; (3) ensure that adequate barriers, berms and storm water runways are positioned so that the Project is setback at least 100 yards from Fawn Lake and other residential property-owner borders; (4) plan for the containment of many tons of toxic and genotoxic cadmium-related materials inside the solar glass casings; (5) plan specifically to minimize damage or traffic problems on certain roads that the Joint Applicants frequently use; and (6) plan specifically to assure that taxpayers do not pay for the cost of remediation and decommissioning in the event the Site is abandoned or in the event of bankruptcy by any of the Joint Applicants.[27] Mr. Mueller also recommended that the Commission condition final approval on several requirements applicable to "all owners and operators (and other companies exercising control, in fact, through financing or other means over the actions of such owners and operators) of each phase of the solar facility."[28]

The Commission received numerous requests for local hearings in this case. Through its March 26, 2018 Order, the Commission scheduled local hearings in Spotsylvania County. At the Commission's direction, the Hearing Examiner convened local hearings in this matter on May 9, 2018. Numerous public witnesses attended these hearings and testified on the Joint Application. The local hearing testimony is memorialized in the transcript to this matter and summarized in the Hearing Examiner's July 6, 2018 Report.

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[23] Procedural Order at 4-5.

[24] Ex. 12 (DEQ Report).

[25] *Id.* at 6.

[26] Inadvertently, Mr. Mueller's prefiled testimony was not entered at the hearing. We hereby enter Mr. Mueller's prefiled direct testimony as Exhibit 17 into the record. REC did not file testimony in this proceeding.

[27] Ex. 17 (Mueller) at 3-4.

[28] Mr. Mueller's recommended requirements are set forth on pages 3-8 of his prefiled testimony.

On April 23, 2018, Staff filed their testimony. Staff found, among other things, that the proposed Project is expected to impose material adverse effects on the reliability of electric service provided by Dominion, but that such effects could be mitigated by the Joint Applicants through network upgrades.[29] Staff noted its understanding that the Joint Applicants would be required to pay for system upgrade costs assigned to them by PJM.[30] Staff therefore recommended that the Commission require the Joint Applicants to file the final Interconnection Services Agreement with the Commission within 30 days of its execution.[31] Staff further noted that it had discovered an allocation error by PJM.[32] Staff committed to monitoring future cost recovery filings submitted by Dominion to confirm PJM's assertion that there will be no impact to Virginia ratepayers due to this allocation error.[33]

On May 8, 2018, the Joint Applicants filed rebuttal testimony. In their rebuttal testimony, the Joint Applicants took issue with Staff's characterization of the Project's reliability impacts.[34] The Joint Applicants asserted that the Interconnection Service Agreement, which is required prior to the proposed Project being permitted to interconnect with the transmission system, requires compliance with Section 217.3 of PJM's Open Access Transmission Tariff, which states that "Each New Service Customer shall be obligated to pay for 100 percent of the costs of the minimum amount of Local Upgrades and Network Upgrades necessary to accommodate its New Service Request."[35]

In their rebuttal testimony, the Joint Applicants also responded to Mr. Mueller's recommendations. The Joint Applicants asserted that many of Mr. Mueller's concerns are being addressed before Spotsylvania County as part of the Special Use Permit related to the Site.[36] The Joint Applicants also took issue with Mr. Mueller's characterization of the risks of toxic substance exposure in the event a solar panel is broken.[37] The Joint Applicants maintained that because the solar panel material is bonded to the glass, cleanup of the glass will remove all other materials associated with the panel, including the chemicals that Mr. Mueller is concerned with.[38] The Joint Applicants committed to obtaining all required permits and approvals for the Project regardless of whether this is a condition of the CPCNs or not.[39]

The Commission convened an evidentiary hearing on July 12, 2018. The Joint Applicants, REC, Mr. Mueller, and Staff participated in the hearing. Several public witnesses as well as representatives of DEQ testified at the hearing. At the hearing, the Joint Applicants and REC submitted a Joint Motion for Partial Settlement between the two parties into the record.[40]

At the hearing, Staff recommended that any CPCN be conditioned on the Joint Applicants assuming full cost responsibility for the network upgrades that have been allocated to them by PJM and continued to recommend that the Commission require, as a condition of the certificates, the filing of the Interconnection Service Agreement within 30 days of its execution.[41] Staff also re-asserted its commitment to monitoring the PJM allocation error.[42]

At the hearing, Mr. Mueller requested that the Commission "require the Joint Applicants to provide to the Commission upfront the detailed hydrology, storm water, erosion, and all the other studies and documents required for the federal, state, and county permits before the Commission takes any action to approve or deny any CPCNs for the Project."[43] Mr. Mueller also requested that the Commission impose the following conditions on any CPCNs granted in this case:

- A condition that will prevent several hundred million gallons of water from being extracted from the local aquifer during the construction period.[44]
- A condition that no burning be permitted on the Site.[45]

[29] Ex. 9 (White) at 8-10, 16; Ex. 11 (Essah) at 5.

[30] Ex. 9 (White) at 9-10.

[31] *Id.* at 10.

[32] Ex. 11 (Essah) at 7.

[33] *Id.*

[34] Ex. 13 (Menahem Rebuttal) at 2-5.

[35] *Id.* at 2-3.

[36] *Id.* at 6-12.

[37] *Id*. at 11.

[38] *Id.*

[39] *Id.* at 6.

[40] Ex. 15c (Confidential Joint Motion Submitting Partial Settlement).

[41] *See, e.g.,* Tr. 384-386; 491-494, 500-501.

[42] *See*, *e.g.,* Tr. 385

[43] Tr. 357-358.

[44] Tr. 358. In addition, Mr. Mueller requested that if wells are to be drilled on the Project site, that a monitoring well be drilled to alert the Joint Applicants and all federal, state, and county agencies of any significant decline in the water level of the affected aquifer. Tr. 360.

[45] Tr. 361.

- A condition that no biosolids or phosphorus-laden fertilizer be used on the Site.[46]
- A condition that before construction begins on the Site, the Joint Applicants conduct a small-scale acreage demonstration project to determine the exact methods and materials needed to prevent severe erosion, landslides, and uncontrolled storm water runoff from leaving the site into bordering neighborhoods or entering wetlands and waters leading to the Chesapeake Bay.[47]
- A condition that requires a final, fully engineered Site plan that sets back solar operations at least 300 feet from neighboring property lines, and that includes berms and green screen along the entire property line of Fawn Lake and other area property lines.[48]
- A condition that none of the solar panels used on the Site be composed of cadmium or cadmium telluride.[49]
- A condition that all Project owners and operators, and other companies, exercising control in fact, through financing, or other means, over the action of such owners and operators, assume liability for the costs of remediation and decommissioning whether arising from abandonment, bankruptcy or end of Project life.[50]

Mr. Mueller also requested that any CPCN approved in this case be conditioned on the Joint Applicants obtaining final approval of permits and other requirements related to the Project from all federal, state, and county agencies.[51] Mr. Mueller also noted in his opening statement that FTP Power should be named as a Joint Applicant so that FTP Power is also liable in any future event.[52] In his closing statement, Mr. Mueller recommended that sPower be named as a Joint Applicant.[53]

Several DEQ witnesses and one witness from Spotsylvania County testified at the hearing. Ms. Melanie Davenport, Director, Water Permitting Division, DEQ, testified that DEQ has both administrative and judicial enforcement authority, and that permits issued by DEQ give DEQ inspection authority and right of access to properties.[54] Ms. Davenport clarified that DEQ has no authority over groundwater withdrawals at the Site, but that DEQ does have authority over surface water withdrawals throughout the Commonwealth if they exceed non-tidal water, 10,000 gallons per day.[55] Ms. Davenport stated that DEQ regulates the use of biosolids and fertilizer through different agencies.[56] Regarding Mr. Mueller's concern for toxic materials used in solar panels, Ms. Davenport asserted that she is unaware of any Virginia regulatory agency that has authority over how panels are produced or what materials are used in them.[57] However, Ms. Davenport stated that "if panels were removed, . . . they would need to be disposed of in accordance with [DEQ's] regulations. And if they were hazardous, they would have to be followed under our hazardous disposal regulations."[58]

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[46] Tr. 362-363. Mr. Mueller recognized that the Joint Applicants had represented to him that no biosolids would be used on the Project. Tr. 363.

[47] Tr. 364.

[48] Tr. 366. The Joint Applicants represented at the hearing that in most areas near homes, the Project would maintain a 250 foot to 300 foot buffer as part of the conditions necessary for the Special Use Permit. Tr. 515.

[49] Tr. 367. Mr. Mueller also noted his belief that no adequate emergency management plans could be proposed to address the issue of toxic materials in solar panels. Tr. 368.

[50] Tr. 371.

[51] Tr. 377.

[52] Tr. 376.

[53] Tr. 537.

[54] Tr. 398-399; 402-403.

[55] Tr. 406-407.

[56] Tr. 408-409.

[57] Tr. 409, 411.

[58] Tr. 413.

Ms. Bettina Rayfield, Manager, Office of Environmental Impact Review, DEQ, testified that the storm water erosion and Chesapeake Bay Act standards are subject to the Spotsylvania County approval process.[59] Mr. Troy Tignor, Director of Zoning and Environmental Codes, Spotsylvania County, also testified at the hearing. Mr. Tignor confirmed that he enforces Spotsylvania County ordinances related to, among other things, storm water management and erosion and sediment controls. Mr. Tignor also testified that he enforces Spotsylvania County's Chesapeake Bay Act Preservation ordinance, and zoning ordinances.[60] Mr. Tignor testified that setbacks from property lines are dealt with at the county level through the Special Use Permit process.[61] Mr. Tignor testified that the Spotsylvania County fire marshal has authority under a local Spotsylvania County ordinance on issuing burn permits.[62] It was also established at the hearing that Spotsylvania County's Special Use Permit process addresses the surety and the bond for decommissioning, making sure it is adequate.[63]

Mr. Tignor testified that Spotsylvania County has no oversight over how much water can be taken out during the construction process.[64] However, Mr. Tignor testified that the Board of Supervisors has extreme latitude in setting conditions on Special Use Permits as a legislative matter if the Board considers there to be any health, safety, or welfare concern.[65] Mr. Tignor asserted specifically that conditions pertaining to the Project's effect on the aquifer, for example, could be considered as part of the Special Use Permit at the county level.[66] The Joint Applicants represented at hearing that they expect to obtain a Special Use Permit for the proposed Project by third quarter of this year.[67]

Mr. Ernie Aschenbach, Environmental Services Biologist, DGIF, also testified at the hearing. Mr. Aschenbach testified that DGIF had considered the potential for lake effect and recommended the Joint Applicants conduct a literature search of such effect.[68] With regard to concerns related to thermal island impacts, Mr. Aschenbach testified that the study he reviewed was inconclusive, and that thermal island impacts were not settled science, but a theory.[69] Mr. Aschenbach noted that DGIF had recommended the Joint Applicants also conduct a literature review of the thermal island effect.[70]

At the conclusion of the hearing, Mr. Mueller referred to his recommendations and noted that some of his concerns are not governed by Spotsylvania County code or state law, or that there is no enforcement.[71] Mr. Mueller asked, among other things, that the Commission focus on these concerns.[72] Mr. Mueller also made an additional recommendation that any costs induced by intermittent generation of solar power be recognized by the Applicants.[73]

NOW THE COMMISSION, having considered this matter, is of the opinion and finds as follows:

Code of Virginia

Section 56-580 D of the Code provides in part:

> The Commission shall permit the construction and operation of electrical generating facilities in Virginia upon a finding that such generating facility and associated facilities (i) will have no material adverse effect upon reliability of electric service provided by any regulated public utility, . . . and (iii) are not otherwise contrary to the public interest.

Further, with regard to generating facilities, § 56-580 D of the Code directs that "the Commission shall give consideration to the effect of the facility and associated facilities on the environment and establish such conditions as may be desirable or necessary to minimize adverse environmental impact as provided in § 56-46.1 . . .." Section 56-46.1 A of the Code provides in part:

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[59] Tr. 458.

[60] Tr. 461.

[61] Tr. 472.

[62] Tr. 471.

[63] *See, e.g.,* Ex. 8 (Spotsylvania County Ordinance Section 2.3-4.5.7) at (d) 10-18. Joint Applicant witness Menahem testified that every two years, the cost of decommissioning is restudied and adjusted per, at the time, the current cost of recycling materials and the construction. Tr. 428-429. Mr. Menahem testified that "on a rolling basis, every two years, the belly of the bond will be adjusted." Tr. 429.

[64] Tr. 469.

[65] Tr. 470.

[66] Tr. 470-471.

[67] Tr. 454.

[68] Tr. 482.

[69] Tr. 482-484.

[70] Tr. 484.

[71] *See, e.g.,* Tr. 538-540.

[72] *See, e.g.,* Tr. 538.

[73] Tr. 541-543.

> 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 every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection; and if requested by any county or municipality in which the facility is proposed to be built, to local comprehensive plans that have been adopted pursuant to Article 3 (§ 15.2-2223 *et seq*.) of Chapter 22 of Title 15.2.

Subsection 56-46.1 A also provides:

> In order to avoid duplication of governmental activities, any valid permit or approval required for an electric generating plant and associated facilities issued or granted by a federal, state or local governmental entity charged by law with responsibility for issuing permits or approvals regulating environmental impact and mitigation of adverse environmental impact or for other specific public interest issues such as building codes, transportation plans, and public safety, whether such permit or approval is granted prior to or after the Commission's decision, shall be deemed to satisfy the requirements of this section with respect to all matters that (i) are governed by the permit or approval or (ii) are within the authority of, and were considered by, the governmental entity in issuing such permit or approval, and the Commission shall impose no additional conditions with respect to such matters.

Section 56-580 D of the Code contains language that is nearly identical to the language set forth in Code § 56-46.1 A.

The Code also directs the Commission to consider the effect of a proposed facility on economic development in Virginia. Section 56-46.1 A of the Code states in part:

> Additionally, the Commission (a) shall consider the effect of the proposed facility on economic development within the Commonwealth, including but not limited to furtherance of the economic and job creation objectives of the Commonwealth Energy Policy set forth in §§ 67-101 and 67-102, and (b) shall consider any improvements in service reliability that may result from the construction of such facility.

Similarly, § 56-596 A of the Code provides that "[i]n all relevant proceedings pursuant to [the Virginia Electric Utility Regulation] Act, the Commission shall take into consideration, among other things, the goal of economic development in the Commonwealth."

Reliability

We find that construction of the Project will have no adverse effect on reliability of electric service provided by regulated public utilities in Virginia.[74] We recognize, however, that the Joint Applicants will be responsible for all projects that PJM concludes are necessary to ensure reliable operation of the transmission system.[75] We recognize that the Joint Applicants' obligation to complete and/or pay for these projects will be set forth in an Interconnection Service Agreement executed between PJM, Dominion, and the Joint Applicants.[76] We therefore condition the CPCNs granted in this proceeding on the Joint Applicants paying for all network upgrade costs PJM assigns to the Joint Applicants, or their designated representative at PJM, and find that the Joint Applicants shall file the Interconnection Service Agreement for the Project within thirty (30) days of its execution.

Economic Development

We find that the proposed Project will likely generate direct and indirect economic benefits to Spotsylvania County and the Commonwealth[77] as a result of employment and spending from construction and operation of the proposed Project.[78] The Project is projected to create 700-1,400 jobs during the construction period and thereafter approximately 10-15 full-time jobs.[79] Further, Spotsylvania County will likely benefit from an increase in the local tax base as a result of the property used, and generation facilities constructed by, the Joint Applicants.[80]

Environmental Impact

The statutes direct that the Commission "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."[81]

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[74] *See, e.g.,* Ex. 9 (White) at 7-10, 16; Ex. 13 (Menahem Rebuttal) at 5; Tr. 491-494, 500-501, 505-507.

[75] *Id*.

[76] *See, e.g.,* Ex. 10 (PJM Tariff 212); Ex. 7 (Joint Applicant Response to Staff Interrogatories 8-34 through 8-44) at 7; Ex. 13 (Menahem Rebuttal) at 3; Ex. 9 (White) at 7-9; Tr. 500-501.

[77] With regard to the Commonwealth, our finding of economic benefits takes into consideration that this is a non-utility generating project and the capital costs of this project will be born by private investors, not by a utility's customers.

[78] *See, e.g.,* Ex. 4 (Menahem Direct) at 6; Ex. 9 (White) at 13-14, 16

[79] *See, e.g.,* Ex. 4 (Menahem Direct) at 6; Ex. 9 (White) at 13.

[80] *See, e.g.,* Ex. 4 (Menahem Direct) at 6; Ex. 9 (White) at 16.

[81] Code § 56-46.1 A. *See also* Code § 56-580 D (stating that "the Commission shall give consideration to the effect of the facility and associated facilities 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 noted above, DEQ coordinated an environmental review of the proposed Project and submitted a DEQ Report that, among other things, set forth recommendations for the proposed Project.[82] The Joint Applicants asserted they had no objection to the recommendations in the DEQ Report.[83] Beyond the recommendations in the DEQ Report, the Joint Applicants recognized that they will need to obtain all required permits and approvals for the Project, whether a condition of CPCNs or not.[84]

We find that as a condition of the CPCNs granted herein, the Joint Applicants shall comply with the recommendations in the DEQ Report, and coordinate with DEQ to implement DEQ's recommendations. Further, as a condition to the CPCNs granted herein, the Joint Applicants shall obtain all necessary environmental permits and approvals that are necessary to construct and operate the Project.

We note that the record in this case establishes that many of Mr. Mueller's concerns and recommendations fall under the jurisdiction of DEQ or Spotslyvania County.[85] To the extent Mr. Mueller's recommendations are not explicitly addressed in Spotsylvania County's ordinances governing the Special Use Permit, the evidence in this case establishes that Spotsylvania County has wide latitude in attaching conditions to the Special Use Permit necessary for the Project.[86] Specifically, the Spotsylvania County ordinance states, in part, that the:

> planning commission shall not recommend, nor shall the [B]oard of [S]upervisors approve, the proposed special use unless it satisfies the following standards: (a) General Standards: . . . (4) That the proposed use will not adversely affect the health or safety of persons residing or working in the neighborhood of the proposed use; (5) That the proposed use will not be detrimental to the public welfare or injurious to property or improvements within the neighborhood; (6) That the proposed use is appropriately located with respect to transportation facilities, water supply, wastewater treatment, fire and police protection, waste disposal, and similar facilities; (7) That the proposed use will not cause undue traffic congestion or create a traffic hazard; (8) That the proposed use will have no unduly adverse impact on environmental or natural resources.[87]

We find that Spotsylvania County, through this ordinance governing the Special Use Permit process, can address Mr. Mueller's concerns related to the health of the aquifer and the use of cadmium or cadmium telluride products in the solar panels themselves to the extent they are not otherwise addressed by local, state or federal law.

Public Interest

We find that the Project is not "contrary to the public interest" as contemplated by § 56-580 D of the Code. Among other things, the record in this case establishes that construction and operation of the proposed Project will: (i) have no material adverse effect on reliability, if the Joint Applicants fund and/or complete the upgrades PJM finds necessary for the Project; (ii) provide local and regional economic benefits; and (iii) based on the conditions imposed above, comply with all necessary federal, state and local environmental permits.[88] Additionally, as recognized by the Joint Applicants and confirmed by Staff, the business risk associated with constructing, owning, and operating the Project, which will not provide retail electric service in the Commonwealth and will not be included in the rate base of any incumbent electric utility, rests solely with the Joint Applicants.[89]

Sunset Provision

As a requirement of our approval herein, we find that the authority granted by this Order Granting Certificates shall expire five (5) years from the date hereof as to any phase of the Project if construction of that phase of the Project has not commenced, though Joint Applicants subsequently may petition the Commission for an extension of this sunset provision for good cause shown.

Accordingly, IT IS ORDERED THAT:

(1) Subject to the findings and requirements set forth in this Order Granting Certificates, the Joint Applicants are granted approval for the following Certificates of Public Convenience and Necessity to construct and operate the separate phases of the Project as set forth in this proceeding:

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[82] Ex. 12 (DEQ Report).

[83] *See, e.g.,* Tr. 553.

[84] *See, e.g.,* Ex. 13 (Menahem Rebuttal) at 6.

[85] For this reason, we decline to "require the Joint Applicants to provide the Commission upfront with the detailed hydrology, storm water, erosion and all other studies and documents required for the federal, state, and county permits before the Commission takes any action to approve or deny any CPCNs for the Project." *See, e.g.*, Tr. at 357-358.

[86] Tr. 470. Specifically, Mr. Tignor of DGIF testified that "Boards of [S]upervisors have extreme latitude, I believe, in setting conditions on [S]pecial [U]se [P]ermits as a legislative matter . . . in issuance of a permit if they consider it to be some sort of health, safety, welfare concern." *See also* Tr. 454.

[87] *See, e.g.,* Ex. 8 (Spotsylvania County Local Ordinance Section 23-4.5.7). For Solar Energy Facilities, specifically, the cited ordinance also contains requirements for, among other things: (1) access to the Site for emergency services; (2) compliance with the Virginia Stormwater Management Program, Virginia Erosion and Sediment Control Program, Chesapeake Bay Preservation Act, and County Stormwater Management; (3) screening to minimize visibility and aesthetic impacts to neighboring uses and roadways; and (4) view shed analysis to assess visibility from adjoining property owners and roadways.

[88] *See, e.g.,* Ex. 4 (Menahem Direct) at 6-7; Ex. 9 (White) at 8-16; Ex. 13 (Menahem Rebuttal) at 6-12; Tr. 500-501; 553.

[89] *See, e.g.,* Ex. 2 (Application) at 12; Ex. 9 (White) at 16.

- Pleinmont Solar 1, LLC: Certificate No. EG-217.
- Pleinmont Solar 2, LLC: Certificate No. EG-218.
- Highlander Solar Energy Station 1, LLC: Certificate No. EG-219.
- Richmond Spider Solar, LLC: Certificate No. EG-220.

(2) The Joint Applicants shall forthwith file a map of the Project within Spotsylvania County for certification.

(3) This case is dismissed.

CASE NO. PUR-2017-00163
NOVEMBER 6, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval to establish a companion tariff, designated Schedule RG, pursuant to § 56-234 of the Code of Virginia

ORDER APPROVING TARIFF

On December 1, 2017, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or the "Company"), pursuant to § 56-234 of the Code of Virginia ("Code") and Rule 5 VAC 5-20-80 of the Rules of Practice and Procedure[1] of the State Corporation Commission ("Commission"), filed with the Commission its Application for Approval to Establish a Companion Tariff, Designated Schedule RG ("Application"). Through its Application, Dominion seeks approval to establish a voluntary companion tariff, designated Schedule RG - Renewable Generation Supply Service ("Schedule RG"), whereby participating large, non-residential customers voluntarily may elect to purchase, in an amount up to 100 percent of their energy needs, the net energy output from renewable energy resources, as well as the renewable and environmental attributes associated with this renewable energy.

Schedule RG is modeled after the experimental, voluntary RG Pilot Program and Rate Schedule RG that was approved by the Commission in Case No. PUE-2012-00142.[2] Schedule RG is designed to allow participating customers to benefit from the Company's sale of energy output of specified renewable generation facilities into the PJM Interconnection, LLC ("PJM") markets, while increasing the level of renewable energy generation and use in the Commonwealth.[3]

Dominion proposes Schedule RG as a companion schedule, available on a voluntary basis to eligible commercial and industrial customers of the Company who currently are taking (or agree to take) service under an approved applicable tariff (Rate Schedules GS-1, GS-2, GS-3, GS-4, 10, 27, and 28).[4] Pursuant to the proposed Schedule RG, Dominion would: (i) contract with a third-party renewable energy provider to purchase the desired electrical output and associated environmental attributes on the customer's behalf and/or; (ii) at the customer's request and subject to mutually agreeable terms, construct a renewable generation facility on the customer's behalf to generate the desired electrical output.[5] A participating customer may request a specific type of renewable energy resource, provided that it generates "renewable energy" as defined by Code § 56-576.[6] Under the proposed Schedule RG, any renewable generation facility from which the Company would purchase renewable energy on behalf of a participating customer may be located outside of the Company's service territory but would have to be located physically within and interconnected with the PJM wholesale electric market for purposes of accounting for the generation and delivery of the energy and associated environmental attributes.[7]

To be eligible for Schedule RG, a customer, in addition to taking service under an approved applicable tariff, would need to agree to purchase electrical output from a Company renewable resource or through a power purchase agreement ("PPA") of at least 1,000 kilowatts nameplate capacity, where the electric energy purchased from such Company renewable resource or through such PPA does not exceed the customer's annual electrical energy load.[8] Schedule RG would permit the aggregation of accounts to satisfy the minimum resource requirement.[9] Proposed Schedule RG also provides that the

[1] 5 VAC 5-20-10 *et seq.*

[2] Application at 1. The RG Pilot Program and Rate Schedule RG closed in April 2017. *See Application of Virginia Electric and Power Company, For approval to establish a renewable generation pilot program pursuant to § 56-234 of the Code of Virginia*, Case No. PUE-2012-00142, 2013 S.C.C. Ann. Rept. 346, Final Order (Dec. 16, 2013). The Company represents that it is not offering an experimental rate. Application at 4, n.1.

[3] Application at 6.

[4] *Id.* at 5.

[5] *Id.* at 7.

[6] *Id.*

[7] *Id.* at 7. Dominion represents that the Company will endeavor to source new renewable energy resources within the Commonwealth to serve customers on Schedule RG, to the extent such resources are available and consistent with participating customers' needs and interests. *Id.* at 15.

[8] Application at 8.

[9] *Id.*

Company would be the exclusive provider of electric service, including the exclusive provider of electricity supply service for the customer's account(s) to which Schedule RG applies.[10]

A Schedule RG customer would execute a Schedule RG Agreement, setting forth the mutual terms and conditions associated with the Company's purchase or supply of renewable generation to be delivered to the grid on behalf of the customer from each renewable generation facility under Schedule RG.[11] Schedule RG also would require that the Company and a renewable generator execute a PPA if a prospective Schedule RG customer requests that the Company purchase renewable energy from a renewable generator on behalf of the customer.[12]

Under Dominion's proposal, eligible customers electing to apply for service pursuant to Schedule RG would pay a non-refundable application fee of $2,000 (regardless of the number of accounts served), which is intended to defray the costs related to the Company's solicitation process for Schedule RG.[13] The customer's monthly billing statement would, in addition to the capacity and energy charges associated with the full requirements of its load, reflect the cost associated with contracted-for renewable energy, net of PJM settlement credits and charges associated with the customer's purchase of electrical output by specified renewable generation facilities under proposed Schedule RG ("Net Schedule RG Settlement").[14] The Net Schedule RG Settlement charge or credit could be distributed equitably among multiple accounts for the same customer.[15]

The Net Schedule RG Settlement is comprised of three components: (1) the "Schedule RG Charge"; (ii) the "Schedule RG Adjustment"; and (iii) the "Schedule RG Administrative Charge."[16] The Schedule RG Charge represents the cost of the electrical output delivered by the specified renewable generation facility and thus is driven by the terms of the Schedule RG PPA or the agreement reflecting the use of a Company renewable resource.[17] The Schedule RG Charge also reflects the purchase of the associated environmental attributes, which would be retired on behalf of the participating customer.[18] The Schedule RG Adjustment, which is designed to reflect the customer's purchase of electrical output, would be equal to the PJM settlement credits for the electrical output of the Schedule RG PPA, if applicable, and/or the Company renewable resource.[19] The Schedule RG Administrative Charge, which would be addressed in the Schedule RG Agreement, would be equal to the greater of: (i) $500 for each 30-day billing period; or (ii) $0.25 per megawatt-hour supplied by each renewable generator and/or company renewable resource for which the customer has contracted to purchase electrical output pursuant to Schedule RG.[20]

Dominion proposes to solicit customer interest in proposed Schedule RG within 60 days of receiving approval from the Commission and, at minimum, once a year thereafter.[21] Prospective customers may enroll in proposed Schedule RG outside of an enrollment period in the event that the prospective customer either identifies a specific renewable generator with whom the Company would execute a PPA on behalf of the prospective customer, or requests Dominion construct a Company renewable resource on behalf of the customer.[22]

Schedule RG would be available to eligible customers until an initial proposed cap of 50 customers is met.[23] The Company proposes no cap on the quantity of renewable energy purchases under Schedule RG except that a customer may purchase up to 100 percent of its annual electrical energy load.[24]

Dominion intends to contain the costs related to the purchase and sale of electrical output under Schedule RG to each participating customer.[25] Specifically, pursuant to the Schedule RG Agreement, no costs related to the Schedule RG PPA (if applicable) or the Company renewable resource (if applicable) would be assigned to the Company's other jurisdictional or non-jurisdictional customers.[26]

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[10] *Id.* at 14.

[11] *Id.* at 8.

[12] *Id.* at 8-9. The Schedule RG PPA would recognize the participating customer as a third-party beneficiary to the agreement. *Id.* at 9.

[13] Application at 11-12.

[14] *Id.* at 12.

[15] *Id.*

[16] *Id.*

[17] *Id.* at 13.

[18] *Id.*

[19] *Id.*

[20] *Id.*

[21] *Id.* at 10.

[22] *Id.* at 11.

[23] *Id.* at 9.

[24] *Id.* at 10.

[25] *Id.* at 9.

[26] *Id.*

Dominion asserts, among other things, that the proposed Schedule RG is just and reasonable and in the public interest.[27] Dominion also asserts that Schedule RG would further the Commonwealth's Energy Policy as set forth in Code §§ 67-101 and 67-102, the Governor's Executive actions encouraging utilities to increase their renewable power generation and decrease carbon dioxide emissions, and Virginia's Energy Plan.[28] Dominion asserts that Schedule RG would help to attract and retain industry-leading, innovative commercial and industrial customers with sustainability goals or renewable energy mandates, while growing and preserving jobs and diversifying the economy of the Commonwealth.[29]

On December 28, 2017, the Commission issued an Order for Notice and Comment that, among other things: docketed the Application; required Dominion to publish notice of its Application; and gave interested persons the opportunity to participate in this proceeding. The Office of the Attorney General, Division of Consumer Counsel, Wal-Mart Stores East, LP and Sam's East, Inc. (collectively, "Walmart"), Mid-Atlantic Renewable Energy Coalition, Advanced Energy Economy, Inc., and Virginia Advanced Energy Economy (collectively, "Joint Respondents"); and the Board of Supervisors of Culpeper County, Virginia ("Culpeper County"), filed notices of participation in this proceeding. On April 10, 2018, Walmart and the Joint Respondents filed comments in this proceeding. On May 1, 2018, the Staff of the Commission ("Staff") filed its Staff Report in this proceeding. On May 30, 2018, Dominion filed its Reply Comments in this proceeding.

On September 20, 2018, the Hearing Examiner issued the Report of Howard P. Anderson, Jr., Hearing Examiner ("Report"). In his Report, the Hearing Examiner found, among other things:

1. Subject to the findings set forth below, Schedule RG should be approved;

2. Energy providers under Schedule RG should meet the requirements of § 56-576 of the Code;[30]

3. The Company's proposed enrollment process and contract terms are reasonable and should be approved;

4. The Company's proposed fees and charges appear to be reasonable and should be approved;

5. Schedule RG should be limited to a three-year term if there are no customers enrolled within that time frame;

6. Due to the three-year time frame, Schedule RG need not be considered experimental;

7. The Company's proposed language regarding confidentiality in Section 17 of the Schedule RG Agreement should be approved;

8. The Company should maintain data that [Renewable Energy Certificates ("RECs")] associated with Schedule RG have been retired on behalf of participating customers;

9. The Company should provide full transparency and administrative tracking for RECs and make such information available to Commission Staff upon request;

10. The Company should file an annual report with the Commission pertaining to Schedule RG until the proposed customer cap of fifty (50) customers is reached to allow for further evaluation of Schedule RG by the Company, the Commission, and other stakeholders. This report should include, among other information, the tracking of actual costs associated with the solicitation and negotiation process;[31]

11. To allow for further evaluation of the reasonableness of the $2,000 Application Fee and all other fees and charges, the Company should track actual costs associated with the fees and charges and include them in the annual report to the Commission;

12. Solicitation of projects and energy should be limited to projects interconnected and physically located within the PJM market;

13. A minimum contract term is unnecessary as jurisdictional rate payers are adequately protected from any stranded Company Renewable Resource; and

14. A further defined re-enrollment procedure is unnecessary.[32]

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[27] *Id.* at 4 n.1, 14.

[28] *Id.* at 14-15.

[29] *Id.* at 16.

[30] The Hearing Examiner noted in his Report the Company's agreement with Staff's recommendation that the Company seek a Certificate of Public Convenience and Necessity if facilities are not covered by the Department of Environmental Quality's Permit by Rule process pursuant to Code § 10.1-1197.8. Report at 24. *See also* Reply Comments at 3-4.

[31] The Hearing Examiner recommended specifically that the Staff conduct a review of the charges and fees associated with Schedule RG one year from this Order Approving Tariff or when there are three separate and distinct entities enrolled in the Schedule RG program, whichever occurs first. Report at 31. The Hearing Examiner also recommended, among other things, that the Company solicit information as to how well the program meets the expectations of participating customers, using the input to guide proposals to modify and/or improve the program. The Hearing Examiner further recommended that relevant discoveries be shared with Schedule RG customers and Commission Staff. Report at 34.

[32] Report at 36-37.

The Hearing Examiner further found, among other things, that direct negotiation between a Schedule RG customer and an energy provider should not be approved, primarily because in each contract situation, ultimate responsibility lies with the Company.[33]

On October 11, 2018, the Company and Joint Respondents filed comments on the Report. Walmart, Staff, and Culpeper County filed no comments on the Report.

In its comments, Dominion stated it supports the findings and recommendations in the Report and requested the Commission approve Schedule RG as soon as possible. Joint Respondents in their comments, among other things, supported the Hearing Examiner's assessment of the Schedule RG Adjustment and Schedule RG Application Fee.[34] Joint Respondents, however, urged additional consideration and potential adjustment of the proposed Schedule RG Charge and Schedule RG Administrative Charge.[35] For the Schedule RG Charge, Joint Respondents remain concerned that the Company has not indicated how the Schedule RG Charge would be calculated, including whether Dominion intends to add a margin—either a full rate of return, or smaller fee—on top of the PPA price.[36] For the Schedule RG Administrative Charge, Joint Respondents seek more detailed information for the alternative $0.25 per megawatt-hour fee, similar to the information Dominion was able to provide to explain the alternative $500 per month minimum fee.[37]

Joint Respondents also disagreed with the Hearing Examiner that Dominion has sufficiently defined the enrollment processes. Joint Respondents asserted that any clarification Dominion provided for the enrollment processes in this proceeding was provided only in response to Joint Respondents, not within the terms of Schedule RG.[38]

Joint Respondents supported the Hearing Examiner's finding that "it is important that participating customers and other interested persons have the opportunity to provide feedback on Schedule RG" and that "this feedback can provide valuable information on the quality of Schedule RG, including Schedule RG's ability to help customers achieve their renewable energy and/or greenhouse gas emissions goals."[39] The Joint Respondents further noted their agreement with the Hearing Examiner's recommendation that Dominion file an annual report with the Commission pertaining to Schedule RG until the proposed customer cap of fifty (50) customers is reached to allow for further evaluation of Schedule RG by Dominion, the Commission and other stakeholders, and that the report should include, among other information, the tracking of actual costs associated with the solicitation and negotiation process.[40]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the findings and recommendations of the Hearing Examiner in his Report should be adopted. Proposed Schedule RG is approved as of the date of this Order and shall continue for a period of three (3) years if there are no customers enrolled within that timeframe, subject to certain requirements described below. The Company shall file its annual report on Schedule RG as described herein no later than November 1 of each year that Schedule RG is in effect.

The Company seeks approval of Schedule RG under Code § 56-234, which provides that "[i]t 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." In addition, Code § 56-234 B provides that:

> It shall be the duty of every public utility to charge uniformly therefor all persons, corporations or municipal corporations using such service under like conditions. However, no provision of law shall be deemed to preclude voluntary rate or rate design tests or experiments, or other experiments involving the use of special rates, where such experiments have been approved by order of the Commission after notice and hearing and a finding that such experiments are necessary in order to acquire information which is or may be in furtherance of the public interest.

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[33] *Id.* at 35.

[34] Joint Respondents' Comments on Report at 7, 8, 10.

[35] *Id.* at 7.

[36] *Id.* at 8-10.

[37] *Id.* at 10-11.

[38] *Id.* at 4-7.

[39] *Id.* at 13.

[40] *Id.* at 13-14.

The Company proposes Schedule RG not as an experimental tariff, but as a "voluntary companion tariff"[41] that is "designed to allow participating customers to benefit from the Company's sale of the energy output of specified renewable generation facilities into the [PJM] markets, while increasing the level of renewable energy generation and utilization in the Commonwealth."[42] Schedule RG is one offering in the Company's larger suite of renewable energy offerings to large, non-residential customers.[43] Schedule RG is designed to further the Commonwealth Energy Policy as stated in Code §§ 67-101 and 67-102 and the Commonwealth's Energy Plan to accelerate the development of renewable energy resources in Virginia to ensure a diverse fuel mix and promote long-term economic health. Schedule RG also is consistent with Governor McAuliffe's Executive actions encouraging utilities to increase their renewable power generation and decrease carbon dioxide emissions, as well as Governor McAuliffe's Executive Order 57 to reduce carbon emissions in Virginia while encouraging a pathway for clean energy initiatives that will grow jobs and help diversify the economy.[44]

The Company has represented throughout this proceeding that "non-participating customers will not be required to pay for, or subsidize, the costs to serve Schedule RG customers with renewable energy."[45] Schedule RG, according to Dominion, "will, effectively, 'ring-fence' that portion of the participating customer's costs related to the purchase and sale of Electrical Output and Environmental Attributes from the Renewable Generator and/or Company Renewable Resource(s)."[46] Dominion has further expressly represented that the Company would develop Company renewable resources for Schedule RG "only for customers 'willing to enter into an agreement sufficient to pay for the facility.'"[47] Dominion also expressly asserted that Company renewable resources serving Schedule RG customers "will never be placed into the Company's cost of service revenue requirement that it collects from jurisdictional ratepayers."[48] According to Dominion, only the Schedule RG Administrative Charge cannot be practically "ring-fenced."[49] However, the Company believes that the $500 per month, or $0.25/megawatt-hour fee is a fair estimate to offset the majority of these costs.[50] Accepting these assertions by the Company, we adopt the Hearing Examiner's findings and recommendations in his Report.

Accordingly, IT IS ORDERED T HAT:

(1) Schedule RG is approved on the date of this Order, as set forth herein, and shall continue for a period of three (3) years if no customers participate. Any request to continue or modify Schedule RG shall be filed on or before December 1, 2021.

(2) On or before January 8, 2019, Dominion shall file Schedule RG, as approved by this Order Approving Tariff, with the Clerk of the Commission and the Commission's Division of Public Utility Regulation and Utility Accounting and Finance. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: http://www.scc.virginia.gov/case.

(3) Dominion shall track key metrics and file an annual report with the Commission pertaining to Schedule RG on or before November 1, 2019, and on or before November 1 of every year thereafter, until the proposed customer cap of fifty (50) customers is reached, to allow for further evaluation of Schedule RG by the Company, the Commission, and other stakeholders. This report shall include, at minimum, the tracking of actual costs associated with the solicitation and negotiation process, and the actual costs associated with all fees and charges related to Schedule RG. The annual report also shall include information and all relevant discoveries regarding how well Schedule RG meets the expectations of participating customers, which can be used to guide proposals to modify and/or improve Schedule RG.

(4) The Company shall track and maintain data that RECs associated with Schedule RG have been retired on behalf of participating customers. Such data shall be made available to Staff upon request.

(5) The Company shall track and record the Schedule RG revenues using accounting protocols similar to those used to isolate other rate adjustment clause-eligible revenues, costs, and investments.

(6) This case is continued.

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[41] Application at 1, 4 n.1.

[42] *Id.* at 6.

[43] *Id.* at 15-16.

[44] *Id.* at 14-15, citing Executive Directive 11, *Reducing Carbon Dioxide Emissions from Electric Power Facilities and Growing Virginia's Clean Energy Economy* (May 16, 2017) and Executive Order 57, *Development of Carbon Reduction Strategies for Electric Power Generation Facilities* (June 28, 2016).

[45] Application at 14.

[46] *Id.*

[47] Dominion Reply Comments at 6-7, Attachment A.

[48] *Id.* at 7, Attachment A.

[49] Dominion Reply at Attachment D.

[50] *Id.*

CASE NO. PUR-2017-00164
FEBRUARY 28, 2018

APPLICATION OF
APPALACHIAN POWER COMPANY

For approval of a rate adjustment clause pursuant to § 56-585.1 A 4 of the Code of Virginia

FINAL ORDER

On December 15, 2017, Appalachian Power Company ("APCo" or "Company"), pursuant to § 56-585.1 A 4 ("Subsection A 4") of the Code of Virginia, filed an application ("Application") with the State Corporation Commission ("Commission") for approval of a rate adjustment clause designated as Rider T-R.A.C. ("T-RAC").

Subsection A 4 allows an investor-owned electric utility to recover, with Commission approval, certain costs through a rate adjustment clause. Subsection A 4 deems to be prudent the "costs for transmission services provided to the utility by the regional transmission entity of which the utility is a member" and "costs charged to the utility that are associated with demand response programs approved by the Federal Energy Regulatory Commission and administered by the regional transmission entity of which the utility is a member."

APCo seeks to continue recovering its Subsection A 4 costs through a combination of base rates and the proposed T-RAC. In its Application, the Company proposes to retain its transmission base surcharge rates currently in place and to use the proposed T-RAC for recovery of the incremental difference between APCo's total T-RAC revenue requirement and the T-RAC revenues being recovered in the Company's base transmission rates.[1]

APCo requests a total annual transmission revenue requirement of approximately $254.9 million, which the Company indicates consists of three parts: (1) $223.7 million of costs that APCo projects will be incurred during May 2018 through April 2019; (2) an under-recovery balance of $38.8 million that APCo indicates it has incurred, but has not collected, through October 2017; and (3) an additional over-recovery balance of $7.6 million that APCo projects will accumulate during November 2017 through April 2018.[2]

A one-year recovery of APCo's proposed total revenue requirement of $254.9 million would result in a revenue increase of approximately $41.5 million over the Company's annual cost recovery of approximately $213.4 million approved in Case No. PUE-2015-00086.[3] APCo's proposed T-RAC rates would increase the monthly bill for a residential customer using 1,000 kilowatt-hours per month by $4.02.[4]

On December 21, 2017, the Commission issued an Order for Notice and Hearing that established a procedural schedule for this case; provided interested persons an opportunity to comment on the Application or participate in this proceeding by filing a notice of participation; scheduled an evidentiary hearing; directed the Company to provide public notice of its Application; and directed the Commission's Staff ("Staff") to investigate the Application and file testimony presenting its findings to the Commission. The Order for Notice and Hearing also assigned a Hearing Examiner to conduct further proceedings in this matter on behalf of the Commission, including filing a report containing the Hearing Examiner's findings and recommendations.

The Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") and the Old Dominion Committee for Fair Utility Rates ("Committee") filed notices of participation in this proceeeding.

On January 30, 2018, Staff filed testimony recommending an annual transmission revenue requirement of $254,923,795, as proposed by the Company.[5] Additionally, Staff recommended that, if the impacts of the *Tax Cuts and Jobs Act* ("TCJA") could not be incorporated in this proceeding, the Commission direct the Company to file an application to revise its T-RAC and incorporate the impacts of the TCJA as soon as practicable after the Federal Energy Regulatory Commission revises the T-RAC-related rates over which it has jurisdiction.[6]

On February 6, 2018, APCo filed rebuttal testimony proposing a method to adjust for the expected impacts of the TCJA and providing an updated revenue requirement of $225,109,364 incorporating such estimated impacts.[7]

A hearing was conducted by the Chief Hearing Examiner as scheduled on February 13, 2018. No public witnesses appeared to testify at the hearing. Counsel for the Company, the Committee, Consumer Counsel, and Staff attended the hearing. At the hearing, Staff indicated, through counsel, that it agrees with the revised revenue requirement in the Company's rebuttal testimony.[8]

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[1] Ex. 2 (Application) at 4.

[2] *Id.*; Ex. 2 (Filing Schedule 46, Section 1, Statement 2) at 1.

[3] Ex. 2 (Application) at 5. *See Application of Appalachian Power Company, For approval of a rate adjustment clause pursuant to § 56-585.1 A 4 of the Code of Virginia*, Case No. PUE-2015-00086, 2015 S.C.C. Ann. Rept. 370, Final Order (Nov. 4, 2015) ("2015 T-RAC").

[4] Ex. 2 (Application) at 5.

[5] Ex. 6 (Carr Direct) at 8.

[6] *Id.*

[7] Ex. 8 (Sebastian Rebuttal) at 2-3.

[8] Tr. at 7.

On February 20, 2018, the Report of Deborah V. Ellenberg, Chief Hearing Examiner ("Report") was issued. In her Report, the Chief Hearing Examiner summarized the record in this proceeding and recommended that the Commission approve a total T-RAC revenue requirement of $225,109,364.[9]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the T-RAC revenue requirement of $225,109,364, as proposed in the Company's rebuttal testimony and uncontested in this proceeding, is approved.

Accordingly, IT IS ORDERED THAT:

(1) Rider T-RAC, as approved herein, shall become effective for service rendered on and after April 1, 2018.

(2) The Company shall forthwith file, with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, the updated tariff sheets for Rider T-RAC as approved herein. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: http://www.scc.virginia.gov/case.

(3) This matter is dismissed.

[9] Report at 10. The Chief Hearing Examiner further recommended that the Commission grant the Company a T-RAC designed to recover an increase in the incremental revenue requirement recovered over the level approved in the 2015 T-RAC of approximately $11.7 million. *Id.*

CASE NO. PUR-2017-00165
MAY 8, 2018

APPLICATION OF
CENTRAL VIRGINIA ELECTRIC COOPERATIVE

For approval of a community solar tariff

FINAL ORDER

On December 6, 2017, Central Virginia Electric Cooperative ("CVEC" or "Cooperative") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to § 56-585.1:3 C of the Code of Virginia ("Code") for approval of a companion rate schedule for a community solar pilot program ("Community Solar Tariff").[1]

The Community Solar Tariff is a three-year pilot program ("Pilot Program") for the development of community solar projects. The Community Solar Tariff would be available, on a completely voluntary basis, to CVEC members that are receiving electric service under a residential rate schedule ("Subscribers").[2] CVEC has entered into long-term contracts for the output of two recently constructed solar generating facilities ("Solar Facilities") located in its service territory and plans to make units of energy from the Solar Facilities available to Subscribers in 50 kilowatt-hour ("kWh") blocks ("Solar Blocks").[3] CVEC stated in its Application that it anticipates limiting enrollment to no more than five Solar Blocks, or 250 kWh, per Subscriber until January 1, 2019. Subject to this limit, a Subscriber could subscribe to one or more Solar Blocks up to a level that is not expected to exceed the Subscriber's metered monthly kWh usage. CVEC stated further that, after January 1, 2019, the Cooperative will work with Subscribers to limit subscriptions to no more than the Subscriber's expected monthly usage.[4]

Under the Community Solar Tariff, each Subscriber would pay a flat and fixed monthly rate per Solar Block ("Fixed Block Charge") of $4.50.[5] The Fixed Block Charge represents a premium to the rate available under the Subscriber's standard tariff rate.[6] Subscribers would be responsible for the fixed monthly charge under the Community Solar Tariff even in months in which their actual usage is less than the size of the Solar Block(s) the member purchased.[7] Subscribers also would remain subject to the terms and conditions of the applicable standard tariff, except as modified by the Community Solar Tariff, and would remain subject to the other basic terms, conditions, and membership agreements of the Cooperative.[8] Subscribers would be able to cancel their subscriptions at any time after giving at least 30 days' notice.[9] All cancellations would be effective at the end of the billing period and the Fixed Block Charge would not be prorated.[10]

[1] Application at 1.

[2] *Id*. at 2.

[3] *Id.* at 3.

[4] *Id*.

[5] *Id*. at 3-4. According to the Cooperative, the Fixed Block Charge would remain fixed for the three-year term of the Pilot Program. *Id*. at 3.

[6] *Id*. at 5.

[7] *Id*. at 4.

[8] *Id*.

[9] *Id.* at 4-5.

[10] *Id*. at 5.

On December 27, 2017, the Commission issued an Order for Notice and Comment in this proceeding that directed CVEC to provide public notice of its Application and invited interested persons to file comments or a notice of participation or request a hearing on the Cooperative's Application. The Commission also directed the Staff of the Commission ("Staff") to investigate the Application and file a report containing Staff's findings and recommendations ("Report" or "Staff Report"). On March 15, 2018, the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") filed a notice of participation and comments stating that Consumer Counsel is not opposed to the Application. The Virginia, Maryland and Delaware Association of Electric Cooperatives and Virginia Electric and Power Company d/b/a Dominion Energy Virginia also filed comments in support of the Application on March 15, 2018.

On March 30, 2018, the Staff filed its Report. Staff summarized the Application and noted, among other things, that based on rates in effect as of January 1, 2018, a residential Subscriber with monthly usage of 1,000 kWh would pay $1.40 more per month when subscribed to five Solar Blocks.[11] The Staff further explained that the energy supply service component of the Subscriber's bill and the Power Cost Adjustment would both be offset by the cumulative monthly kWh of the subscribed Solar Blocks.[12] All other charges, including the basic charge, distribution charge and taxes would be calculated based on the standard applicable tariff for the Subscriber's entire monthly kWh usage.[13]

Staff stated that, pursuant to Code § 56-585.1:3 C, the proposed Community Solar Tariff is reasonable, and Staff is not opposed to the Community Solar Tariff or Pilot Program. However, in order to verify that non-participating customers are not adversely impacted by the Community Solar Tariff, as represented in the Application,[14] Staff recommended that the Cooperative file a report at the conclusion of the three-year Pilot Program detailing the following: (1) participation levels during the Pilot Program, (2) data regarding the actual costs of the components of the $4.50 Fixed Block Charge, and (3) actual Community Solar Tariff revenues.[15] Staff also recommended that the Cooperative submit annual reports to Staff showing the balance of any deferred costs. Lastly, Staff recommended that, in any future base rate cases, the Cooperative clearly remove the Community Solar Tariff's investment, expenses and revenues in order to facilitate the analysis of proposed base rate changes in such proceedings.[16]

On April 10, 2018, CVEC filed its response to the Staff Report stating that the Cooperative supports Staff's finding that the proposed Community Solar Tariff is reasonable and that the Cooperative does not oppose Staff's additional recommendations.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that CVEC's proposed Community Solar Tariff is reasonable and should be approved, subject to the reporting requirements recommended by Staff.[17]

Accordingly, IT IS ORDERED THAT:

(1) The Cooperative's Application is granted, subject to the reporting requirements adopted herein.

(2) The Community Solar Tariff shall become effective for bills rendered on and after the date of this Order.

(3) Within thirty (30) days from the date of this Order, the Cooperative shall file applicable tariffs to implement the Pilot Program with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance.

(4) This matter is dismissed

[11] Staff Report at 6-7.

[12] *Id.* at 6.

[13] *Id.* at 6-7.

[14] Application at 3.

[15] Staff Report at 8-9.

[16] *Id.* at 9.

[17] Pursuant to Chapter 580 of the 2017 Acts of Assembly, Enactment Clause (4), CVEC should include in its marking materials for the Pilot Program a disclosure indicating the cost difference between the Community Solar Tariff and the Subscribers' standard applicable tariffs but for their participation in the Pilot Program.

CASE NO. PUR-2017-00166
FEBRUARY 2, 2018

JOINT PETITION OF
ALLEGHENY GENERATING COMPANY and ALLEGHENY ENERGY SUPPLY COMPANY, LLC

For approval of a disposition of control pursuant to the Utility Transfers Act, Va. Code § 56-88 *et seq.*

ORDER

On December 7, 2017, Allegheny Generating Company ("AGC") and Allegheny Energy Supply Company, LLC ("AE Supply") (collectively "Petitioners") filed a joint petition ("Petition") requesting approval of the disposition of control by AE Supply of its ownership interest in AGC through a stock redemption ("Stock Redemption"). AGC is seeking Commission approval in a separate petition to dispose of a portion of its minority interest in the Bath County Facility,[1] and the proceeds from the Bath County Facility disposition will be used to fund the proposed Stock Redemption in this Petition. The Petitioners separately filed a Motion for Entry of a Protective Ruling and Additional Protective Treatment ("Motion") pursuant to 5 VAC 5-20-110 and 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure.[2]

NOW THE COMMISSION, upon consideration of this matter and having been advised by its Staff through Staff's action brief, finds that approval of the proposed Stock Redemption is not required pursuant to Code § 56-88.1 D of the Utility Transfers Act. The Commission also finds the Petitioners' Motion is no longer necessary and, therefore, should be denied.[3]

Accordingly, IT IS ORDERED THAT:

(1) The Petitioners' Motion is denied; however, we direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(2) This case is dismissed.

[1] See *Joint Petition of Allegheny Generating Company and Bath County Energy, LLC, For approval of the transfer of generating facilities pursuant to the Utility Transfers Act, Va. Code § 56-88 et seq., and for certification of the facilities pursuant to the Utilities Facilities Act, Va. Code §56-265.1 et seq. and other related approvals*, Case No. PUR-2017-00123, Doc. Con. Ctr. No. 171040088, Petition (October 20, 2017).

[2] 5 VAC 5-20-10 *et seq.*

[3] The Commission held the Petitioners' Motion in abeyance and has not received a request for leave to review the confidential information submitted in this proceeding. Accordingly, the Commission denies the Motion as moot but directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

CASE NO. PUR-2017-00169
MARCH 30, 2018

APPLICATION OF
ATLANTIC BROADBAND ENTERPRISE, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia

FINAL ORDER

On December 12, 2017, Atlantic Broadband Enterprise, LLC ("Atlantic Broadband" or "Company") 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 ("Application"). 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 ("Code"). Included in the Application is Atlantic Broadband's notice to the Commission of the Company's election to be regulated as a competitive telephone company pursuant to Code § 56-54.2 *et seq.*[1] Atlantic Broadband's Application was accompanied by a motion for a protective order ("Motion") filed in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*.

On December 28, 2017, the Commission issued an Order for Notice and Comment ("Scheduling Order") that, among other things, directed Atlantic Broadband to provide notice to the public of its Application and directed the Staff of the Commission ("Staff") to conduct an investigation and file a report ("Staff Report"). On January 16, 2018, and February 14, 2018, respectively, Atlantic Broadband filed proof of service and proof of notice in accordance with the Scheduling Order.

[1] Chapter 2.1 of Title 56 of the Code became effective on July 1, 2014. *See* Chapters 340 and 376 of the Virginia Acts of Assembly.

On March 12, 2018, Staff filed its Staff Report concluding that the Company's Application is in compliance with the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers ("Local Rules"), 20 VAC 5-417-10 *et seq*., and the Rules Governing the Certification of Interexchange Carriers ("Interexchange Rules"), 20 VAC 5-411-10 *et seq*. Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant Certificates to Atlantic Broadband subject to the following condition: Atlantic Broadband should notify the Division of Public Utility Regulation no less than 30 days prior to the cancellation or lapse of its bond and should provide a replacement bond at that time. This requirement should be maintained until such time as the Commission determines it is no longer necessary.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that it should grant Certificates to Atlantic Broadband. Having considered Code § 56-481.1, the Commission finds that Atlantic Broadband may price its interexchange services competitively. The Commission finds that pursuant to Code § 56-54.2, Atlantic Broadband is eligible to elect to be regulated as a competitive telephone company and that such election, pursuant to Code § 56-54.3, becomes effective on the date of this Final Order. Finally, the Commission finds that the Company's Motion is no longer necessary; therefore, the Motion should be denied.[2]

Accordingly, IT IS ORDERED THAT:

(1) Atlantic Broadband hereby is granted Certificate No. T-754 to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(2) Atlantic Broadband hereby is granted Certificate No. TT-298A to provide interexchange telecommunications services subject to the provisions of the Interexchange Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(3) Pursuant to Code § 56-481.1, Atlantic Broadband may price its interexchange telecommunications services competitively.

(4) Atlantic Broadband shall be regulated as a competitive telephone company pursuant to the provisions of Code § 56-54.2 *et seq*.

(5) Prior to providing telecommunications services pursuant to the Certificates granted by this Final Order, the Company shall provide tariffs to the Division of Public Utility Regulation that conform to all applicable Commission rules and regulations. If Atlantic Broadband elects to provide retail services on a non-tariffed basis, it shall provide written notification pursuant to Local Rule 20 VAC 5-417-50 A.

(6) Atlantic Broadband shall notify the Division of Public Utility Regulation no less than thirty (30) days prior to the cancellation or lapse of its bond and shall provide a replacement bond at that time. This requirement shall be maintained until such time as the Commission determines it is no longer necessary.

(7) The Company's Motion is denied; however, the Commission directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(8) This case is dismissed.

[2] The Commission has not received a request to review the information that the Company designated confidential. Accordingly, we deny the Motion as moot but direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

CASE NO. PUR-2017-00171
JANUARY 29, 2018

JOINT PETITION OF
MAGICJACK VOCALTEC LTD. and B. RILEY FINANCIAL, INC.

For approval of the indirect transfer of control of YMax Communications Corp. of Virginia pursuant to Va. Code § 56-88 *et seq.*

ORDER GRANTING APPROVAL

On December 14, 2017, magicJack VocalTec Ltd. ("MJVT"), and B. Riley Financial, Inc. ("B. Riley") (collectively, "Petitioners"),[1] filed a Joint Petition ("Petition") with the State Corporation Commission ("Commission"), pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"),[2] requesting approval of the transfer of indirect control of MJVT's wholly owned subsidiary, YMax-VA, to B. Riley ("Transfer").

[1] YMax Communications Corp. of Virginia ("YMax-VA"), YMax Communications Corp., YMax Corp., and B. Riley Principal Investments, LLC, are also considered Petitioners in this proceeding and have provided the statutorily required verifications.

[2] Code § 56-88 *et seq*.

YMax-VA is authorized to provide local exchange telecommunications services in Virginia pursuant to its certificate of public convenience and necessity issued by the Commission.[3] Pursuant to the terms of an Agreement and Plan of Merger, B. Riley's wholly owned indirect subsidiary, B. R. Acquisition Ltd., will merge with and into MJVT, with MJVT as the surviving corporation. As a result, ultimate, indirect control of YMax-VA will be transferred from MJVT to B. Riley.[4]

The Petitioners assert that YMax-VA will continue to provide services to its customers in Virginia without any immediate changes to the rates, terms, or conditions of service as currently provided. The Petitioners further represent that the proposed Transfer is expected to enhance the ability of YMax-VA to compete in the telecommunications marketplace. Information provided with the Petition indicates that YMax-VA will continue to have the financial, managerial, and technical resources to provide telecommunications services in Virginia under the ownership and control of B. Riley. In support of the Petition, the Petitioners provided a description of the management leadership teams and the current financial statements for both B. Riley and MJVT.

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff, is of the opinion and finds that the above-described Transfer should be approved.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-88.1 and 56-90, the Petitioners hereby are granted approval of the Transfer as described herein.

(2) The Petitioners shall file a report of action with the Commission's Document Control Center within thirty (30) days after closing of the Transfer, which shall note the date the Transfer occurred.

(3) This case is dismissed.

[3] *See Application of YMax Communications Corp. of Virginia, For a certificate of public convenience and necessity to provide local exchange telecommunications services*, Case No. PUC-2006-00030, 2006 S.C.C. Ann. Rept. 239, Final Order (June 8, 2006).

[4] The Petitioners represent that upon closing of the Transfer, B. Riley may undertake an internal corporate reorganization that may change the intermediate ownership structure of YMax-VA; however, B. Riley would remain as the ultimate, indirect parent company of YMax-VA. *See* Petition at 4, note 2.

CASE NO. PUR-2017-00172
FEBRUARY 9, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY and DOMINION ENERGY SERVICES, INC.

For exemption from or approval to enter into a Bill of Sale Agreement under Chapter 4, Title 56 of the Code of Virginia

ORDER DENYING EXEMPTION AND GRANTING APPROVAL

On December 19, 2017, Virginia Electric and Power Company ("DEV")[1] and Dominion Energy Services, Inc. ("DES")[2] (collectively, "Applicants"), filed an application ("Application") with the State Corporation Commission ("Commission") under Chapter 4 of Title 56 of the Code of Virginia ("Code")[3] requesting an exemption from or, alternatively, approval under the Affiliates Act of a Bill of Sale Agreement ("Agreement") that would transfer certain transformer oil testing assets ("Transfer") located in a Chester, Virginia chemical laboratory ("Chemical Lab") from DES to DEV.[4] The Applicants assert that an exemption from the filing and prior approval requirements of the Affiliates Act is merited because the proposed Transfer is *de minimus* relative to DEV's total book assets of approximately $28 billion as of September 30, 2017.

[1] DEV is the acronym for Dominion Energy Virginia, the utility's new "doing business as" name.

[2] Formerly known as Dominion Resources Services, Inc.

[3] Va. Code § 56-76 *et seq*. ("Affiliates Act").

[4] Virginia Electric and Power Company d/b/a Dominion Energy North Carolina may participate voluntarily in the Agreement. The Applicants have thus determined that the Agreement also needs to be approved by the North Carolina Utilities Commission ("NCUC"). The Applicants have filed for approval to enter into the Agreement before the NCUC in Docket No. E-22, Sub 550. *See Biweekly Update* filed January 31, 2018.

Since 1984, DES has operated a Chemical Lab located in a DEV building in Chester, Virginia.[5] From 1984 through early 2016, the Chemical Lab conducted environmental water testing, environmental soil testing, hazardous waste testing, process control testing, and transformer oil testing for DEV's transmission and generation business units.[6] In March 2016, DEV decided to outsource most of its generation business testing.[7] In July 2016, DEV took over the lab work from DES, and all Chemical Lab assets unnecessary for transformer oil testing and not permanently affixed to the building were sold.[8] The Chemical Lab conducts only transformer oil testing now, which includes dissolved gas analysis, screen tests, and furan tests.[9]

The purpose of the instant Application is to allow DEV to purchase the remaining Chemical Lab assets from DES on an "as is" basis for approximately $222,052, which is the assets' net book value as of November 30, 2017.[10] The Agreement contains an Assumption of Liabilities provision, which releases DES from any liabilities associated with the Chemical Lab assets once the Transfer is approved. On a prospective basis, DEV will assume any maintenance, repair, or replacement costs associated with the Chemical lab assets, and will assume any environmental liabilities.

NOW THE COMMISSION, upon consideration of this matter and having been advised by its Staff, is of the opinion and finds that the Application should be denied in part and granted in part. The Chemical Lab assets have been exposed to certain chemicals, toxic materials, and hazardous wastes. We believe that any affiliate transaction, regardless of size, which carries potential risks for the Virginia utility such as the environmental liabilities described above requires a full Affiliates Act review. Therefore, we find that the Applicants' request for an Affiliates Act exemption for the proposed Transfer is denied.

However, the Applicants represent that DEV factored in and mitigated environmental risk in its decision to purchase the Chemical Lab assets.[11] All Chemical Lab equipment not related to electric transmission transformer oil testing was relinquished, sold to third parties, or scrapped.[12] Any testing that was environmentally regulated was outsourced to third-party labs.[13] The Applicants represent that the Chemical Lab currently complies with all federal, state, and local ordinances, regulations, and statutes.[14] Based on these representations, and subject to the requirements listed in the Appendix attached to this Order, we find that the proposed Transfer is in the public interest and is approved.

Accordingly, IT IS ORDERED THAT:

(1) The Applicants' request for an exemption is denied.

(2) Pursuant to § 56-77 of the Code, the proposed Agreement is approved subject to the requirements listed in the Appendix attached to this Order.

(3) This case is dismissed.

APPENDIX

(1) The Commission's approval shall have no accounting or ratemaking implications. Specifically, it shall not guarantee the recovery of, or accounting or ratemaking treatment provided for, any costs or liabilities directly or indirectly related to the approved Transfer of the Chemical Lab assets.

(2) The consideration paid for the Transfer shall be equivalent to DES' net book value as of the date of the Transfer.

(3) DEV shall be required to operate the Chemical Lab prospectively without compromising the security of any DEV assets and personnel, and without compromising the provision of reliable electric service to customers.

(4) The Applicants shall file with the Commission a signed and executed copy of the Bill of Sale Agreement within sixty (60) days of the effective date of the Order in this case, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director").

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[5] Application at 3.

[6] *Id*. at 3-4.

[7] *Id*. at 4.

[8] *Id*.

[9] Applicants' Response to Staff Data Request 1-3.

[10] *See, e.g.,* Applicants' Response to Staff Data Request 1-1. The Applicants represent that "[s]hould the Commission or the [NCUC] determine that a date other than November 30, 2017, is more appropriate, the replacement date will be used to determine the net book value and the acquisition value. Should there be a conflict between the appropriate date determined by the [Commission] and the NCUC, the [Applicants] would apply the later of the two dates." Application at 6, n. 3.

[11] Applicants' Response to Staff Data Request No. 2-8.

[12] *Id.*

[13] *Id.*

[14] Applicants' Response to Staff Data Request No. 2-7.

(5) The Applicants shall file a Report of Action ("Report") within sixty (60) days after the consummation of the Transfer. The Report shall include: (1) the effective date of the Transfer; (2) DEV's actual accounting entries, including any tax-related entries, to record the Transfer; and (3) a schedule of the actual transferred Chemical Lab Assets by asset description, quantity, and dollar amount. The Transfer accounting entries shall be in accordance with the Uniform System of Accounts for electric utilities.

(6) The Transfer shall be included in DEV's next Annual Report of Affiliate Transactions ("ARAT"), submitted to the Commission's UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. The Transfer information should include the case number, description, Transfer amount, and Report filing date.

CASE NO. PUR-2017-00176
APRIL 26, 2018

APPLICATION OF
NETWORK INNOVATIONS VIRGINIA, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia

FINAL ORDER

On December 21, 2017, Network Innovations Virginia, Inc. ("Network Innovations" or "Company"), filed an application with the State Corporation Commission ("Commission") for a certificate of public convenience and necessity ("Certificate") to provide local exchange telecommunications services throughout the Commonwealth of Virginia ("Application").[1]

On January 25, 2018, the Commission issued an Order for Notice and Comment ("Scheduling Order") that, among other things, directed Network Innovations to provide notice to the public of its Application and directed the Staff of the Commission ("Staff") to investigate and file a report ("Staff Report"). On March 22, 2018, Network Innovations filed proof of service and proof of notice in accordance with the Scheduling Order.

On April 10, 2018, Staff filed its Staff Report concluding that the Company's Application is in compliance with the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers ("Local Rules"), 20 VAC 5-417-10 *et seq*. Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant Network Innovations a Certificate subject to the following condition: Network Innovations should notify the Division of Public Utility Regulation no less than 30 days prior to the cancellation or lapse of its bond and should provide a replacement bond at that time. This requirement should be maintained until the Commission determines it is no longer necessary.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that it should grant Network Innovations a Certificate.

Accordingly, IT IS ORDERED THAT:

(1) Network Innovations hereby is granted Certificate No. T-755 to provide local exchange telecommunications services throughout the Commonwealth of Virginia subject to the restrictions set forth in the Local Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(2) Prior to providing telecommunications services pursuant to the Certificate granted by this Final Order, the Company shall provide tariffs to the Division of Public Utility Regulation that conform to all applicable Commission rules and regulations. If Network Innovations elects to provide retail services on a non-tariffed basis, it shall provide written notification pursuant to Local Rule 20 VAC 5-417-50 A.

(3) Network Innovations shall notify the Division of Public Utility Regulation no less than thirty (30) days prior to the cancellation or lapse of its bond and shall provide a replacement bond at that time. This requirement shall be maintained until the Commission determines it is no longer necessary.

(4) This case is dismissed.

[1] The Application was accompanied by a Motion for Protective Order that was not in compliance with the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.*, and therefore was not properly filed with the Commission.

CASE NO. PUR-2017-00177
MARCH 15, 2018

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For approval of service agreement

ORDER GRANTING APPROVAL

On December 21, 2017, Washington Gas Light Company ("WGL" or "Applicant") filed an application ("Application") with the State Corporation Commission ("Commission") requesting a five-year approval of a new service agreement ("Agreement") for WGL to receive centralized corporate, administrative oversight, and governance services ("Corporate Services") from AltaGas Services (U.S.) Inc. ("ASUS"),[1] pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code").[2] WGL filed the Application in expectation that the proposed merger ("Merger") of WGL Holdings, Inc. ("Holdings"), with AltaGas is consummated in 2018.[3]

The Applicant seeks approval of a pass-through services ("Pass-Through Services") transaction. While ASUS and WGL are the listed parties to the Agreement, AltaGas would be the originating source of the Corporate Services. ASUS' primary function would be to serve as a conduit to pass the Corporate Services from AltaGas through ASUS to WGL. The proposed AltaGas Corporate Services include: (1) Board of Directors; (2) Executive Committee; (3) Finance; (4) Accounting and Tax; (5) Legal and Compliance; (6) Information Technology/Enterprise Resource Planning/Procurement; and (7) Office Services and Corporate Resources. The proposed Corporate Services would replace in part or in whole similar corporate governance services currently provided by Holdings to WGL or by WGL for itself. There are no new services. The Applicant represents that the Corporate Services costs would be charged to WGL at cost, with no return on investment component. None of the Corporate Services costs would be direct charged. Instead, according to the Application, AltaGas would allocate a portion of its total Corporate Services costs to ASUS, and ASUS would re-allocate a portion of its received Corporate Services costs to WGL.

The Application included a representation that WGL would be charged approximately 37% to 39% of AltaGas' Corporate Service costs or $13 - $14 million per year, totaling approximately $66 million over five years.[4] WGL represents that AltaGas would send ASUS an estimated bill after the end of each quarter, which would be denominated in Canadian dollars. The Applicant further represents that ASUS would convert the bill to U.S. dollars when it books the invoice and re-allocates the bill to WGL, and the estimate would be trued-up to actual cost within 90 days after the end of the quarter.

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Staff of the Commission ("Staff") in Staff's Action Brief, and upon consideration of the Applicant's comments thereon,[5] is of the opinion and makes the following findings. We have several concerns with the Agreement as proposed. First, the proposed Corporate Services may represent a significant incremental increase in WGL's Virginia cost of service, and any potential synergy benefit would exclude payroll savings.[6] Second, we are concerned that the Application requests approval of a partial transaction. AltaGas' signal role as the originator of the Corporate Services is informally acknowledged but not memorialized in either the Application or the Agreement. Third, we are concerned that the Application does not address any of the books, records, and supporting documentation issues[7] that complicate the determination of Corporate Service costs that would be includible in WGL's Virginia utility cost of service.

However, we find that the proposed Application can be found in the public interest and approved by directing WGL to institute certain corrective measures to remedy these deficiencies, as described below. First, we will direct WGL to revise the Agreement ("Revised Agreement") to include a formal, memorialized acknowledgement signed by AltaGas, ASUS, and WGL, that the Commission will regulate the AltaGas-ASUS-WGL Pass-Through Services transactions for the purpose of determining the Corporate Services costs that are includible in WGL's Virginia utility cost of service. Second, we will require that Staff be given complete access to AltaGas' and ASUS' books and records. Third, we will require that detailed records, with supporting documentation, be maintained for all: (a) AltaGas and ASUS original documents (including invoices, timesheets, etc.); (b) AltaGas and ASUS accounting entries; (c) Canadian/U.S. exchange rates; (d) allocation factor calculations performed pursuant to the Semco Energy, Inc., Affiliated Transactions Policy Manual

[1] ASUS is a direct subsidiary of AltaGas Ltd. ("AltaGas"), a Canadian corporation. ASUS is the U.S. holding company for AltaGas' investments in the United States.

[2] Code § 56-76 *et seq*. ("Affiliates Act"). On February 14, 2018, the Commission entered an Order Extending Time for Review, which docketed the Application and extended the period of review of the Application for an additional 30 days.

[3] The Commission has approved the proposed Merger. See *Joint Petition of Washington Gas Light Company, WGL Holdings, Inc., and AltaGas Ltd., For approval of an acquisition of control of a public utility pursuant to Chapter 5 of Title 56 of the Code of Virginia*, Case No. PUR-2017-00049, Doc. Con. Ctr. No. 171040058, Final Order (Oct. 20, 2017) (the Joint Petition approved in the Commission's October 20, 2017 Final Order, subject to certain requirements, is referred to herein as the "Merger Petition"). The proposed Merger is still pending approval in Maryland and the District of Columbia.

[4] *See* Application at Appendix G at 31.

[5] The Comments of Washington Gas Light Company on the Staff's Draft Action Brief ("Comments") are attached to Staff's Action Brief, filed concurrently herewith. In the Applicant's Comments, WGL agrees to comply with Staff's recommended requirements, which we adopt and which are set forth in the Appendix attached to this Order.

[6] Staff's Action Brief cites the Merger Petition, Exhibit 2 at 13, which states: "[T]he Joint Petitioners have committed that, five years after the Merger closes, the total number of employees at [WGL] and its affiliates within the Greater Washington, D.C. metropolitan area will be at least 65 greater than as of March 31, 2017."

[7] The books, records, and supporting documentation issues include that: (1) AltaGas is a foreign corporation with unregulated books and records denominated in a foreign currency; (2) none of the Corporate Services costs would be direct charged; and (3) the proposed Corporate Services accounting entries and bills show minimal account, type of service, or cost detail.

("SEMCO MMF")[8] and WGL's Cost Allocation and Inter-Company Pricing Manual-VA ("WGL MMF");[9] and (e) any other data used to determine WGL's Corporate Services bill, which should be available to Staff upon request.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code, the Revised Agreement is approved subject to the requirements outlined in the Appendix attached to this Order.

(2) This case is dismissed.

APPENDIX

(1) The Agreement shall be revised ("Revised Agreement") to include a formal, memorialized acknowledgement, signed by AltaGas, ASUS, and WGL, that the Commission will regulate the AltaGas-ASUS-WGL Pass-Through Services transactions for the purpose of determining the Corporate Services costs that are includible in WGL's Virginia utility cost of service.

(2) Staff shall be provided access to AltaGas' and ASUS' books and records, as necessary.

(3) Detailed records shall be maintained with supporting documentation for all: (a) AltaGas and ASUS original documents (including invoices, timesheets, etc.); (b) AltaGas and ASUS accounting entries; (c) Canadian/U.S. exchange rates; (d) SEMCO MMF and WGL MMF calculations; and (e) any other data used to determine WGL's Corporate Services bill, which shall be available to Staff upon request.

(4) The Revised Agreement shall be approved for five years from the effective date of this Order Granting Approval. Should WGL wish to continue the Revised Agreement beyond that period, separate approval shall be required.

(5) The Commission's approval shall have no accounting or ratemaking implications. Specifically, it does not guarantee the recovery of, or accounting or ratemaking treatment provided for, any costs, revenues, liabilities, assets, or reimbursements directly or indirectly related to the approved Corporate Services.

(6) The Commission's approval shall be limited to the specific Corporate Services identified in the Revised Agreement. Should WGL wish to receive additional Corporate Services not specifically identified in the Revised Agreement, separate Commission approval shall be required.

(7) Separate Commission approval shall be required for WGL to receive Corporate Services through AltaGas' or ASUS' engagement of any affiliated third parties under the Revised Agreement.

(8) Separate Commission approval shall be required for any changes in the terms and conditions of the Revised Agreement, including any changes in the Corporate Services received, Corporate Service category descriptions, allocation methodologies, and successors or assigns.

(9) Separate Affiliates Act approval shall be required for the transfer of any property, right, or thing (other than the Corporate Services) between WGL and ASUS or AltaGas.

(10) WGL shall be required to maintain records demonstrating that the Corporate Services received by WGL are cost beneficial to Virginia ratepayers. For all Corporate Services received by WGL where a market may exist, WGL shall investigate whether alternative service providers are available and, if they exist, WGL shall compare the market price to the cost of the Corporate Services and pay the lower of cost or market to ASUS and AltaGas. Records of such investigations and comparisons shall be available for Staff review upon request. WGL shall bear the burden of proving, in any rate proceeding, that the Corporate Services received under the Revised Agreement are priced at the lower of cost or market where a market for such Corporate Services exists.

(11) The approval granted in this case shall not preclude the Commission from exercising its authority under the provisions of Code §§ 56-78 and 56-80 hereafter.

(12) The Commission reserves the right to examine the books and records of any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

(13) WGL shall file with the Commission a signed and executed copy of the approved Revised Agreement within ninety (90) days of the effective date of this Order, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director").

(14) WGL shall include all transactions associated with the Revised Agreement in its Annual Report of Affiliate Transactions ("ARAT") submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. The ARAT shall include:

(a) The case number in which the Revised Agreement was approved;

(b) The name(s) of all direct and indirect, affiliated and non-affiliated, service providers providing Corporate Services(s) to WGL;

[8] Semco Energy, Inc., is an AltaGas subsidiary that provides natural gas distribution service to approximately 282,000 customers in Michigan and approximately 409,000 customers in Alaska. According to the Applicant, AltaGas will use the SEMCO MMF to charge a portion of the total Corporate Services costs to its Canadian gas, power, and utility businesses, including ASUS.

[9] The Applicants represent that ASUS will allocate its share of AltaGas' Corporate Services costs among its U.S. subsidiaries, including WGL, using the Modified Massachusetts Formula described in the WGL MMF.

(c) A calendar year annual schedule, in Excel electronic spreadsheet format with formulas intact, showing Corporate Service charges to WGL by month, type of Corporate Service, and amount; and

(d) A calendar year annual schedule, in Excel electronic spreadsheet format with formulas intact, showing Corporate Service charges to WGL by month, FERC account, and amount.

(15) In the event that any WGL rate proceedings are not based on a calendar year, WGL shall include the affiliate information contained in its ARAT for the test period in such filings.

CASE NO. PUR-2017-00178
FEBRUARY 15, 2018

JOINT PETITION OF
CONSOLIDATED COMMUNICATIONS HOLDINGS, INC., CONSOLIDATED COMMUNICATIONS, INC.,
MJD VENTURES, INC., PEOPLES MUTUAL TELEPHONE COMPANY, RIVERSTREET MANAGEMENT SERVICE, LLC, and
WILKES TELEPHONE MEMBERSHIP CORPORATION

For approval of a transfer of control pursuant to Va. Code § 56-88 *et seq*.

ORDER GRANTING APPROVAL

On December 22, 2017, Consolidated Communications Holdings, Inc. ("CCHI"), Consolidated Communications, Inc., MJD Ventures ("MJD"), Peoples Mutual Telephone Company ("Peoples Mutual"), RiverStreet Management Service, LLC ("RiverStreet"), and Wilkes Telephone Membership Corporation ("Wilkes TMC") (collectively, "Petitioners") filed a joint petition ("Petition") with the State Corporation Commission ("Commission") pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Code")[1] requesting approval of a transfer of control of Peoples Mutual from CCHI and MJD to RiverStreet ("Proposed Transfer").

Pursuant to a stock purchase agreement dated November 27, 2017, RiverStreet will acquire all outstanding stock of Peoples Mutual from MJD. Following the consummation of the Proposed Transfer, Peoples Mutual will become a wholly owned subsidiary of RiverStreet and an indirect wholly owned subsidiary of Wilkes TMC.

Peoples Mutual is authorized to provide local exchange and interexchange telecommunication services in Virginia.[2] Wilkes TMC is a cooperative incumbent local exchange carrier ("ILEC") providing telecommunications services in and around Wilkes County, North Carolina.[3] RiverStreet is a wholly owned subsidiary of Wilkes TMC, and holding company for three additional ILECs in North Carolina and two certificated competitive local exchange carriers.[4] The Petitioners state that after the closing of the Proposed Transfer, Peoples Mutual will continue to provide services under the same rates, terms, and conditions. Information provided by the Petitioners indicates that Peoples Mutual will continue to have the financial, technical, and managerial resources necessary to provide telecommunications services under the ownership and control of RiverStreet and Wilkes TMC.

NOW THE COMMISSION, upon consideration of the matter and having been advised by its Staff through Staff's action brief, is of the opinion and finds that the Proposed Transfer should be approved.[5] The Commission also finds that the Petitioners' Motion is no longer necessary and, therefore, should be denied.[6]

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-88.1 and 56-90, the Petitioners hereby are granted approval of the Proposed Transfer as described herein.

(2) The Petitioners shall file a report of action with the Commission's Document Control Center within thirty (30) days after the closing of the transfer, which shall note the date the transfer occurred.

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[1] Code § 56-88 *et seq*.

[2] In Case No. 10478, the Commission issued Peoples Mutual certificates of public convenience and necessity authorizing it to provide local exchange telecommunications services in Virginia. The Commission originally issued Certificate Nos. T-106 and T-283 on April 11, 1951, and June 20, 1968, respectively.

[3] Petition at 3.

[4] *Id.* at 3-4.

[5] On February 13, 2018, Peoples Mutual filed a petition for approval of financing arrangements and affiliate matters relating to the Proposed Transfer. *See Joint Petition of Peoples Mutual Telephone Company and RiverStreet Management Services, LLC, For approval to enter into financing arrangements under Chapters 3 and 4 of Title 56 of the Code of Virginia,* Case No. PUR-2018-00027, Doc. Con. Cen. No. 180220099, Joint Petition (Feb. 13, 2018). The Commission's review of that Joint Petition will be separately addressed in Case No. PUR-2018-00027.

[6] The Commission held the Petitioners' Motion in abeyance and has not received a request for leave to review the confidential information submitted in this proceeding. Accordingly, the Commission denies the Motion as moot but directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(3) The Petitioners' Motion is denied; however, we direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(4) This case is dismissed.

CASE NO. PUR-2018-00001
FEBRUARY 2, 2018

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.

For approval of a service agreement between Columbia Gas of Virginia, Inc., and Northern Indiana Public Service Company LLC

ORDER GRANTING APPROVAL

On January 3, 2018, Columbia Gas of Virginia ("CVA" or the "Company"), filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code")[1] requesting the Commission to reauthorize a service agreement (the "Service Agreement") between CVA and Northern Indiana Public Service Company ("NIPSCO"),[2] whereby CVA will provide to and receive from NIPSCO certain support and training services ("Services") on an as-needed basis. The Service Agreement was originally approved in Case No. PUE-2016-00137.[3] The Company states that the sole purpose of this Application is to reflect the upcoming conversion of NIPSCO from a corporation to a limited liability company ("LLC"). The Company also states that none of the terms, conditions, rates, liabilities, or obligations under the Service Agreement require modification or amendment as a result of NIPSCO's planned conversion to an LLC.

NOW THE COMMISSION , upon consideration of this matter, is of the opinion and finds that the Application is in the public interest and should be approved subject to certain requirements set forth in the Appendix attached hereto.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code, the Applicant is hereby granted approval of the Application as described herein subject to the requirements set forth in the Appendix attached to this Order.

(2) This case is dismissed.

APPENDIX

1. The Service Agreement's approval shall be effective as of the latter of the date of the order in this case or the date of the conversion of NIPSCO to an LLC, and shall remain in effect through September 30, 2020. Should CVA wish to continue the Service Agreement after that period, separate Commission approval shall be required.

2. The Commission's approval of the Service Agreement shall be limited to those Services specifically listed in the Service Agreement. If CVA wishes to add a Service that is not specifically identified in the Service Agreement, separate Commission approval shall be required.

3. Separate Affiliates Act approval shall be required for NIPSCO to provide Services to CVA under the Service Agreement through the engagement of an affiliated third party.

4. Any NIPSCO employee that provides any construction and maintenance-related Services to CVA under the Service Agreement must be qualified in accordance with the Virginia Enhanced Operator Qualification for the Service provided.

5. Separate Commission approval shall be required for any changes in the terms and conditions of the Service Agreement, including changes in Services provided, allocation methodologies, and successors and assigns.

6. The approval granted in this case shall not have any ratemaking implications. Specifically, it shall not guarantee the recovery of any costs directly or indirectly related to the Service Agreement.

7. All Services provided to or received from NIPSCO shall be priced at fully distributed cost.

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[1] Code § 56-76 *et seq.*

[2] NIPSCO, a subsidiary of NiSource, Inc., and an affiliate of CVA, is a combined electric and natural gas distribution company that serves customers in northern Indiana.

[3] *Application of Columbia Gas of Virginia, Inc., For approval of a service agreement between Columbia Gas of Virginia, Inc., and Northern Indiana Public Service Company pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2016-00137, Doc. Con. Cen. No. 170210123, Order Granting Approval (Feb. 6, 2017).

8. The approval granted in this case shall not preclude the Commission from exercising its authority under the provisions of Code §§ 56-78 and 58-80 hereafter.

9. The Commission shall reserve the right to examine the books and records of any affiliate in connection with the approval granted in this case whether or not such affiliate is regulated by this Commission.

10. All transactions associated with the Service Agreement shall be included in CVA's Annual Report of Affiliate Transactions ("ARAT") submitted to the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director") on May 1 of each year, subject to administrative extension by the UAF Director, and shall include the following information:

(a) The most recent case number under which the Service Agreement was approved;
(b) The name and type of activity performed by each affiliate under the Service Agreement; and
(c) A schedule, in Excel electronic spreadsheet format with formulas intact, listing the prior calendar year's transactions by month, type of Service, FERC account, and dollar amount.

11. In the event that CVA's annual informational filings or expedited or rate case filings are not based on a calendar year, then CVA shall include the affiliate information contained in its ARAT for the test period in such filings.

12. CVA shall file with the Commission a signed and executed copy of the Service Agreement within ninety (90) days of the effective date of the order in this case, subject to administrative extension by the UAF Director.

CASE NO. PUR-2018-00002
JUNE 7, 2018

APPLICATION OF
VERO FIBER NETWORKS, LLC

For a certificate of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia

FINAL ORDER

On February 22, 2018, Vero Fiber Networks, LLC ("Vero Fiber" or "Company"), completed the filing of an application with the State Corporation Commission ("Commission") for a certificate of public convenience and necessity ("Certificate") to provide local exchange telecommunications services throughout the Commonwealth of Virginia ("Application"). Vero Fiber's Application was accompanied by a motion for a protective order ("Motion") filed in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*.

On March 8, 2018, the Commission issued an Order for Notice and Comment ("Scheduling Order") that, among other things, directed Vero Fiber to provide notice to the public of its Application and directed the Staff of the Commission ("Staff") to conduct an investigation and file a report ("Staff Report"). On April 19, 2018, Vero Fiber filed proof of service and proof of notice in accordance with the Scheduling Order.

On May 17, 2018, Staff filed its Staff Report concluding that the Company's Application is in compliance with the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers ("Local Rules"), 20 VAC 5-417-10 *et seq*. Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant a Certificate to Vero Fiber subject to the following condition: Vero Fiber should notify the Division of Public Utility Regulation no less than 30 days prior to the cancellation or lapse of its bond and should provide a replacement bond at that time. This requirement should be maintained until such time as the Commission determines it is no longer necessary.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that it should grant a Certificate to Vero Fiber. Furthermore, the Commission finds that the Company's Motion is no longer necessary; therefore, the Motion should be denied.[1]

Accordingly, IT IS ORDERED THAT:

(1) Vero Fiber hereby is granted Certificate No. T-757 to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(2) Prior to providing telecommunications services pursuant to the Certificate granted by this Final Order, the Company shall provide tariffs to the Division of Public Utility Regulation that conform to all applicable Commission rules and regulations. If Vero Fiber elects to provide retail services on a non-tariffed basis, it shall provide written notification pursuant to Local Rule 20 VAC 5-417-50 A.

(3) Vero Fiber shall notify the Division of Public Utility Regulation no less than thirty (30) days prior to the cancellation or lapse of its bond and shall provide a replacement bond at that time. This requirement shall be maintained until such time as the Commission determines it is no longer necessary.

(4) The Company's Motion is denied; however, the Commission directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(5) This case is dismissed.

[1] The Commission has not received a request to review the information that the Company designated confidential. Accordingly, we deny the Motion as moot but direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

CASE NO. PUR-2018-00003
MARCH 1, 2018

APPLICATION OF
TOLL ROAD INVESTORS PARTNERSHIP II, L.P.

For an increase in tolls pursuant to § 56-542 I of the Code of Virginia

FINAL ORDER

On January 3, 2018, Toll Road Investors Partnership II, L.P. ("TRIP II" or "Company"), the operator of the Dulles Greenway, filed an application ("Application") with the State Corporation Commission ("Commission") for an increase in tolls pursuant to § 56-542 I of the Code of Virginia ("Code"). TRIP II's Application proposes to increase tolls by 3.17% plus an additional $0.0004 to recover a portion of the approximately 3.22% increase in local property taxes paid by TRIP II to Loudoun County and the Town of Leesburg in 2017.

On January 11, 2018, the Commission entered an Order for Notice, which docketed the Application; required TRIP II to provide public notification of its Application; permitted the filing of comments on the Application; and directed the Commission Staff ("Staff") to investigate the Application and to file a report containing its findings and recommendations.

On February 6, 2018, TRIP II filed its proof of notice and publication.

On February 9, 2018, Staff filed its report ("Staff Report").[1] The Staff Report confirmed that the proposed tolls as calculated by TRIP II are accurate and consistent with the Code and Commission precedent.

On February 13, 2018, TRIP II filed a Response to the Staff Report, stating that it agrees with Staff's findings and conclusions.

The Commission also received six public comments on TRIP II's Application as of February 20, 2018, as well as letters in opposition to the proposed toll increase from The Honorable Barbara Comstock, United States House of Representatives (10th District – Virginia); the Loudoun County Board of Supervisors; the Loudoun County Chamber of Commerce; and the Dulles Area Association of Realtors.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds as follows:

Section 56-542 I of the Code states in part:

> Effective January 1, 2013, through January 1, 2020, and notwithstanding any other provision of law:
>
> 1. Upon application of and public notification by the operator, filed not more often than once within any 12-month period, the Commission shall approve to become effective within 45 days any request to increase tolls by a percentage that (i) is equal to the increase in the [Consumer Price Index], as defined in subsection A, from the date the Commission last approved a toll increase, plus one percent, (ii) is equal to the increase in the real [Gross Domestic Product], as defined in subsection A, from the date the Commission last approved a toll increase, or (iii) 2.8 percent, whichever is greatest, which increase in the tolls approved by the Commission is hereafter referred to as the "annual percentage increase."
>
> 2. The operator additionally may request in an application made pursuant to subdivision I 1, and the Commission shall further approve, an addition to the toll increase to allow the operator to include, in its tolls, the amount by which its local property taxes paid in the immediately preceding calendar year increased by more than the annual percentage increase above such payments for the previous calendar year.

Sections 56-542 I (1) and (2) of the Code grant the Commission no discretion to reject a toll rate increase that meets the terms of those statutory provisions. The Company asserted in its Application, and Staff confirmed, that the change in the Consumer Price Index since the date the Commission last approved a toll increase,[2] plus one percent, is greater than 2.8% and the change in the real Gross Domestic Product. Staff also verified the Company's requested addition to the toll increase to recover a portion of the 2017 increases in the Company's local property taxes.

Accordingly, pursuant to the requirements of § 56-542 I of the Code, the Commission approves an increase in tolls of 3.17% plus an additional $0.0004 to recover a portion of the 2017 increases in the Company's local property taxes from Loudoun County and the Town of Leesburg. Additionally, TRIP II shall file forthwith a revised tariff consistent with the findings in this Final Order.

Accordingly, IT IS SO ORDERED, and this matter is dismissed.

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[1] On February 12, 2018, Staff filed a corrected Appendix to the Staff Report.

[2] *See Application of Toll Road Investors Partnership II, L.P., For an increase in tolls pursuant to § 56-542 I of the Code of Virginia*, Case No. PUE-2016-00146, Doc. Con. Cen. No. 170310018, Final Order (March 1, 2017).

CASE NO. PUR-2018-00005
JANUARY 8, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

Ex Parte: Regulatory Accounting related to the federal Tax Cuts and Jobs Act of 2017

ORDER

In December 2017, the federal *Tax Cuts and Jobs Act of 2017* was enacted into law (Public Law 115-97) ("Act"). Among other provisions, the Act reduces the federal corporate income tax rate from 35% to 21%, effective January 1, 2018.

Virginia's electric, natural gas, and water utilities that are subject to the Act will be eligible to receive the substantial corporate tax rate cut contained therein. Federal tax costs incurred by these utilities are generally recovered from customers as part of the utility's cost of service. A corporate tax rate cut therefore will benefit customers by reducing the utility's cost of service.[1]

In order to ensure that the corporate tax rate reduction contained in the Act can ultimately benefit the customers of these utilities through rates, the Commission hereby orders that, effective January 1, 2018, Virginia utilities to which the Act's tax cut provisions are applicable shall accrue regulatory liabilities reflecting the Virginia jurisdictional revenue requirement impacts of the reduced corporate income tax rate.[2] This regulatory accounting recognition of cost of service savings will serve to protect the interests of customers until such time as the federal tax benefits can be appropriately reflected in customers' rates.

In addition, in order to evaluate the potential effects of the Act on cost of service in a timely manner, the utilities subject to the Act should reflect the impacts thereof in their respective informational submissions that are typically provided to the Commission or its Staff on an annual basis. Such information shall include, but need not be limited to: (i) expected cost of service impacts of the Act through calendar year 2018; (ii) the amount of protected (subject to normalization requirements) and unprotected excess accumulated deferred income taxes as of December 31, 2017, and the estimated reversal of such excess deferred income taxes during calendar year 2018; and (iii) such additional information that the utility wishes to include addressing the financial and cost of service impacts of the Act on the utility, and the appropriate treatment of the accrued regulatory liabilities ordered herein. As the specific schedule and contents of such filings varies among the utilities, the Commission hereby directs its Staff to modify as necessary the filing dates for, and to coordinate the receipt of such annual information from, each respective utility.

Accordingly, IT IS SO ORDERED, and this matter is closed.

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[1] The lower tax rate will significantly reduce current and deferred income tax expenses recognized in a utility's cost of service. The reduced tax rate will also create significant levels of excess accumulated deferred income taxes, which reflect federal tax liabilities already charged to customers that, as a result of the Act, will not be paid by the utilities.

[2] The utilities subject to this directive include: Virginia-American Water Company; Aqua Virginia, Inc.; Washington Gas Light Company; Columbia Gas of Virginia, Inc.; Virginia Natural Gas, Inc.; Roanoke Gas Company; Atmos Energy Corporation; Southwestern Virginia Gas Company; Appalachian Natural Gas Distribution Company; Kentucky Utilities Company; Appalachian Power Company; and Virginia Electric and Power Company. Massanutten Public Service Corporation need not comply with this directive, because its proposed rates were made interim and subject to refund as of December 16, 2017, in its pending base rate case (Case No. PUR-2017-00069). The Commission further directs its Staff to investigate the appropriate accounting related to the Act for, and provide necessary guidance to, small water and sewer utilities under Code § 56-265.13:1 *et seq*.

CASE NO. PUR-2018-00007
MARCH 26, 2018

APPLICATION OF
TEXAS RETAIL ENERGY, LLC

For a license to conduct business as a competitive service provider of electricity

ORDER GRANTING LICENSE

On January 9, 2018, Texas Retail Energy, LLC ("Texas Energy" or "Company"), filed an application with the State Corporation Commission ("Commission") for a license to conduct business as a competitive service provider of electricity ("Application").[1] In its Application, the Company seeks authority to serve facilities operated by its corporate parent, Walmart, Inc. ("Walmart"), throughout the Commonwealth of Virginia.[2] 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.[3]

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[1] The Company amended its Application on January 17, 2018.

[2] Retail choice exists only in the service territories of Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"), Appalachian Power Company ("APCo"), and the electric cooperatives. Retail choice for electricity is only permitted pursuant to the customer classes, load parameters, and renewable energy sources as set forth in the Code of Virginia.

[3] 20 VAC 5-312-10 *et seq.* ("Retail Access Rules").

On January 22, 2018, the Commission issued an Order for Notice and Comment ("Notice Order") which, among other things, directed Texas Energy to serve a copy of the Notice Order on certain electric utilities; provided an opportunity for interested persons to file written comments on the Application; and directed the Commission's Staff ("Staff") to analyze the Application and present its findings and recommendations in a report ("Staff Report").

On January 25, 2018, APCo filed a notice of participation in this proceeding. On January 30, 2018, Texas Energy filed proof of service. On February 16, 2018, Dominion filed a notice of participation and comments on the Application.

On March 2, 2018, Staff filed its Staff Report, which summarized Texas Energy's Application and evaluated its financial and technical fitness. Staff concluded that Texas Energy appears to have the financial and technical fitness to conduct business as a competitive service provider of electricity. Staff recommended that the Commission grant Texas Energy a license to conduct business as a competitive service provider of electricity to facilities operated by its corporate parent, Walmart, throughout the Commonwealth of Virginia in areas open to competition.

On March 8, 2018, Texas Energy filed a letter in lieu of comments stating the Company accepts and supports the Staff Report's recommendation that the Commission approve its Application.

NOW THE COMMISSION, upon consideration of this matter, finds that Texas Energy's Application for a license to conduct business as an electricity competitive service provider to facilities operated by its corporate parent, Walmart, throughout the Commonwealth of Virginia in areas open to competition should be granted, subject to all conditions in this Order.

Accordingly, IT IS ORDERED THAT:

(1) Texas Energy hereby is granted License No. E-39 to conduct business as a competitive service provider of electric service to facilities operated by its corporate parent, Walmart, throughout the Commonwealth of Virginia in areas open to competition. This is granted subject to the provisions of the Retail Access Rules, this Order, and other applicable law.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to the license granted herein.

CASE NO. PUR-2018-00008
APRIL 10, 2018

APPLICATION OF
APPALACHIAN POWER COMPANY

For approval of certain affiliate transactions pursuant to Chapter 4 of Title 56 of the Code of Virginia, §§ 56-76, *et seq.*

ORDER

On January 10, 2018, Appalachian Power Company ("APCo" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code")[1] requesting approval of certain transactions with affiliated companies related to the Company's proposed acquisition of the Beech Ridge II and Hardin wind generation facilities (collectively, "Wind Facilities"). Beech Ridge II is a 50 megawatt ("MW") wind generation facility that is being constructed in Greenbrier County, West Virginia, and Hardin is a 175 MW wind generation facility that is being constructed in Hardin County, Ohio.[2]

The Application states that on May 4, 2017, APCo entered into two purchase and sale agreements for the purchase of the equity interests in the two companies that are developing and constructing the Wind Facilities, Beech Ridge Energy II LLC and Hardin Wind Energy LLC (collectively, "Project Companies").[3] According to the Application, the Project Companies are subsidiaries of Invenergy Wind Development North America, LLC.[4]

If approved by the Commission, the acquisition would proceed in two steps. First, APCo would acquire 100% equity interests in each Project Company through the purchase and sale agreements such that each Project Company would become a subsidiary of APCo.[5] At that time, APCo asserts that the Project Companies would be considered affiliated interests as contemplated by the Affiliates Act. Thereafter, APCo intends to enter into an agreement to merge each Project Company with and into APCo, with APCo being the surviving entity with full ownership of the Wind Facilities.[6] APCo requests approval of each merger agreement, copies of which are attached to the Application, pursuant to the Affiliates Act.

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[1] Code §§ 56-76 *et seq*. ("Affiliates Act").

[2] Application at 1-2.

[3] *Id.* at 1.

[4] *Id.* at 1.

[5] *Id.* at 2.

[6] *Id.* at 2-3.

On July 5, 2017, APCo previously filed a petition for Commission approval of a rate adjustment clause ("Wind G-RAC") to recover the costs associated with APCo's proposed acquisition of the Wind Facilities pursuant to Code § 56-585.1 A 6, which was subsequently docketed as Case No. PUR-2017-00031.

NOW THE COMMISSION, upon consideration of this matter and having been advised by its Staff, is of the opinion and finds that the Application is denied.

On April 2, 2018, the Commission issued a Final Order in Case No. PUR-2017-00031. In its Final Order, the Commission denied the application for approval of the Wind G-RAC. We take judicial notice in this proceeding of the Final Order in Case No. PUR-2017-00031.

"[T]he Affiliates Act imposes upon a public service company a burden . . . to demonstrate that the proposed transactions with affiliates companies will serve the public interest."[7] In this proceeding, APCo requests approval under the Affiliates Act of a transaction related to the same proposed acquisition of the Wind Facilities that was previously considered by the Commission in Case No. PUR-2017-00031. Having denied APCo's related application for approval of the Wind G-RAC in Case No. PUR-2017-00031, we find that the Application in this proceeding is moot and should therefore be denied.

Accordingly, IT IS ORDERED THAT the Application is denied, and this matter is dismissed.

[7] *Roanoke Gas Co. v. State Corp. Comm'n,* 217 Va. 850, 853 (1977).

CASE NO. PUR-2018-00008
APRIL 26, 2018

APPLICATION OF
APPALACHIAN POWER COMPANY

For approval of certain affiliate transactions pursuant to Chapter 4 of Title 56 of the Code of Virginia, §§ 56-76, *et seq.*

ORDER DENYING RECONSIDERATION

On January 10, 2018, Appalachian Power Company ("APCo" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code")[1] requesting approval of certain transactions with affiliated companies related to the Company's proposed acquisition of the Beech Ridge II and Hardin wind generation facilities (collectively, "Wind Facilities"). Beech Ridge II is a 50 megawatt ("MW") wind generation facility that is being constructed in Greenbrier County, West Virginia, and Hardin is a 175 MW wind generation facility that is being constructed in Hardin County, Ohio.[2]

On July 5, 2017, APCo filed a petition in a separate proceeding for Commission approval of a rate adjustment clause ("Wind G-RAC") to recover the costs associated with APCo's proposed acquisition of the Wind Facilities pursuant to Code § 56-585.1 A 6, which was subsequently docketed as Case No. PUR-2017-00031. On April 2, 2018, the Commission issued a Final Order in Case No. PUR-2017-00031. In its Final Order, the Commission denied the application for approval of the Wind G-RAC.

On April 10, 2018, the Commission issued an Order in this proceeding, stating "[h]aving denied APCo's related application for approval of the Wind G-RAC in Case No. PUR-2017-00031, we find that the Application in this proceeding is moot and should therefore be denied."[3]

On April 16, 2018, APCo filed a Petition for Reconsideration ("Petition"), requesting that "should the Commission choose to reconsider and then approve the [Wind] G-RAC [a]pplication, the Company requests that the Commission reconsider and approve the merits of the [present] Application…."[4]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Petition is denied.

On April 20, 2018, the Commission issued its Order Denying Reconsideration in Case No. PUR-2017-00031. We take judicial notice in this proceeding of the Order Denying Reconsideration in Case No. PUR-2017-00031. Having denied APCo's related Petition for Reconsideration in Case No. PUR-2017-00031, we find the Petition for Reconsideration in this proceeding is moot and should therefore be denied.

Accordingly, IT IS ORDERED THAT the Petition for Reconsideration is denied, and this matter is dismissed.

[1] Code §§ 56-76 *et seq*.

[2] Application at 1-2.

[3] Order at 3.

[4] Petition at 2.

CASE NO. PUR-2018-00009
SEPTEMBER 11, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval to establish a Virginia community solar pilot program, pursuant to § 56-585.1:3 of the Code of Virginia

FINAL ORDER

On January 19, 2018, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to § 56-585.1:3 of the Code of Virginia ("Code")[1] for approval to establish a Virginia Community Solar Pilot Program ("Pilot Program"), including a new voluntary companion tariff, designated Rider VCS – Virginia Community Solar Pilot Program ("Rider VCS").[2] Dominion filed an Amended Application ("Amended Application") on May 4, 2018.

Code § 56-585.1:3 requires that each investor-owned utility, including Dominion, design a community solar pilot program and make subscriptions for participation in its pilot program available to retail customers on a voluntary basis within six months of receiving Commission approval. Code § 56-585.1:3 also provides that the Commission shall approve: recovery of the Pilot Program costs that the Commission deems to be reasonable and prudent; and the Pilot Program design, the voluntary companion rate schedule (Rider VCS), and the portfolio of participating generating facilities (referred to herein as the "Community Solar Portfolio" or "Portfolio"), pursuant to specific requirements regarding the Request for Proposal ("RFP") criteria and selection process, the minimum and maximum generating capacities of the Community Solar Portfolio, and the Pilot Program duration.

Dominion states that, using the RFP process prescribed by Code § 56-585.1:3,[3] "the Company solicited power purchase agreements ("PPAs") to be executed with eligible solar generating facilities that provide the Company the exclusive right to 100 percent of the net electrical output that these facilities dedicate to the Pilot Program."[4] The Company selected proposals from facilities that qualify as "eligible generation facilities," and which total ten megawatts of new solar photovoltaic capacity, consistent with Code § 56-585.1:3, as the Company's Community Solar Portfolio.[5]

The proposed pricing for the three-year subscription-based Pilot Program[6] is designed "to be attractive to qualifying customers looking for voluntary options to promote, support, and purchase community solar."[7] The Pilot Program would be available to all retail customers,[8] net metering customers,[9] and Special Contracts approved by the Commission pursuant to Code § 56-235.2,[10] in two subscription options: (1) participants may purchase 100 kilowatt-hour ("kWh") blocks (each constituting one "VCS Block") of community solar energy on a monthly (or billing period) basis, for an annually updated fixed price,[11] or (2) participants, with the exception of "Large Non-residential Customers,"[12] may purchase community solar energy to match 100% of their monthly (or billing period) usage in kWh for an annually updated fixed price per kWh.[13]

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[1] Code § 56-585.1:3 is the codification of Virginia Senate Bill 1393, passed during the 2017 General Assembly session and enacted on March 16, 2017, as Chapter 580 of the 2017 Virginia Acts of Assembly. *See* Application at 3.

[2] Application at 1.

[3] *See* Amended Application at 5-11 for a description of the Company's RFP process and Attachments A and B to the Application for a copy of the RFPs.

[4] *Id.* at 5.

[5] *Id.* at 9-10. The facilities are in Dominion's service territory and will be interconnected to its distribution system. *Id.* at 10.

[6] Code § 56-585.1:3 prescribes a three-year pilot program period, which the statute defines as "the three-year period ending three years following the date the first subscription is entered into by a customer." The Company states that it may seek Commission approval to expand or modify the Pilot Program and execute PPAs with additional eligible generating facilities if customer interest and participation result in subscriptions reaching full capacity during the three-year period. Amended Application at 11.

[7] *Id.*

[8] This includes those customers taking service on the Company's Rate Schedules 1, 1P, 1S, 1T, DP-R, 1EV, 5, 5C, 5P, 6, 6TS, 10, 25, 27, 28, 29, GS-1, DP-1, GS-2, GS-2T, DP-2, GS-3, SCR-GS-3, MBR-GS-3, GS-4, SCR-GS-4, and MBR-GS-4. *Id.* at 11-12.

[9] *Id.* at 12, n.19.

[10] *Id.* at 12.

[11] *Id.*

[12] A "Large Non-residential Customer" is defined by Dominion as a commercial or industrial customer whose peak measured demand has reached or exceeded 500 kW within the current or previous eleven billing months at the Customer's service location. *Id.* at 12, n.20.

[13] *Id.* at 12.

The Company proposes the following maximum subscription allotments per billing cycle for eligible customers who subscribe by purchasing VCS blocks: (1) for residential customers, a limit of five whole VCS Blocks; and (2) for non-residential customers, a limit of ten whole VCS Blocks.[14] If the 100% match option is not selected, participating customers must subscribe to a minimum of one whole VCS Block per billing cycle.[15] If the Portfolio's net electrical output is not sufficient to meet participating customers' subscriptions on an annual basis, the Company would supplement the Portfolio with solar renewable energy certificates ("RECs").[16]

The Company states that because Rider VCS is designed as a voluntary companion tariff to the participating customer's Principal Tariff, *i.e.*, the rate schedule on which the customer takes service from the Company, the customer's billing statement would be largely unchanged, with the exception of a new line item – the "VCS Net Rate."[17] The proposed VCS Net Rate (in cents per kWh) would be calculated based on the participating customer's actual billed usage during each billing period, capped at the customer's subscription level.[18] A participating customer's energy usage that exceeds the amount subscribed under Rider VCS would be billed under the Principal Tariff for the customer's account.[19]

The proposed VCS Net Rate would include the cost of the Pilot Program ("VCS Charge") and a proportional credit for the market value of power equal to the net electrical output generated, as well as the capacity provided, by the Community Solar Portfolio ("VCS Adjustment").[20] The Company states that the proposed VCS Charge would include: (i) purchased power costs, which are based on PPA prices for solar energy, capacity, and Environmental Attributes;[21] (ii) RFP costs; (iii) marketing charges; (iv) customer service costs; and (v) a reasonable margin based on purchased power costs.[22] The VCS Adjustment would include a forecasted energy credit and a credit based on the market value of the capacity provided by the Community Solar Portfolio.[23] The Company proposes to reset the VCS Adjustment annually, with 90 days' advance notice to existing and prospective Pilot Program customers, using forecasting methods for PJM Interconnection, L.L.C. ("PJM"), energy and capacity prices consistent with those used in the Company's annual fuel filing.[24] Accordingly, Rider VCS customers would be able to lock in to the VCS Net Rate annually.[25] Dominion proposes a VCS Charge of 6.42¢ per kWh and a VCS Net Rate of 2.01¢ per kWh.[26]

The Company states that the generating resources in the Portfolio would act as load reducers in PJM and, accordingly, all generation from those resources will lower purchased power costs recovered through the Company's fuel factor.[27] To ensure that Rider VCS customers receive the benefit and non-participating customers remain neutral to Rider VCS, the Company plans to make a Rider VCS energy adjustment to the Company's fuel factor.[28] Dominion also states that it plans to make a capacity adjustment in the Company's future cost of service studies because the generation from the Portfolio's resources would reduce the amount of capacity that the Company must purchase in PJM.[29] Dominion states that the Company would retire the RECs and other Environmental Attributes associated with the resources used to serve customers on Rider VCS.[30]

The Company would make Rider VCS subscriptions available within six months of Commission approval of the Pilot Program; however, the Company states that participating customer subscriptions would not become effective until one or more Community Solar Portfolio sites begin to generate renewable energy.[31] Subscribing customers would be subject to a minimum one-year term, after which they could terminate service under Rider VCS with 30 days' notice to the Company.[32]

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[14] *Id.* at 12-13.

[15] *Id.* at 13.

[16] *Id.* According to Dominion, one "REC" refers to the transferable indicia, such as a certificate, associated with one megawatt-hour of electric energy from an applicable renewable generation facility. *Id.* at 2, n.2.

[17] *Id.* at 16.

[18] *Id.* at 15-17.

[19] *Id.* at 17, n.29.

[20] *Id.* at 14.

[21] According to Dominion, "Environmental Attributes" include RECs but do not include federal, state, and local tax credits or other incentives. *Id.* at 2, n.2.

[22] *Id.*

[23] *Id.* at 14-15.

[24] *Id.* at 15, 18.

[25] *Id.* at 15.

[26] *Id.*

[27] *Id.* at 16.

[28] *Id.*

[29] *Id.*

[30] *Id.*

[31] *Id.* at 17.

[32] *Id.* at 17-18.

Dominion asserts that its Community Solar Pilot Program, including Rider VCS, is in the public interest because the Pilot Program is consistent with the requirements of Code § 56-585.1:3,[33] and because it would: (i) enhance fuel diversification across the Company's generation portfolio; (ii) provide environmental benefits; (iii) provide economic benefits; (iv) further the General Assembly's stated goals of promoting solar energy through distributed energy generation; and (v) support the objectives of the Commonwealth Energy Policy set forth at Code § 67-101 *et seq*.[34]

The Company further asserts that Rider VCS and its cost recovery method are reasonable and prudent because: (i) the Rider VCS Charge would be designed to recover the Company's expected actual costs to serve each participating customer under the Pilot Program; (ii) the VCS Adjustment would be market-based and reset annually to maintain consistency with then-current market conditions; (iii) non-participating customers would not be required to pay for, or subsidize, the costs to serve participating customers with community solar; and (iv) Rider VCS would be voluntary.[35]

The Commission issued procedural orders in this case that, among other things, docketed this case; directed Dominion to provide public notice of its Application; invited interested persons to file comments or a notice of participation; and directed the Commission's Staff ("Staff") to investigate the Application and file a report containing Staff's findings and recommendations. Appalachian Voices ("Environmental Respondents"), the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"), and the Board of Supervisors of Culpeper County filed notices of participation.[36]

On July 10, 2018, the Environmental Respondents and Consumer Counsel filed comments on the Amended Application ("Environmental Respondents' Comments" and "Consumer Counsel's Comments"). The Environmental Respondents support the Amended Application and assert that the VCS Net Rate "is in line with charges in other community solar programs across the Southeast."[37]

Consumer Counsel is not opposed to the Amended Application; however, Consumer Counsel asserts that there is a conflict within Code § 56-585.1:3. Specifically, Consumer Counsel notes that Code § 56-585.1:3 B 9 ("Subdivision B 9") provides that "[a]t the conclusion of the pilot program period, to the extent that the pilot program is not made permanent or extended, each participating generating facility shall cease to be part of the pilot program . . .", while Code § 56-585.1:3 B 10 ("Subdivision B 10") states, in part, that "[i]f . . . the pilot program is not made permanent or continued, the subscribing customers' subscriptions to the voluntary companion rate schedule shall survive the termination of the pilot program." Consumer Counsel notes that "[i]f all participating generating facilities cease to be part of the Pilot Program, then there would be no generation to serve the 'surviving' subscribing customers."'[38] Consumer Counsel states that "the Commission should avoid any statutory construction that could be seen as unfair to customers seeking service under Rider VCS, especially within the final year of the Pilot Program."[39] Consumer Counsel further asserts that, to avoid such a result, customers signing up for Rider VCS within the final year of the Pilot Program "should be made aware *prospectively* of how long the Rider VCS subscription will last – and for how long they will be responsible for the premium rate."[40]

Consumer Counsel also addresses the Company's calculation of the VCS Adjustment by which the Company proposes to offset the VCS Charge. Consumer Counsel notes that the annual capacity value of the solar generation will be known at the time the annual VCS Adjustment is calculated, but the annual energy value, "which is represented by the PJM Dominion Zone *day-ahead* locational marginal pricing, cannot be known at the time the annual VCS Adjustment is calculated."[41] Therefore, Consumer Counsel states that "accurate charges under Rider VCS will necessarily depend upon the accuracy of the Company's energy market forecast."[42] Consumer Counsel notes further that the "[A]pplication does not include a true-up process to correct the energy forecast against actual realized energy market prices";[43] however, Consumer Counsel does not recommend that the Company implement any such true-up process.

Lastly, Consumer Counsel highlights the requirement in Code § 56-585.1:3 B 7 that RECs and other Environmental Attributes "associated with the voluntary companion rate schedule shall be retired by the investor-owned utility on the subscribing customer's behalf." Consumer Counsel notes that while "the Company indicates it will comply with this statutory requirement, this is not set forth in the Company's proposed tariff."[44]

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[33] *Id.* at 18-19.

[34] Amended Application at 19-20.

[35] *Id.* at 20.

[36] *Id.* at 4. Dominion also stated that the Amended Application updates non-price factors and their respective weights, which the Company used when evaluating the power PPA proposals. The updates correct the wrong list of non-price factors inadvertently placed in the original Application. *Id.*

[37] Environmental Respondents' Comments at 3.

[38] Consumer Counsel's Comments at 3.

[39] *Id.* at 4.

[40] *Id.*

[41] *Id.* at 5.

[42] *Id.* at 6.

[43] *Id.*

[44] *Id.* at 8.

On July 24, 2018, Staff filed its Report on the Company's Amended Application. Staff notes, among other things, that the Company proposes to prioritize residential customer subscriptions initially, and the Company would manage a subscription list to ensure subscriptions are processed on a staggered basis in the appropriate order (with residential customers first), in accordance with the estimated amount of renewable energy generated as sites become operational.[45] The Staff Report further notes that the Company anticipates that one or more of the five generating facilities in the Community Solar Portfolio would become operational in the first half of 2019.[46]

Staff concludes that the Company's proposed Pilot Program design and Rider VCS appear reasonable.[47] Staff, however, also highlights the potential statutory conflict between provisions regarding termination of the Pilot Program, specifically, Subdivisions B 9 and B 10.[48] Staff suggests that one way to harmonize these subdivisions of Code § 56-585.1:3 B would be to direct the Company to structure subscriptions such that subscriptions offered in the third year of the Pilot Program would terminate when the Pilot Program terminates, or to direct Dominion to cease offering new subscriptions 12 months before the end of the Pilot Program period.[49]

In its accounting analysis, Staff notes that Dominion included an operating margin of 8.303% in the calculation of the proposed VCS Charge, which represents the pre-tax weighted average cost of capital at the time of filing the Application.[50] Staff does not oppose this operating margin but notes that it is based on the Company's 2016 year-end capital structure, and the pre-tax weighted cost of capital increases to 8.505% when calculated on a 2017 year-end capital structure, which would produce a VCS Net Rate of approximately 2.03¢ per kWh.[51]

Staff recommends that for verification of Dominion's assertions that non-participating customers will not be required to pay for, or subsidize, the costs of the Pilot Program, the Company be required to report on the actual costs and revenues of the Pilot Program at its conclusion.[52] Finally, Staff recommends that to further ensure non-participating customers' base rates are not impacted by the Pilot Program, the Company should be required to clearly remove the Pilot Program's investment, expenses and revenues in any future base rate cases to facilitate Staff's analysis of proposed base rate changes in such proceedings.[53]

On August 7, 2018, Dominion filed its comments ("Dominion's Comments") on the Staff Report and the comments filed by the Environmental Respondents and Consumer Counsel. Dominion "agrees with the concerns raised by Staff and Consumer Counsel about the ambiguity in Subdivisions B 9 and B 10" in the event the Pilot Program is not renewed or made permanent.[54] Specifically, the Company acknowledges that "a literal reading of Subdivisions B 9 and B 10 creates the problem of having surviving customer subscriptions without any participating generating facilities to serve them."[55] The Company offers the following approach to "avoid [this] potential pitfall": (1) for customers whose subscriptions are effective at least 13 months before the program termination date, the Company suggests providing notice to customers that if the Pilot Program is not made permanent, their subscriptions would terminate on the program termination date; and (2) for customers whose subscriptions begin 12 months or less before the program termination date, the Company suggests that the Commission permit the Company to allow those subscriptions to run a full 12-month course.[56] In so doing, the Company would withdraw participating generating sources from the Pilot Program at a pace that permits Dominion to fulfill the latter customers' subscriptions until their termination.[57]

In the alternative, Dominion states that, to the extent the Pilot Program is not renewed or made permanent, the Company does not oppose Staff's suggestion that the Company cease offering new subscriptions 12 months before the end of the Pilot Program period.[58] The Company agrees to submit revised tariff language to account for the Commission's decision on this issue.[59] The Company also does not oppose including language in the Rider VCS tariff stating that the Company will retire RECs on behalf of subscribing customers.[60]

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[45] Staff Report at 4.

[46] *Id.*

[47] *Id.* at 8.

[48] *Id.* at 8-9.

[49] *Id.* at 10.

[50] *Id.* at 10-11.

[51] *Id.* at 11.

[52] *Id.* at 12.

[53] *Id.*

[54] Dominion's Comments at 3.

[55] *Id.*

[56] *Id.* at 4.

[57] *Id.*

[58] *Id.* at 5.

[59] *Id.*

[60] *Id.* at 6-7.

In response to Consumer Counsel's observation that the Rider VCS does not include a true-up process, the Company states that application of any true-up would be "administratively difficult" with customers possibly switching on and off, and also that "any true-up would likely be immaterial."[61] The Company therefore requests that the Commission approve the rate design for Rider VCS as proposed, without a true-up process.[62]

Lastly, the Company does not oppose Staff's reporting recommendations and Staff's recommendation that the Company clearly remove Rider VCS's investment, expenses and revenues in any future base rate cases.[63]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

The Company seeks approval of its proposed Community Solar Pilot Program, Community Solar Portfolio, and Rider VCS, pursuant to Code § 56-585.1:3.[64] Subsection B of this Code provision prescribes several requirements for such a pilot program, including the requirement that the Company select the participating generating facilities through a specifically-defined RFP process.[65] It also sets forth parameters for the minimum and maximum amount of generating capacity in the Company's Community Solar Portfolio,[66] cost recovery of the Company's Pilot Program costs through a voluntary companion rate schedule,[67] and what occurs upon closure or expiration of the Pilot Program.[68]

Further, Code § 56-585.1:3 D states, in part:

> The participation of retail customers in a pilot program administered by a participating utility in the Commonwealth is in the public interest. Voluntary companion rate schedules approved by the Commission pursuant to this section are necessary in order to acquire information which is in furtherance of the public interest. The Commission shall approve the recovery of pilot program costs that it deems to be reasonable and prudent. The Commission shall also approve the pilot program design, the voluntary companion rate schedule, and the portfolio of participating generating facilities.

Based on the Amended Application and other pleadings herein, the Commission finds that the Company's proposed Pilot Program costs are reasonable and prudent. The Commission further approves the proposed Pilot Program design, the Company's proposed Community Solar Portfolio, and the proposed Rider VCS, subject to the following.

Pilot Program Closure

With regard to the conflict between Subdivisions B 9 and B 10, as discussed by Consumer Counsel and Staff, the Commission directs the Company to cease offering new subscriptions to the Pilot Program 12 months before the end of the Pilot Program period. Within 30 days of the date of this Order, the Company shall submit revised tariff language incorporating this directive.

Rate Design

We approve the rate design for Rider VCS as proposed, which shall include the operating margin of 8.303% (weighted cost of capital) used at the time of filing the Amended Application. We further find that a true-up process for Rider VCS is not required.

Reporting Requirements

In addition to the reporting requirements set forth in Code § 56-585.1:3 F,[69] the Commission adopts Staff's recommendation that the Company report on the actual costs and revenues of the Pilot Program at its conclusion. We further direct the Company, in any future base rate proceedings, to clearly remove the Pilot Program's investment, expenses and revenues from its earning analyses.

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[61] *Id.* at 6.

[62] *Id.*

[63] *Id.*

[64] Code § 56-585.1:3 A defines "pilot program" as follows:

> "a community solar pilot program conducted by a participating utility pursuant to this section following approval by the Commission, under which the participating utility sells electric power to subscribing customers under a voluntary companion rate schedule and the participating utility generates or purchases electric power from participating generation facilities selected by the participating utility."

[65] *See* Code § 56-585.1:3 B 2.

[66] *See* Code § 56-585.1:3 B 3 and 4.

[67] *See* Code § 56-585.1:3 B 8.

[68] *See* Code § 56-585.1:3 B 6, 9 and 10.

[69] Code § 56-585.1:3 F requires the Company to file a report on the status of its Pilot Program (including the number of subscribing customers) with the Governor, the Commission, and the Chairmen of the House and Senate Commerce and Labor Committees, the earlier of (i) three years after the date a customer first subscribes to the Pilot Program, or (ii) July 1, 2022.

REC Retirements

We direct the Company to submit revised tariff language providing that the Company will, as required by Code § 56-585.1:3 B 7, retire the RECs and other Environmental Attributes associated with Rider VCS on behalf of subscribing customers.

Accordingly, IT IS ORDERED THAT:

(1) The Company's Amended Application is approved, subject to the requirements adopted herein.

(2) Within six (6) months of the date of this Order, the Company shall make subscriptions for participation in its Pilot Program available to its retail customers on a voluntary basis.

(3) Within thirty (30) days from the date of this Order, the Company shall file applicable tariffs to implement the Pilot Program, incorporating the requirements adopted herein, with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance.

(4) This matter is dismissed.

CASE NO. PUR-2018-00010
FEBRUARY 1, 2018

APPLICATION OF
Mecklenburg Electric Cooperative

For authority to incur indebtedness

ORDER GRANTING AUTHORITY

On January 16, 2018, Mecklenburg Electric Cooperative ("Mecklenburg") filed an application with the State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia for authority to borrow $30,000,000 in long term debt. Mecklenburg has paid the requisite fee of $250.

Mecklenburg requests authority to borrow $30,000,000 from the Federal Financing Bank ("FFB"). The FFB loan will be guaranteed by the Rural Utilities Services ("RUS"). The proceeds will be used to fund distribution and transmission construction as detailed in its three-year, 2017-2020 work plan. The loan will have a thirty-five year maturity and the interest rate will be determined by the comparable term Treasury rate of interest plus one-eighth of one percent of the unpaid principle balance of each advance. Although Mecklenburg's anticipated draws on the FFB loan in 2018 are expected to reduce its Times Interest Earned Ratio ("TIER") from 1.87x to 1.48x, the TIER is expected to remain above the 1.25x minimum requirement, as stated in the loan terms.

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.

Accordingly, IT IS ORDERED THAT:

(1) Mecklenburg is authorized to incur up to $30,000,000 in debt obligations in the form of an FFB loan guaranteed by the RUS, under the terms and conditions and for the purposes stated in its application.

(2) Within thirty (30) days of the date of any advance of funds from FFB pursuant to Ordering Paragraph (1), the Cooperative shall file with the Commission's Division of Utility Accounting and Finance a report of action, which shall include the amount of the advance, the interest rate, 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 hereby is dismissed.

CASE NO. PUR-2018-00012
MARCH 30, 2018

APPLICATION OF
APPALACHIAN POWER COMPANY and AEP WEST VIRGINIA TRANSMISSION COMPANY, INC.

For authority to enter into an affiliate transaction under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On January 22, 2018, Appalachian Power Company ("APCo") and AEP West Virginia Transmission Company, Inc. ("WV Transco") (collectively, "Applicants"), filed a joint application ("Application") under Chapter 4 of Title 56 of the Code of Virginia ("Code")[1] with the State Corporation Commission ("Commission") requesting approval of an updated service agreement ("New Agreement") to replace the existing service agreement ("Current Agreement") approved by the Commission in Case No. PUE-2011-00125.[2]

APCo is a Virginia public service company owned by American Electric Power Company, Inc. ("AEP"). WV Transco is a West Virginia public service corporation and a wholly owned indirect subsidiary of AEP, and thus an "affiliated interest" pursuant to the Affiliates Act.

Under the New Agreement, APCo will continue to provide the services provided to WV Transco under the Current Agreement, which include consultation, analysis, advice and performance of services in connection with matters relating to the operation, inspection, maintenance, construction, and emergency restoration of the parties' electric transmission assets in West Virginia. Each party will continue to provide a license to attach to or occupy the other's facilities for a period of 50 years. The Applicants represent that the 50-year license remains necessary to provide for stability of the right to use the facilities, which include attachments to both above- and below-ground assets. All services provided under the new agreement will be provided at cost. However, unlike the Current Agreement, which only provides for provision of service by APCo to WV Transco, under the New Agreement, WV Transco will have the authority to provide APCo the same services that APCo currently provides to WV Transco. The Applicants represent that WV Transco now has the resources to provide services to APCo.

The Applicants represent that the proposed New Agreement will not adversely affect Virginia rates or ratepayers. The Applicants also state that they will abide by Virginia law and receive regulatory approval for any changes, as necessary.

NOW THE COMMISSION, upon consideration of this matter and having been advised by its Staff through Staff's action brief, is of the opinion and finds that approval of the Application is in the public interest and, therefore, should be approved subject to certain requirements listed in the Appendix attached to this Order Granting Approval.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code, the Application is approved subject to the requirements outlined in the Appendix attached to this Order Granting Approval.

(2) This case is dismissed.

APPENDIX

(1) The Commission's approval of the New Agreement is limited to five (5) years from the date of the Order in this case. Should the Applicants wish to continue under the New Agreement beyond that date, separate Commission approval is required.

(2) The Commission's approval is limited to the specific services identified in the New Agreement. Should APCo wish to obtain additional services that are not specifically identified in the New Agreement, separate Commission approval is required.

(3) Separate Affiliates Act approval is required before WV Transco may provide services to APCo through the engagement of any affiliated third parties under the New Agreement.

(4) Separate Commission approval is required for any changes in the terms and conditions of the New Agreement, including any changes in the services provided, allocation methodologies, and successors or assigns

(5) The Commission's approval has no ratemaking implications. Specifically, the approval granted in this case does not guarantee the recovery of any costs directly or indirectly related to the New Agreement.

(6) The approval granted in this case does not preclude the Commission from exercising its authority under the provisions of § 56-78 and § 56-80 of the Code hereafter.

(7) The Commission reserves the right to examine the books and records of any affiliate in connection with the approval granted in this case whether or not such affiliate is regulated by this Commission.

(8) APCo shall maintain records demonstrating that the services provided to or received from WV Transco are at cost.

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[1] Code § 56-76 *et seq*. ("Affiliates Act")

[2] *Application of Appalachian Power Company, for authority to enter into affiliate transactions under Chapter 4 of Title 56 of the Code of Virginia,* Case No. PUE-2011-00125, 2013 S.C.C. Ann. Rept. 229, Order Granting Motion (April 24, 2013).

(9) The Applicants shall file with the Commission a signed and executed copy of the New Agreement within ninety (90) days of the effective date of the Order in this case, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director").

(10) All transactions under the New Agreement shall be reflected in APCo's monthly service company bill and included in APCo's Annual Report of Affiliate Transactions ("ARAT"), submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director, and shall include the following information:

(a) The case number in which the New Agreement was approved;
(b) A description of each service(s) provided or received;
(c) A calendar year annual schedule, in Excel electronic spreadsheet format with formulas intact, showing services and transactions provided by APCo to WV Transco by month, type of service, FERC account, and amount as they are recorded on APCo's books; and
(d) A calendar year annual schedule, in Excel electronic spreadsheet format with formulas intact, showing services and transactions received by APCo from WV Transco by month, type of service, FERC account, and amount as they are recorded on APCo's books.

(12) In the event that APCo's rate proceedings are not based on a calendar year, then APCo shall include the affiliate information contained in its ARAT for the test period in such filings.

CASE NO. PUR-2018-00013
OCTOBER 26, 2018

APPLICATION OF
ROANOKE GAS COMPANY

For a general increase in rates

ORDER FOR NOTICE AND HEARING

On October 10, 2018, Roanoke Gas Company ("Roanoke Gas" or "Company") filed with the State Corporation Commission ("Commission") an application pursuant to Chapter 10 of Title 56 (§ 56-232 *et seq*.) of the Code of Virginia ("Code") requesting authority to increase its rates and charges, effective for service rendered on and after January 1, 2019, and to revise other terms and conditions applicable to its gas service ("Application").

Roanoke Gas advises in its Application that the proposed rates and charges are designed to increase the Company's annual operating revenues by approximately $10.5 million per year.[1] The Company states further that its requested revenue requirement incorporates the impacts of the federal Tax Cuts and Jobs Act of 2017, which partially offset the requested revenue increase that the Company attributes, in part, to the capital investments the Company has made in recent years to improve the safety and reliability of the system, as well as other increases in the cost of service.[2]

According to the Company, its proposed rate increase is based on an overall weighted average cost of capital of 8.014%, including a return on common equity of 10.7%.[3]

Roanoke Gas also proposes various revisions to its Virginia tariff to reflect changes in business practice since its last rate case. Such tariff changes include updating the methods in which the Company communicates with its customers, updating the SAVE Plan year to align with the Company's fiscal year, and eliminating unnecessary internal approval language for distribution facility installations.[4] Roanoke Gas also proposes to implement its proposed rates, on an interim basis and subject to refund, effective for service rendered on and after January 1, 2019, until the Commission issues its Final Order in this proceeding.[5]

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that Roanoke Gas should provide notice of its Application; a public hearing should be scheduled for the purpose of receiving testimony and evidence on the Company's Application; a procedural schedule should be established to allow interested persons an opportunity to file written or electronic comments on the Company's Application or to participate in this proceeding as a respondent; and the Commission's Staff ("Staff") should be directed to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon. We also find that a Hearing Examiner should be appointed to conduct all further proceedings in this matter on behalf of the Commission and to file a final report.

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[1] Application at 3.

[2] *Id.*

[3] *Id.*; Pre-Filed Direct Testimony of Paul W. Nester at 2.

[4] Pre-Filed Direct Testimony of Niklas E. Banka at 10.

[5] Application at 4-5. In the Commission's May 23, 2018 Order Granting Waiver in this docket, the Commission granted the Company's Motion for Waiver of Filing Requirements ("Motion") with regard to its 2017 Annual Informational Filing. The Company's Motion, in part, gave notice of the Company's intent to file a general rate case on or around September 28, 2018, and requested that the Commission permit the Company, following the filing of its general rate application, to implement interim rates effective for service rendered on and after January 1, 2019.

Pursuant to Code § 56-238, the Commission will direct the Company to provide a bond to insure prompt refund of any excess rates or charges.

Accordingly, IT IS ORDERED THAT:

(1) As provided by § 12.1-31 of the Code and Rule 5 VAC 5-20-120, *Procedures before Hearing Examiners*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"),[6] a Hearing Examiner is appointed to conduct all further proceedings in this matter on behalf of the Commission and to file a final report.

(2) On or before December 14, 2018, Roanoke Gas shall file a bond with the Commission in the amount of $10.5 million payable to the Commission and conditioned to insure the prompt refund by the Company to those entitled thereto of all amounts the Company shall collect in excess of such rates and charges as the Commission may finally fix and determine.

(3) A public hearing on the Application shall be convened at 10 a.m. on June 26, 2019, in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive into the record the testimony of public witnesses and evidence of the Company, any respondents, and the Staff. Any person desiring to offer testimony as a public witness need only appear at the hearing location fifteen (15) minutes before the starting time of the hearing and identify himself or herself to the Commission's Bailiff.

(4) The Company shall make copies of its Application, as well as a copy of this Order for Notice and Hearing, available for public inspection during regular business hours at each of the Company's business offices in the Commonwealth of Virginia. A copy also may be obtained by submitting a written request to counsel for Roanoke Gas, Timothy E. Biller, Esquire, Hunton Andrews Kurth LLP, 951 East Byrd Street, Richmond, Virginia 23219. If acceptable to the requesting party, the Company may provide the documents by electronic means. Copies of the public version of all documents filed in this case also shall be available for interested persons to review in the Commission's Document Control Center located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays. Interested persons also may download unofficial copies from the Commission's website: http://www.scc.virginia.gov/case.

(5) On or before November 30, 2018, Roanoke Gas shall cause the following notice to be published as display advertising (not classified) on one (1) occasion in newspapers of general circulation throughout the Company's Virginia service territory:

NOTICE TO THE PUBLIC OF
ROANOKE GAS COMPANY'S APPLICATION
FOR A GENERAL INCREASE IN RATES
CASE NO. PUR-2018-00013

- **Roanoke Gas Company ("Roanoke Gas") has applied for approval of a general increase in rates.**
- **Roanoke Gas requests a total revenue requirement increase of $10.5 million per year.**
- **A Hearing Examiner appointed by the Commission will hear the case on June 26, 2019, at 10 a.m.**
- **Further information about this case is available on the SCC website at: http://www.scc.virginia.gov/case.**

On October 10, 2018, Roanoke Gas Company ("Roanoke Gas" or "Company") filed with the State Corporation Commission ("Commission") an application pursuant to Chapter 10 of Title 56 (§ 56-232 *et seq*.) of the Code of Virginia requesting authority to increase its rates and charges, effective for service rendered on and after January 1, 2019, and to revise other terms and conditions applicable to its gas service ("Application").

Roanoke Gas advises in its Application that the proposed rates and charges are designed to increase the Company's annual operating revenues by approximately $10.5 million per year. The Company states further that its requested revenue requirement incorporates the impacts of the federal Tax Cuts and Jobs Act of 2017, which partially offset the requested revenue increase that the Company attributes, in part, to the capital investments the Company has made in recent years to improve the safety and reliability of the system, as well as other increases in the cost of service.

According to the Company, its proposed rate increase is based on an overall weighted average cost of capital of 8.014%, including a return on common equity of 10.7%.

Roanoke Gas also proposes various revisions to its Virginia tariff to reflect changes in business practice since its last rate case. Such tariff changes include updating the methods in which the Company communicates with its customers, updating the SAVE Plan year to align with the Company's fiscal year, and eliminating unnecessary internal approval language for distribution facility installations. Roanoke Gas also proposes to implement its proposed rates, on an interim basis and subject to refund, effective for service rendered on and after January 1, 2019, until the Commission issues its Final Order in this proceeding.

[6] 5 VAC 5-20-10 *et seq*.

Interested persons are encouraged to review the Application and supporting documents for the details of these and other proposals. While the total revenue that may be approved by the Commission is limited to the amount produced by the Company's proposed rates, TAKE NOTICE that the Commission may approve revenues, and adopt rates, fees, charges, tariff revisions, and terms and conditions of service that differ from those appearing in the Application and supporting documents and may apportion revenues among customer classes and/or design rates in a manner differing from that shown in the Application and supporting documents.

The Commission entered an Order for Notice and Hearing that, among other things, permits the Company to place its proposed rates into effect on an interim basis, subject to refund, effective for service rendered on and after January 1, 2019.

The Commission's Order for Notice and Hearing scheduled a public hearing at 10 a.m. on June 26, 2019, in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive the testimony of public witnesses and the evidence of the Company, any respondents, and the Commission's Staff. Any person desiring to testify as a public witness should appear at the hearing location fifteen (15) minutes prior to the starting time of the hearing and contact the Commission's Bailiff.

Copies of the public version of all documents filed in this case are available for interested persons to review in the Commission's Document Control Center located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays. Interested persons also may download unofficial copies from the Commission's website: http://www.scc.virginia.gov/case.

Copies of the Company's Application and the Commission's Order for Notice and Hearing also may be inspected during regular business hours at each of the Company's business offices in the Commonwealth of Virginia. Copies of these documents also may be obtained, at no charge, by submitting a written request to counsel for the Company: Timothy E. Biller, Esquire, Hunton Andrews Kurth LLP, 951 East Byrd Street, Richmond, Virginia 23219. If acceptable to the requesting party, the Company may provide the documents by electronic means.

On or before June 19, 2019, any interested person may file written comments on the Company's Application with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Interested persons desiring to submit comments electronically may do so on or before June 19, 2019, by following the instructions found on the Commission's website: http://www.scc.virginia.gov/case. Compact discs or any other form of electronic storage medium may not be filed with the comments. All such comments shall refer to Case No. PUR-2018-00013.

Any person or entity may participate as a respondent in this proceeding by filing a notice of participation on or before February 13, 2019. If not filed electronically, an original and fifteen (15) copies of a notice of participation shall be filed with the Clerk of the Commission at the address set forth above. A copy of the notice of participation also must be sent to counsel for Roanoke Gas at the address set forth above. Pursuant to Rule 5 VAC 5-20-80, *Participation as a respondent*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"), any notice of participation shall set forth: (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 organization, corporation, or government body participating as a respondent shall be represented by counsel as required by Rule 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2018-00013. For additional information about participation as a respondent, any person or entity should obtain a copy of the Commission's Order for Notice and Hearing.

On or before May 1, 2019, each respondent may file with the Clerk of the Commission, and serve on the Commission's Staff, the Company, and all other respondents, any testimony and exhibits by which the respondent expects to establish its case, and each witness's testimony shall include a summary not to exceed one page. If not filed electronically, an original and fifteen (15) copies of such testimony and exhibits shall be submitted to the Clerk of the Commission at the address above. In all filings, respondents shall comply with the Commission's Rules of Practice, including 5 VAC 5-20-140, *Filing and service,* and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2018-00013.

All documents filed with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

The Commission's Rules of Practice may be viewed at the Commission's website: http://www.scc.virginia.gov/case. A printed copy of the Commission's Rules of Practice and an official copy of the Commission's Order for Notice and Hearing in this proceeding may be obtained from the Clerk of the Commission at the address set forth above.

ROANOKE GAS COMPANY

(6) On or before November 30, 2018, Roanoke Gas shall serve a copy of this Order for Notice and Hearing on the following officials, to the extent the position exists, in each county, city, and town in which the Company provides service in the Commonwealth of Virginia: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city and town; and the county, city, or town attorney. Service shall be made by either personal delivery or first class mail to the customary place of business or residence of the person served.

(7) On or before December 14, 2018, Roanoke Gas shall file proof of the notice and service required by Ordering Paragraphs (5) and (6), including the name, title, and address of each official served, with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118.

(8) On or before June 19, 2019, any interested person may file written comments on the Application with the Clerk of the Commission at the address set forth in Ordering Paragraph (7). Any interested person desiring to file comments electronically may do so on or before June 19, 2019, by following the instructions found on the Commission's website: http://www.scc.virginia.gov/case. Compact discs or any other form of electronic storage medium may not be filed with the comments. All comments shall refer to Case No. PUR-2018-00013.

(9) On or before February 13, 2019, any person or entity may participate as a respondent in this proceeding by filing a notice of participation. If not filed electronically, an original and fifteen (15) copies of a notice of participation shall be filed with the Clerk of the Commission at the address in Ordering Paragraph (7), and each respondent shall serve a copy of the notice of participation on counsel to Roanoke Gas at the address set forth in Ordering Paragraph (4). Pursuant to Rule 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice, any notice of participation shall set forth: (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 organization, corporation, or government body participating as a respondent shall be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2018-00013.

(10) Within five (5) business days of receipt of a notice of participation as a respondent, the Company shall serve upon the respondent a copy of this Order for Notice and Hearing, a copy of the public version of the Application, and a copy of the public version of all materials filed by the Company with the Commission, unless these materials already have been provided to the respondent.

(11) On or before May 1, 2019, each respondent may file with the Clerk of the Commission at the address set forth in Ordering Paragraph (7) and serve on the Staff, the Company, and all other respondents, any testimony and exhibits by which the respondent expects to establish its case, and each witness's testimony shall include a summary not to exceed one page. If not filed electronically, an original and fifteen (15) copies of such testimony and exhibits shall be filed with the Clerk of the Commission at the address set forth in Ordering Paragraph (7). In all filings, respondents shall comply with the Commission's Rules of Practice, including, but not limited to: 5 VAC 5-20-140, *Filing and service*; and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2018-00013.

(12) The Staff shall investigate the Application. On or before May 22, 2019, the Staff shall file with the Clerk of the Commission an original and fifteen (15) copies of testimony and exhibits concerning the Application, and each Staff witness's testimony shall include a summary not to exceed one page. The Staff shall serve a copy thereof on counsel to the Company and all respondents.

(13) On or before June 12, 2019, Roanoke Gas shall file with the Clerk of the Commission: (a) any rebuttal testimony and exhibits that it expects to offer, and each rebuttal witness's testimony shall include a summary not to exceed one page; and (b) a summary not to exceed one page of each direct witness's testimony if not previously included therewith. The Company shall serve a copy thereof on the Staff and all respondents. It not filed electronically, an original and fifteen (15) copies of such rebuttal testimony and exhibits shall be filed with the Clerk of the Commission at the address set forth in Ordering Paragraph (7).

(14) All documents filed with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format,* of the Commission's Rules of Practice.

(15) The Commission's Rule of Practice 5 VAC 5-20-260, *Interrogatories or requests for production of documents and things*, shall be modified for this proceeding as follows: responses and objections to written interrogatories and requests for production of documents shall be served within seven (7) calendar days after receipt of the same. In addition to the service requirements of 5 VAC 5-20-260 of the Rules of Practice, on the day that copies are filed with the Clerk of the Commission, a copy of the interrogatory or request for production shall be served electronically, or by facsimile, on the party to whom the interrogatory or request for production is directed or the assigned Staff attorney, if the interrogatory or request for production is directed to the Staff.[7] Except as modified above, discovery shall be in accordance with Part IV of the Commission's Rules of Practice, 5 VAC 5-20-240 *et seq*.

(16) Roanoke Gas may place its proposed rates into effect on an interim basis, subject to refund with interest, for service rendered on and after January 1, 2019.

(17) This matter is continued.

[7] The assigned Staff attorney is identified on the Commission's website, http://www.scc.virginia.gov/case, by clicking "Docket Search," then "Search Cases," and entering the case number, PUR-2018-00013, in the appropriate box.

CASE NO. PUR-2018-00015
AUGUST 28, 2018

APPLICATION OF
APPALACHIAN NATURAL GAS DISTRIBUTION COMPANY

For a general increase in rates

ORDER FOR NOTICE AND HEARING

On August 1, 2018, Appalachian Natural Gas Distribution Company ("ANGD" or "Company") filed an application with the State Corporation Commission ("Commission") for a general increase in rates together with direct testimony, exhibits, and schedules ("Application")[1] as prescribed by the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings, 20 VAC 5-201-10 *et seq*.[2] In its Application, the Company seeks to increase its annual base rate revenues by approximately $370,501 and proposes that this increase in rates be placed into effect for service rendered on and after December 1, 2018, on an interim basis, and subject to refund, until the Commission issues a final order in this proceeding.[3]

The Commission last granted ANGD an adjustment to its rates on May 22, 2013.[4] The Company indicates that its proposed increase in rates is based on a return on equity of 11.5%.[5] ANGD represents that it is filing this Application to incorporate the impacts of the Tax Cuts and Jobs Act of 2017 ("TCJA") in accordance with the Commission's Order in Case No. PUR-2018-00005[6] as well as to reflect the capital investments and other changes in its cost of service that have occurred since its last rate case.[7] In its Application, ANGD notes that although the Company is seeking an increase in rates, the impacts of the TCJA partially offset the increase that would otherwise be required to incorporate the Company's capital investments and other increases in its cost of service.[8]

ANGD proposes to increase the monthly customer charge for its Appalachian and Bluefield customers as follows:[9]

Appalachian		
Class	Current Charge ($)	Proposed Charge ($)
Residential	$7.00	$9.23
Commercial	$28.00	$36.93
Industrial	$80.00	$105.50
Negotiated Service	$190.00	$250.57
FTS	$80.00	$105.50

Bluefield		
Class	Current Charge ($)	Proposed Charge ($)
Residential	$11.50	$13.35
GS-1	$30.00	$34.83
GS-2	$65.00	$75.47
ISS	$350.00	$406.40
ITS	$450.00	$450.00

[1] ANGD filed a corrected Schedule 40 and certain revised schedules on August 7, 2018, and August 13, 2018, respectively. On August 22, 2018, ANGD filed the summaries of the testimonies of its witnesses which noted that the revised schedules decreased the revenue requirement requested in the Application.

[2] The Company also filed a Motion for Protective Ruling ("Motion") and a proposed protective ruling that establishes procedures governing the use of confidential information in this proceeding.

[3] Direct Testimony of John W. Ebert at summary page; Application at revised Schedule 21.

[4] *Id.* at 2. *See Application of Appalachian Natural Gas Distribution Company, For an expedited increase in rates and Approval of a Firm Transportation Tariff*, Case No. PUE-2012-00011, 2013 S.C.C. Ann. Rept. 237, Final Order (May 22, 2013) ("2012 Rate Case").

[5] Application at 3.

[6] *See Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Regulatory Accounting related to the federal Tax Cuts and Jobs Act of 2017*, Case No. PUR-2018-00005, Doc. Con. Ctr. No. 180110073, Order (Jan. 8, 2018) ("Tax Reform Order").

[7] Application at 3.

[8] *Id.*

[9] *Id.* at 4.

ANGD represents that the proposed increases to the monthly customer charges shown above, together with the proposed volumetric increase, will result in average increases to typical customer bills as follows:[10]

Appalachian	
Class	Approximate Average Percentage Increase Per Customer (%)
Residential	22.86%
Commercial	20.79%
Industrial	14.56%
Negotiated Service	0.24%
FTS	0%

Bluefield	
Class	Approximate Average Percentage Increase Per Customer (%)
Residential	8.09%
GS-1	9.15%
GS-2	6.09%
ISS	5.40%
ITS	0%

ANGD represents that it used the same class allocation methodology that the Commission approved in the 2012 Rate Case.[11]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this matter should be docketed; ANGD should provide public notice of its Application; a public hearing should be scheduled for the purpose of receiving testimony and evidence on the Application; interested persons should have an opportunity to file comments on the Application or participate as a respondent in this proceeding; and the Commission's Staff ("Staff") should be directed to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon.

We also find that a Hearing Examiner should be assigned to conduct all further proceedings in this matter on behalf of the Commission, including ruling on the Company's Motion and filing a final report containing the Hearing Examiner's findings and recommendations.

Pursuant to § 56-238 of the Code of Virginia ("Code), the Commission will direct the Company to provide a bond to ensure prompt refund of any excess rates or charges.

Accordingly, IT IS ORDERED THAT:

(1) As provided by § 12.1-31 of the Code and Rule 5 VAC 5-20-120, *Procedure before Hearing Examiners*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"),[12] a Hearing Examiner is appointed to conduct all further proceedings in this matter on behalf of the Commission.

(2) ANGD may place its proposed rates into effect on an interim basis, subject to refund with interest, for service rendered on and after December 1, 2018.

(3) On or before November 27, 2018, ANGD shall file a bond with the Commission in the amount of $370,501 payable to the Commission and conditioned to insure the prompt refund by the Company to those entitled thereto of all amounts that the Company shall collect in excess of such rates and charges as the Commission may finally fix and determine.

(4) A public hearing on the Application shall be convened on March 26, 2019, at 10 a.m., in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive the testimony of public witnesses and the evidence of the Company, any respondents, and the Staff. Any person desiring to offer testimony as a public witness at this hearing should appear in the Commission's courtroom fifteen (15) minutes prior to the starting time of the hearing and identify himself or herself to the Commission's Bailiff.

(5) The Company shall make copies of the public version of its Application, as well as a copy of this Order for Notice and Hearing, available for public inspection during regular business hours at each of the Company's business offices in the Commonwealth of Virginia. Copies also may be obtained by submitting a written request to counsel for the Company, Brian R. Greene, Esquire, GreeneHurlocker, PLC, 1807 Libbie Avenue, Suite 102, Richmond, Virginia 23226. If acceptable to the requesting party, the Company may provide the documents by electronic means. Copies of the public version of all documents also shall be available for interested persons to review in the Commission's Document Control Center located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays. Interested persons also may download unofficial copies from the Commission's website: http://www.scc.virginia.gov/case.

[10] *Id.*

[11] *Id.* at 5.

[12] 5 VAC 5-20-10 *et seq.*

(6) On or before October 30, 2018, the Company shall cause the following notice to be published as display advertising (not classified) on one occasion in newspapers of general circulation throughout the Company's service territory in Virginia:

NOTICE TO THE PUBLIC OF AN APPLICATION BY
APPALACHIAN NATURAL GAS DISTRIBUTION
COMPANY, FOR A GENERAL INCREASE IN RATES
CASE NO. PUR-2018-00015

- **Appalachian Natural Gas Distribution Company ("ANGD") has applied for approval of a general increase in rates.**
- **ANGD requests a total revenue requirement of $370,501.**
- **A Hearing Examiner appointed by the Commission will hear the case on March 26, 2019, at 10 a.m.**
- **Further information about this case is available on the State Corporation Commission's website at: http://www.scc.virginia.gov/case.**

On August 1, 2018, Appalachian Natural Gas Distribution Company ("ANGD" or "Company") filed an application with the State Corporation Commission ("Commission") for a general increase in rates together with direct testimony, exhibits, and schedules ("Application") as prescribed by the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings, 20 VAC 5-201-10 *et seq*. In its Application, the Company seeks to increase its annual base rate revenues by approximately $370,501 and proposes that this increase in rates be placed into effect for service rendered on and after December 1, 2018, on an interim basis, and subject to refund, until the Commission issues a final order in this proceeding.

The Commission last granted ANGD an adjustment to its rates on May 22, 2013. The Company indicates that its proposed increase in rates is based on a return on equity of 11.5%. ANGD represents that it is filing this Application to incorporate the impacts of the Tax Cuts and Jobs Act of 2017 ("TCJA") in accordance with the Commission's Order in Case No. PUR-2018-00005 as well as to reflect the capital investments and other changes in its cost of service that have occurred since its last rate case. In its Application, ANGD notes that although the Company is seeking an increase in rates, the impacts of the TCJA partially offset the increase that would otherwise be required to incorporate the Company's capital investments and other increases in its cost of service.

ANGD proposes to increase the monthly customer charge for its Appalachian and Bluefield customers as follows:

Appalachian		
Class	Current Charge ($)	Proposed Charge ($)
Residential	$7.00	$9.23
Commercial	$28.00	$36.93
Industrial	$80.00	$105.50
Negotiated Service	$190.00	$250.57
FTS	$80.00	$105.50
Bluefield		
Class	Current Charge ($)	Proposed Charge ($)
Residential	$11.50	$13.35
GS-1	$30.00	$34.83
GS-2	$65.00	$75.47
ISS	$350.00	$406.40
ITS	$450.00	$450.00

ANGD represents that the proposed increases to the monthly customer charges shown above, together with the proposed volumetric increase, will result in average increases to typical customer bills as follows:

Appalachian	
Class	Approximate Average Percentage Increase Per Customer (%)
Residential	22.86%
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Industrial	14.56%
Negotiated Service	0.24%
FTS	0%
Bluefield	
Class	Approximate Average Percentage Increase Per Customer (%)
Residential	8.09%
GS-1	9.15%
GS-2	6.09%
ISS	5.40%
ITS	0%

ANGD represents that it used the same class allocation methodology that the Commission approved in the 2012 Rate Case.

Interested persons are encouraged to review the Application and supporting documents for the details of these and other proposals.

TAKE NOTICE that the Commission may apportion revenues among customer classes and/or design rates in a manner differing from that shown in the Application and supporting documents and thus may adopt rates that differ from those appearing in the Company's Application and supporting documents.

The Commission entered an Order for Notice and Hearing that, among other things, scheduled a public hearing on March 26, 2019, at 10 a.m., in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive testimony from members of the public and evidence related to the Application from the Company, any respondents, and the Commission's Staff. Any person desiring to testify as a public witness at this hearing should appear fifteen (15) minutes prior to the starting time of the hearing and contact the Commission's Bailiff.

The public version of the Company's Application, as well as the Commission's Order for Notice and Hearing, are available for public inspection during regular business hours at each of the Company's business offices in the Commonwealth of Virginia. Copies also may be obtained by submitting a written request to counsel for the Company, Brian R. Greene, Esquire, GreeneHurlocker, PLC, 1807 Libbie Avenue, Suite 102, Richmond, Virginia 23226. If acceptable to the requesting party, the Company may provide the documents by electronic means.

Copies of the public version of the Application and other documents filed in this case also are available for interested persons to review in the Commission's Document Control Center located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays. Interested persons also may download unofficial copies from the Commission's website: http://www.scc.virginia.gov/case.

On or before March 19, 2019, any interested person wishing to comment on the Company's Application shall file written comments on the Application with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Any interested person desiring to file comments electronically may do so on or before March 19, 2019, by following the instructions on the Commission's website: http://www.scc.virginia.gov/case. Compact discs or any other form of electronic storage medium may not be filed with the comments. All such comments shall refer to Case No. PUR-2018-00015.

On or before September 18, 2018, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation. If not filed electronically, an original and fifteen (15) copies of the notice of participation shall be submitted to the Clerk of the Commission at the address above. A copy of the notice of participation as a respondent also must be sent to counsel for the Company at the address set forth above. Pursuant to Rule 5 VAC 5-20-80 B, Participation as a respondent, of the Commission's Rules of Practice and Procedure ("Rules of Practice"), any notice of participation shall set forth: (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 organization, corporation, or government body participating as a

respondent must be represented by counsel as required by Rule 5 VAC 5-20-30, Counsel, of the Rules of Practice. All filings shall refer to Case No. PUR-2018-00015.

On or before January 29, 2019, each respondent may file with the Clerk of the Commission, and serve on the Commission's Staff, the Company, and all other respondents, any testimony and exhibits by which the respondent expects to establish its case, and each witness's testimony shall include a summary not to exceed one page. If not filed electronically, an original and fifteen (15) copies of such testimony and exhibits shall be submitted to the Clerk of the Commission at the address above. In all filings, respondents shall comply with the Commission's Rules of Practice, including 5 VAC 5-20-140, *Filing and service,* and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2018-00015.

All documents filed with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

The Commission's Rules of Practice may be viewed at http://www.scc.virginia.gov/case. A printed copy of the Commission's Rules of Practice and an official copy of the Commission's Order for Notice and Hearing in this proceeding may be obtained from the Clerk of the Commission at the address above.

APPALACHIAN NATURAL GAS DISTRIBUTION COMPANY

(7) On or before October 30, 2018, the Company shall serve a copy of this Order for Notice and Hearing on the following officials, to the extent the position exists, in each county, city, and town in which the Company provides service in the Commonwealth of Virginia: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city and town; and the county, city, or town attorney. Service shall be made by either personal delivery or first class mail to the customary place of business or residence of the person served.

(8) On or before November 13, 2018, the Company shall file proof of the notice and service required by Ordering Paragraphs (6) and (7), including the name, title, and address of each official served, with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118.

(9) On or before March 19, 2019, any interested person may file written comments on the Application with the Clerk of the Commission at the address shown in Ordering Paragraph (8). Any interested person desiring to submit comments electronically may do so on or before March 19, 2019, by following the instructions found on the Commission's website: http://www.scc.virginia.gov/case. Compact discs or any other form of electronic storage medium may not be filed with the comments. All comments shall refer to Case No. PUR-2018-00015.

(10) On or before September 18, 2018, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation. If not filed electronically, an original and fifteen (15) copies of the notice of participation shall be submitted to the Clerk of the Commission at the address set forth in Ordering Paragraph (8). The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Company at the address in Ordering Paragraph (5). Pursuant to Rule 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice, any notice of participation shall set forth: (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 organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2018-00015.

(11) Within five (5) business days of receipt of a notice of participation as a respondent, the Company shall serve upon each respondent a copy of this Order for Notice and Hearing, a copy of the public version of the Application, and a copy of the public version of all materials filed by the Company with the Commission, unless these materials already have been provided to the respondent.

(12) On or before January 29, 2019, each respondent may file with the Clerk of the Commission at the address set forth in Ordering Paragraph (8) and serve on the Staff, the Company, and all other respondents, any testimony and exhibits by which the respondent expects to establish its case, and each witness's testimony shall include a summary not to exceed one page. If not filed electronically, an original and fifteen (15) copies of such testimony and exhibits shall be submitted to the Clerk of the Commission. In all filings, the respondent shall comply with the Commission's Rules of Practice, including 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2018-00015.

(13) The Staff shall investigate the Application. On or before February 26, 2019, the Staff shall file with the Clerk of the Commission an original and fifteen (15) copies of its testimony and exhibits, and each Staff witness's testimony shall include a summary not to exceed one page. The Staff shall serve a copy thereof on counsel to ANGD and all respondents.

(14) On or before March 12, 2019, ANGD shall file with the Clerk of the Commission: (a) any rebuttal testimony and exhibits that it expects to offer, and each rebuttal witness's testimony shall include a summary not to exceed one page; and (b) a summary not to exceed one page of each direct witness's testimony if not previously included therewith. The Company shall serve a copy of the testimony and exhibits on the Staff and all respondents. If not filed electronically, an original and fifteen (15) copies of such rebuttal testimony and exhibits shall be submitted to the Clerk of the Commission at the address set forth in Ordering
Paragraph (8).

(15) All documents filed with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

(16) The Commission's Rule of Practice 5 VAC 5-20-260, *Interrogatories or requests for production of documents and things*, shall be modified for this proceeding as follows: responses and objections to written interrogatories and requests for production of documents shall be served within seven (7) calendar days after receipt of the same. In addition to the service requirements of 5 VAC 5-20-260, on the day that copies are filed with the Clerk of the Commission, a copy of the interrogatory or request for production shall be served electronically, or by facsimile, on the party to whom the interrogatory or request for production is directed or the assigned Staff attorney if the interrogatory or request for production is directed to the Staff.[13] Except as modified above, discovery shall be in accordance with Part IV of the Commission's Rules of Practice, 5 VAC 5-20-240 *et seq*.

(17) This matter is continued.

[13] The assigned Staff attorney is identified on the Commission's website: http://www.scc.virginia.gov/case, by clicking "Docket Search," and clicking "Search Cases," and entering the case number, PUR-2018-00015, in the appropriate box.

CASE NO. PUR-2018-00016
MAY 15, 2018

APPLICATION OF
DARK FIBER AND INFRASTRUCTURE, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia

FINAL ORDER

On February 7, 2018, Dark Fiber and Infrastructure, LLC ("Dark Fiber" or "Company"), completed the filing of 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 ("Application"). 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 ("Code"). Dark Fiber's Application was accompanied by a motion for a protective order ("Motion") filed in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*.

On February 27, 2018, the Commission issued an Order for Notice and Comment ("Scheduling Order") that, among other things, directed Dark Fiber to provide notice to the public of its Application and directed the Staff of the Commission ("Staff") to conduct an investigation and file a report ("Staff Report"). On March 19, 2018, Dark Fiber filed proof of service and proof of notice in accordance with the Scheduling Order.

On May 8, 2018, Staff filed its Staff Report concluding that the Company's Application is in compliance with the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers ("Local Rules"), 20 VAC 5-417-10 *et seq*., and the Rules Governing the Certification of Interexchange Carriers ("Interexchange Rules"), 20 VAC 5-411-10 *et seq*. Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant Certificates to Dark Fiber subject to the following condition: Dark Fiber should notify the Division of Public Utility Regulation no less than 30 days prior to the cancellation or lapse of its bond and should provide a replacement bond at that time. This requirement should be maintained until such time as the Commission determines it is no longer necessary.

Dark Fiber filed a letter on May 8, 2018, advising that it waives the opportunity to file a response to the Staff Report; supports the findings in the Staff Report; and asks that the Commission grant the relief requested in its Application.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that it should grant Certificates to Dark Fiber. Having considered Code § 56-481.1, the Commission finds that Dark Fiber may price its interexchange services competitively. Finally, the Commission finds that the Company's Motion is no longer necessary; therefore, the Motion should be denied.[1]

Accordingly, IT IS ORDERED THAT:

(1) Dark Fiber hereby is granted Certificate No. T-756 to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(2) Dark Fiber hereby is granted Certificate No. TT-299A to provide interexchange telecommunications services subject to the provisions of the Interexchange Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(3) Pursuant to Code § 56-481.1, Dark Fiber may price its interexchange telecommunications services competitively.

(4) Prior to providing telecommunications services pursuant to the Certificates granted by this Final Order, the Company shall provide tariffs to the Division of Public Utility Regulation that conform to all applicable Commission rules and regulations. If Dark Fiber elects to provide retail services on a non-tariffed basis, it shall provide written notification pursuant to Local Rule 20 VAC 5-417-50 A.

[1] The Commission has not received a request to review the information that the Company designated confidential. Accordingly, we deny the Motion as moot but direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(6) Dark Fiber shall notify the Division of Public Utility Regulation no less than thirty (30) days prior to the cancellation or lapse of its bond and shall provide a replacement bond at that time. This requirement shall be maintained until such time as the Commission determines it is no longer necessary.

(7) The Company's Motion is denied; however, the Commission directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(8) This case is dismissed.

CASE NO. PUR-2018-00019
JULY 24, 2018

APPLICATION OF
RAPPAHANNOCK ELECTRIC COOPERATIVE

For approval of a community solar tariff

FINAL ORDER

On January 30, 2018, Rappahannock Electric Cooperative ("REC" or "Cooperative") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to § 56-585.1:3 C of the Code of Virginia ("Code") for approval of a companion rate schedule for a community solar pilot program ("Community Solar Tariff").[1]

The Community Solar Tariff is a three-year pilot program for the development of a solar program that would be available, on a completely voluntary basis, to REC members that are receiving electric service under a residential rate schedule ("Subscribers").[2] REC's wholesale power supplier, Old Dominion Electric Cooperative, has entered into long-term contracts for the output of two solar generating facilities ("Solar Facilities") located in Virginia and REC plans to make units of energy from the Solar Facilities available to Subscribers in 50 kilowatt-hour blocks ("Solar Blocks"), until all of the available units are fully subscribed.[3] A Subscriber may purchase energy by subscribing to one or more Solar Blocks up to a level that is not expected to exceed the Subscriber's metered monthly kilowatt-hour ("kWh") usage.[4] The Cooperative states that it will work with Subscribers to limit subscriptions to no more than the Subscriber's expected monthly usage.[5]

Under the Community Solar Tariff, each Subscriber would pay a flat and fixed rate of $5.33 per Solar Block per month ("Fixed Block Charge").[6] The Fixed Block Charge is based on the Cooperative's prevailing residential electricity supply service rate including applicable riders plus a solar adder, and represents a premium to the rate available under the Subscriber's standard tariff rate.[7] A Subscriber would be responsible for the Fixed Block Charge under the Community Solar Tariff even in months in which actual usage is less than the size of the Solar Block(s) the Subscriber purchased.[8] Subscribers would also remain subject to the terms and conditions of the applicable standard tariff, except as modified by the Community Solar Tariff, and would remain subject to the other basic terms, conditions, and membership agreements of the Cooperative.[9] Subscribers would be able to cancel their subscriptions at any time after giving at least 30 days' notice to the Cooperative.[10]

On March 12, 2018, the Commission issued an Order for Notice and Comment that directed REC to provide public notice of its Application and invited interested persons to file comments or a notice of participation in this proceeding, or to request a hearing on the Cooperative's Application. The Commission also directed the Staff of the Commission ("Staff") to investigate the Application and file a report containing Staff's findings and recommendations ("Report" or "Staff Report"). The Virginia, Maryland and Delaware Association of Electric Cooperatives ("Association") filed a notice of participation as well as comments in support of the Application on May 24, 2018. The Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") filed a notice of participation on May 4, 2018, and filed comments on the Application on May 25, 2018. While Consumer Counsel did not generally oppose approval of the Community Solar Tariff, it did question whether a ten percent adder that REC included in the calculation of the Fixed Block Charge was reasonable and satisfies the requirements of Code § 56-585.1:3 C.[11]

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[1] Application at 1.

[2] *Id*. at 2-3.

[3] *Id*. at 3-4.

[4] *Id*. at 4.

[5] *Id*. at 5.

[6] *Id*. at 4. According to the Cooperative, the Fixed Block Charge would remain fixed for the three-year term of the pilot program. *Id*.

[7] *Id*. at 4, 6.

[8] *Id*. at 5.

[9] *Id*.

[10] *Id*. at 6.

[11] Consumer Counsel Comments at 3-8.

On June 1, 2018, the Staff filed its Report. Staff summarized the Application and noted, among other things, that a residential Subscriber with monthly usage of 1,000 kWh would pay $6.19 more per month when subscribed to five Solar Blocks, and $14.38 more per month when subscribed to ten Solar Blocks.[12]

Staff concluded that, pursuant to Code § 56-585.1:3 C, the proposed Community Solar Tariff is reasonable and Staff is generally not opposed to the Community Solar Tariff or Pilot Program, though Staff noted that should the Commission determine that REC's ten percent adder is a margin, it should be based on REC's rate of return on rate base in its most recent rate proceeding.[13] Further, in order to verify that non-participating customers are not adversely impacted by the Community Solar Tariff, as represented in the Application,[14] Staff recommended that the Cooperative file a report at the conclusion of the three-year Pilot Program detailing the following: (1) participation levels during the Pilot Program, (2) data regarding the actual costs of the components of the Fixed Block Charge, and (3) actual Community Solar Tariff revenues.[15] Staff also recommended that the Cooperative submit annual reports to Staff showing the balance of any deferred costs.[16] Lastly, Staff recommended that, in any future base rate cases, the Cooperative clearly remove the Community Solar Tariff's investment, expenses and revenues in order to facilitate the analysis of proposed base rate changes in such proceedings.[17]

On June 15, 2018, REC filed a response to the Staff Report stating that the Cooperative supports Staff's finding that the proposed Community Solar Tariff is reasonable, but disagrees with Staff's conclusion that the ten percent adder is a margin, rather than a projected program cost under Code § 56-585.1:3 A.[18]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that REC's proposed Community Solar Tariff is reasonable and shall be approved.[19] In addition, we find that the approval herein shall be subject to the reporting and future rate case requirements recommended by Staff.

Accordingly, IT IS ORDERED THAT:

(1) The Cooperative's Application is approved as set forth herein.

(2) The Community Solar Tariff shall become effective for bills rendered on and after the date of this Order.

(3) Within thirty (30) days of the date of this Order, the Cooperative shall file applicable tariffs to implement the Pilot Program with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance.

(4) This matter is dismissed.

[12] Staff Report at 7-8.

[13] *Id*. at 12. Staff, however, did not oppose the ten percent adder if it represents a projected program cost. *Id.* at 9.

[14] Application at 3.

[15] Staff Report at 11-12.

[16] *Id.* at 11.

[17] *Id.* at 11-12.

[18] REC Response to Staff Report at 2-8.

[19] We find that the ten percent adder is a projected program cost permissible under Code § 56-585.1:3 A.

CASE NO. PUR-2018-00020
JULY 24, 2018

APPLICATION OF
A&N ELECTRIC COOPERATIVE

For approval of a community solar tariff

FINAL ORDER

On January 30, 2018, A&N Electric Cooperative ("ANEC" or "Cooperative") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to § 56-585.1:3 C of the Code of Virginia ("Code") for approval of a companion rate schedule for a community solar pilot program ("Community Solar Tariff").[1]

[1] Application at 1.

The Community Solar Tariff is a three-year pilot program for the development of a solar program that would be available, on a completely voluntary basis, to ANEC members that are receiving electric service under a residential rate schedule ("Subscribers").[2] ANEC's wholesale power supplier, Old Dominion Electric Cooperative, has entered into long-term contracts for the output of two solar generating facilities ("Solar Facilities") located in Virginia and ANEC plans to make units of energy from the Solar Facilities available to Subscribers in 50 kilowatt-hour blocks ("Solar Blocks"), until all of the available units are fully subscribed.[3] A Subscriber may purchase energy by subscribing to one or more Solar Blocks up to a level that is not expected to exceed the Subscriber's metered monthly kilowatt-hour ("kWh") usage.[4] The Cooperative states that it will work with Subscribers to limit subscriptions to no more than the Subscriber's expected monthly usage.[5]

Under the Community Solar Tariff, each Subscriber would pay a flat and fixed rate of $5.42 per Solar Block per month ("Fixed Block Charge").[6] The Fixed Block Charge is based on the Cooperative's prevailing residential electricity supply service rate including applicable riders plus a solar adder, and represents a premium to the rate available under the Subscriber's standard tariff rate.[7] A Subscriber would be responsible for the Fixed Block Charge under the Community Solar Tariff even in months in which actual usage is less than the size of the Solar Block(s) the Subscriber purchased.[8] Subscribers would also remain subject to the terms and conditions of the applicable standard tariff, except as modified by the Community Solar Tariff, and would remain subject to the other basic terms, conditions, and membership agreements of the Cooperative.[9] Subscribers would be able to cancel their subscriptions at any time after giving at least 30 days' notice to the Cooperative.[10]

On March 8, 2018, the Commission issued an Order for Notice and Comment that directed ANEC to provide public notice of its Application and invited interested persons to file comments or a notice of participation in this proceeding, or to request a hearing on the Cooperative's Application. The Commission also directed the Staff of the Commission ("Staff") to investigate the Application and file a report containing Staff's findings and recommendations ("Report" or "Staff Report"). The Virginia, Maryland and Delaware Association of Electric Cooperatives ("Association") filed a notice of participation as well as comments in support of the Application on May 24, 2018. The Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") filed a notice of participation on May 4, 2018, and filed comments on the Application on May 25, 2018. While Consumer Counsel did not generally oppose approval of the Community Solar Tariff, it did question whether a ten percent adder that ANEC included in the calculation of the Fixed Block Charge was reasonable and satisfies the requirements of Code § 56-585.1:3 C.[11]

On June 8, 2018, the Staff filed its Report. Staff summarized the Application and noted, among other things, that a residential Subscriber with monthly usage of 1,000 kWh would pay $6.66 more per month when subscribed to five Solar Blocks, and $13.33 more per month when subscribed to ten Solar Blocks.[12]

Staff concluded that, pursuant to Code § 56-585.1:3 C, the proposed Community Solar Tariff is reasonable and Staff is generally not opposed to the Community Solar Tariff or Pilot Program, though Staff noted that should the Commission determine that ANEC's ten percent adder is a margin, it should be based on ANEC's rate of return on rate base in its most recent rate proceeding.[13] Further, in order to verify that non-participating customers are not adversely impacted by the Community Solar Tariff, as represented in the Application,[14] Staff recommended that the Cooperative file a report at the conclusion of the three-year Pilot Program detailing the following: (1) participation levels during the Pilot Program, (2) data regarding the actual costs of the components of the Fixed Block Charge, and (3) actual Community Solar Tariff revenues.[15] Staff also recommended that the Cooperative submit annual reports to Staff showing the balance of any deferred costs.[16] Lastly, Staff recommended that, in any future base rate cases, the Cooperative clearly remove the Community Solar Tariff's investment, expenses and revenues in order to facilitate the analysis of proposed base rate changes in such proceedings.[17]

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[2] *Id*. at 2-3.

[3] *Id*. at 3.

[4] *Id*.

[5] *Id*. at 5.

[6] *Id*. at 4. According to the Cooperative, the Fixed Block Charge would remain fixed for the three-year term of the pilot program. *Id*.

[7] *Id*. at 4, 6.

[8] *Id*. at 5.

[9] *Id*.

[10] *Id*. at 6.

[11] Consumer Counsel Comments at 4-7.

[12] Staff Report at 8.

[13] *Id*. at 12. Staff, however, did not oppose the ten percent adder if it represents a projected program cost. *Id.* at 9.

[14] Application at 3.

[15] Staff Report at 11-12.

[16] *Id.* at 11.

[17] *Id.* at 11-12.

On June 21, 2018, ANEC filed a response to the Staff Report stating that the Cooperative supports Staff's finding that the proposed Community Solar Tariff is reasonable, but disagrees with Staff's conclusion that the ten percent adder is a margin, rather than a projected program cost under Code § 56-585.1:3 A.[18]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that ANEC's proposed Community Solar Tariff is reasonable and shall be approved.[19] In addition, we find that the approval herein shall be subject to the reporting and future rate case requirements recommended by Staff.

Accordingly, IT IS ORDERED THAT:

(1) The Cooperative's Application is approved as set forth herein.

(2) The Community Solar Tariff shall become effective for bills rendered on and after the date of this Order.

(3) Within thirty (30) days of the date of this Order, the Cooperative shall file applicable tariffs to implement the Pilot Program with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance.

(4) This matter is dismissed.

[18] ANEC Response to Staff Report at 2-8.

[19] We find that the ten percent adder is a projected program cost permitted under Code § 56-585.1:3 A.

CASE NO. PUR-2018-00021
JULY 24, 2018

APPLICATION OF
MECKLENBURG ELECTRIC COOPERATIVE

For approval of a community solar tariff

FINAL ORDER

On January 30, 2018, Mecklenburg Electric Cooperative ("MEC" or "Cooperative") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to § 56-585.1:3 C of the Code of Virginia ("Code") for approval of a companion rate schedule for a community solar pilot program ("Community Solar Tariff").[1]

The Community Solar Tariff is a three-year pilot program for the development of a solar program that would be available, on a completely voluntary basis, to MEC members that are receiving electric service under a residential rate schedule ("Subscribers").[2] MEC's wholesale power supplier, Old Dominion Electric Cooperative, has entered into long-term contracts for the output of two solar generating facilities ("Solar Facilities") located in Virginia and MEC plans to make units of energy from the Solar Facilities available to Subscribers in 50 kilowatt-hour blocks ("Solar Blocks"), until all of the available units are fully subscribed.[3] A Subscriber may purchase energy by subscribing to one or more Solar Blocks up to a level that is not expected to exceed the Subscriber's metered monthly kilowatt-hour ("kWh") usage.[4] The Cooperative states that it will work with Subscribers to limit subscriptions to no more than the Subscriber's expected monthly usage.[5]

[1] Application at 1.

[2] *Id*. at 2-3.

[3] *Id*. at 3.

[4] *Id*.

[5] *Id*. at 5.

Under the Community Solar Tariff, each Subscriber would pay a flat and fixed rate of $5.46 per Solar Block per month ("Fixed Block Charge").[6] The Fixed Block Charge is based on the Cooperative's prevailing residential electricity supply service rate including applicable riders plus a solar adder, and represents a premium to the rate available under the Subscriber's standard tariff rate.[7] A Subscriber would be responsible for the Fixed Block Charge under the Community Solar Tariff even in months in which actual usage is less than the size of the Solar Block(s) the Subscriber purchased.[8] Subscribers would also remain subject to the terms and conditions of the applicable standard tariff, except as modified by the Community Solar Tariff, and would remain subject to the other basic terms, conditions, and membership agreements of the Cooperative.[9] Subscribers would be able to cancel their subscriptions at any time after giving at least 30 days' notice to the Cooperative.[10]

On March 6, 2018, the Commission issued an Order for Notice and Comment that directed MEC to provide public notice of its Application and invited interested persons to file comments or a notice of participation in this proceeding, or to request a hearing on the Cooperative's Application. The Commission also directed the Staff of the Commission ("Staff") to investigate the Application and file a report containing Staff's findings and recommendations ("Report" or "Staff Report"). The Virginia, Maryland and Delaware Association of Electric Cooperatives ("Association") filed a notice of participation as well as comments in support of the Application on May 24, 2018. The Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") filed a notice of participation on May 4, 2018, and filed comments on the Application on May 25, 2018. While Consumer Counsel did not generally oppose approval of the Community Solar Tariff, it did question whether a ten percent adder that MEC included in the calculation of the Fixed Block Charge was reasonable and satisfies the requirements of Code § 56-585.1:3 C.[11]

On June 1, 2018, the Staff filed its Report. Staff summarized the Application and noted, among other things, that a residential Subscriber with monthly usage of 1,000 kWh would pay $6.39 more per month when subscribed to five Solar Blocks, and $12.79 more per month when subscribed to ten Solar Blocks.[12]

Staff concluded that, pursuant to Code § 56-585.1:3 C, the proposed Community Solar Tariff is reasonable and Staff is generally not opposed to the Community Solar Tariff or Pilot Program, though Staff noted that should the Commission determine that MEC's ten percent adder is a margin, it should be based on MEC's rate of return on rate base in its most recent rate proceeding.[13] Further, in order to verify that non-participating customers are not adversely impacted by the Community Solar Tariff, as represented in the Application,[14] Staff recommended that the Cooperative file a report at the conclusion of the three-year Pilot Program detailing the following: (1) participation levels during the Pilot Program, (2) data regarding the actual costs of the components of the Fixed Block Charge, and (3) actual Community Solar Tariff revenues.[15] Staff also recommended that the Cooperative submit annual reports to Staff showing the balance of any deferred costs.[16] Lastly, Staff recommended that, in any future base rate cases, the Cooperative clearly remove the Community Solar Tariff's investment, expenses and revenues in order to facilitate the analysis of proposed base rate changes in such proceedings.[17]

On June 15, 2018, MEC filed a response to the Staff Report stating that the Cooperative supports Staff's finding that the proposed Community Solar Tariff is reasonable, but disagrees with Staff's conclusion that the ten percent adder is a margin, rather than a projected program cost under Code § 56-585.1:3 A.[18]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that MEC's proposed Community Solar Tariff is reasonable and shall be approved.[19] In addition, we find that the approval herein shall be subject to the reporting and future rate case requirements recommended by Staff.

Accordingly, IT IS ORDERED THAT:

(1) The Cooperative's Application is approved as set forth herein.

(2) The Community Solar Tariff shall become effective for bills rendered on and after the date of this Order.

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[6] *Id*. at 4. According to the Cooperative, the Fixed Block Charge would remain fixed for the three-year term of the pilot program. *Id*.

[7] *Id*. at 4, 6.

[8] *Id*. at 5.

[9] *Id*.

[10] *Id*.

[11] Consumer Counsel Comments at 4-7.

[12] Staff Report at 8.

[13] *Id*. at 12. Staff, however, did not oppose the ten percent adder if it represents a projected program cost. *Id.* at 9.

[14] Application at 3.

[15] Staff Report at 11-12.

[16] *Id.* at 11.

[17] *Id.* at 11-12.

[18] MEC Response to Staff Report at 2-8.

[19] We find that the ten percent adder is a projected program cost permitted under Code § 56-585.1:3 A.

(3) Within thirty (30) days of the date of this Order, the Cooperative shall file applicable tariffs to implement the Pilot Program with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance.

(4) This matter is dismissed.

CASE NO. PUR-2018-00022
JULY 24, 2018

APPLICATION OF
NORTHERN NECK ELECTRIC COOPERATIVE

For approval of a community solar tariff

FINAL ORDER

On January 30, 2018, Northern Neck Electric Cooperative ("NNEC" or "Cooperative") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to § 56-585.1:3 C of the Code of Virginia ("Code") for approval of a companion rate schedule for a community solar pilot program ("Community Solar Tariff").[1]

The Community Solar Tariff is a three-year pilot program for the development of a solar program that would be available, on a completely voluntary basis, to NNEC members that are receiving electric service under a residential rate schedule ("Subscribers").[2] NNEC's wholesale power supplier, Old Dominion Electric Cooperative, has entered into long-term contracts for the output of two solar generating facilities ("Solar Facilities") located in Virginia and NNEC plans to make units of energy from the Solar Facilities available to Subscribers in 50 kilowatt-hour blocks ("Solar Blocks"), until all of the available units are fully subscribed.[3] A Subscriber may purchase energy by subscribing to one or more Solar Blocks up to a level that is not expected to exceed the Subscriber's metered monthly kilowatt-hour ("kWh") usage.[4] The Cooperative states that it will work with Subscribers to limit subscriptions to no more than the Subscriber's expected monthly usage.[5]

Under the Community Solar Tariff, each Subscriber would pay a flat and fixed rate ("Fixed Block Charge") of $5.46 per month for non-summer months (October - May) and $5.95 per month for summer months (June - September).[6] The Fixed Block Charge is based on the Cooperative's prevailing residential electricity supply service rate including applicable riders plus a solar adder, and represents a premium to the rate available under the Subscriber's standard tariff rate.[7] A Subscriber would be responsible for the Fixed Block Charge under the Community Solar Tariff even in months in which actual usage is less than the size of the Solar Block(s) the Subscriber purchased.[8] Subscribers would also remain subject to the terms and conditions of the applicable standard tariff, except as modified by the Community Solar Tariff, and would remain subject to the other basic terms, conditions, and membership agreements of the Cooperative.[9] Subscribers would be able to cancel their subscriptions at any time after giving at least 30 days' notice to the Cooperative.[10]

On March 6, 2018, the Commission issued an Order for Notice and Comment that directed NNEC to provide public notice of its Application and invited interested persons to file comments or a notice of participation in this proceeding, or to request a hearing on the Cooperative's Application. The Commission also directed the Staff of the Commission ("Staff") to investigate the Application and file a report containing Staff's findings and recommendations ("Report" or "Staff Report"). The Virginia, Maryland and Delaware Association of Electric Cooperatives ("Association") filed a notice of participation as well as comments in support of the Application on May 24, 2018. The Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") filed a notice of participation on May 4, 2018, and filed comments on the Application on May 25, 2018. While Consumer Counsel did not generally oppose approval of the Community Solar Tariff, it did question whether a ten percent adder that NNEC included in the calculation of the Fixed Block Charge was reasonable and satisfies the requirements of Code § 56-585.1:3 C.[11]

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[1] Application at 1.

[2] *Id*. at 2-3.

[3] *Id*. at 3.

[4] *Id*.

[5] *Id*. at 5.

[6] *Id*. at 4. According to the Cooperative, the Fixed Block Charge would remain fixed for the three-year term of the pilot program. *Id*.

[7] *Id*. at 4, 6.

[8] *Id*. at 5.

[9] *Id*.

[10] *Id*.

[11] Consumer Counsel Comments at 4-7.

On June 8, 2018, the Staff filed its Report. Staff summarized the Application and noted, among other things, that a residential Subscriber with monthly usage of 1,000 kWh would pay $7.10 more per month when subscribed to five Solar Blocks, and $14.21 more per month when subscribed to ten Solar Blocks.[12] During the months of October through May, a residential customer would pay $7.11 more per month when subscribed to five Solar Blocks, and $14.22 more per month when subscribed to ten Solar Blocks.[13]

Staff concluded that, pursuant to Code § 56-585.1:3 C, the proposed Community Solar Tariff is reasonable and Staff is generally not opposed to the Community Solar Tariff or Pilot Program, though Staff noted that should the Commission determine that NNEC's ten percent adder is a margin, it should be based on NNEC's rate of return on rate base in its most recent rate proceeding.[14] Further, in order to verify that non-participating customers are not adversely impacted by the Community Solar Tariff, as represented in the Application,[15] Staff recommended that the Cooperative file a report at the conclusion of the three-year Pilot Program detailing the following: (1) participation levels during the Pilot Program, (2) data regarding the actual costs of the components of the Fixed Block Charge, and (3) actual Community Solar Tariff revenues.[16] Staff also recommended that the Cooperative submit annual reports to Staff showing the balance of any deferred costs.[17] Lastly, Staff recommended that, in any future base rate cases, the Cooperative clearly remove the Community Solar Tariff's investment, expenses and revenues in order to facilitate the analysis of proposed base rate changes in such proceedings.[18]

On June 21, 2018, NNEC filed a response to the Staff Report stating that the Cooperative supports Staff's finding that the proposed Community Solar Tariff is reasonable, but disagrees with Staff's conclusion that the ten percent adder is a margin, rather than a projected program cost under Code § 56-585.1:3 A.[19]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that NNEC's proposed Community Solar Tariff is reasonable and shall be approved.[20] In addition, we find that the approval herein shall be subject to the reporting and future rate case requirements recommended by Staff.

Accordingly, IT IS ORDERED THAT:

(1) The Cooperative's Application is approved as set forth herein.

(2) The Community Solar Tariff shall become effective for bills rendered on and after the date of this Order.

(3) Within thirty (30) days of the date of this Order, the Cooperative shall file applicable tariffs to implement the Pilot Program with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance.

(4) This matter is dismissed.

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[12] Staff Report at 8.

[13] *Id*. at 9.

[14] *Id*. at 13. Staff, however, did not oppose the ten percent adder if it represents a projected program cost. *Id.* at 10-11.

[15] Application at 3.

[16] Staff Report at 13-14.

[17] *Id.* at 14.

[18] *Id.*

[19] NNEC Response to Staff Report at 2-8.

[20] We find that the ten percent adder is a projected program cost permitted under Code § 56-585.1:3 A.

CASE NO. PUR-2018-00024
MARCH 15, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to establish a credit facility under Chapters 3 and 4, Title 56 of the Code of Virginia, as amended

ORDER GRANTING APPROVAL

On February 1, 2018, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("VEPCO" or the "Company") filed an application ("Application") with the State Corporation Commission ("Commission") under Chapters 3[1] and 4[2] of Title 56 of the Code of Virginia ("Code") for authority to participate in a $6 billion, five year syndicated revolving credit facility ("Proposed Credit Core Facility") with its parent, Dominion Energy, Inc. ("Dominion" or "DEI"). The facilities are used to provide letters of credit and liquidity to commercial paper programs and other short-term type securities. The Company paid the requisite fee of $250.

VEPCO requests that the Proposed Core Credit Facility replace the currently existing Core Credit Facility.[3] The Proposed Core Credit Facility will be available for borrowings by the Company, DEI, DEGH, and Questar (individually, "Borrower" and collectively, "Borrowers") with sublimits of $1.5 billion, $3.5 billion, $750 million and $250 million, respectively. In conjunction with this Application, the Company requested to terminate its LOC Facility and receive final reporting requirements from the Commission.

The Company estimates that it will cost approximately $10,427,500 to establish the Proposed Core Credit Facility. All expenses of the Proposed Core Credit Facility will be allocated based on each Borrowers' sublimit which means VEPCO will pay 25% of the upfront costs. This is the same methodology previously approved by the Commission for the Core Credit Facility.

Annual facility fees and letter of credit fees will be based on the Company's senior unsecured long-term credit rating by S&P Global Inc., Moody's Investors Service, Inc., and Fitch Ratings Ltd., payable in arrears at the end of each calendar quarter.

Each loan under the Proposed Core Credit Facility will bear interest at the Borrower's election, at one of the following rates: (1) the higher of (i) the rate of interest publicly announced by JPMorgan Chase as its prime rate in effect at its office in New York City; (ii) the Federal Reserve Bank of New York overnight rate from time to time plus .5%; and (iii) the Eurodollar Rate for a one month interest period plus 1.0%, provided that if any such rate shall be less than zero, such rate shall be deemed to be zero; or (2) the rate for Eurodollar deposits for a period equal to one, two, three, or six months, as selected by the Borrower, appearing on the Reuters Screen LIBOR01 page LIBOR02 (the rate is administered by ICE Benchmark Association) or any successor page provided that if any such rate shall be less than zero, such rate shall be deemed zero plus the applicable margin included in the Application.

If at any time the Company is in default in the payment of any amount of principal under this facility, the Company will be required to pay an additional 200 basis points in interest above the rate otherwise applicable. The Company also confirmed that if another Borrower defaulted, VEPCO would still have access to its portion of the Proposed Core Credit Facility. The term of the facility is 5 years with the Borrowers having the option to extend the facility for two 1 year periods.

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 is in the public interest.

Accordingly, IT IS ORDERED THAT:

(1) VEPCO is authorized to implement the Proposed Core Credit Facility subject to certain conditions outlined in the Appendix.

(2) This case is continued.

APPENDIX

1. Separate Commission approval shall be required for any changes in the terms and conditions of the Proposed Core Credit Facility, including changes in the allocation methodologies and successors or assigns.

2. The Commission's approval shall have no accounting or ratemaking implications. Specifically, it shall not guarantee the recovery of, or accounting or ratemaking treatment provided for, any revenues, costs, or reimbursements directly or indirectly related to the Proposed Credit Core Facility.

3. The approval granted in this case shall not preclude the Commission from exercising its authority under the provisions of Code §§ 56-78 and 56-80 hereafter.

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[1] Code § 56-55 *et seq*.

[2] Code § 56-76 *et seq*.

[3] By Orders dated September 23, 2010, VEPCO was initially authorized (1) to establish and participate in a $500 million syndicated letter of credit facility ("LOC Facility"); and (2) establish and participate in a $3 billion syndicated revolving credit and competitive loan facility ("Core Credit Facility") together with DEI. Since that time, the facilities have been amended and/or extended pursuant to Commission Orders dated September 21, 2011, September 17, 2012, May 16, 2014, March 23, 2016, and November 4, 2016. The facilities now include Dominion Energy Gas Holdings, LLC ("DEGH") and Questar Gas Company ("Questar").

4. The Commission shall reserve the right to examine the books and records of any affiliate in connection with the approval granted in this case whether or not such affiliate is regulated by this Commission.

5. The Company shall file with the Commission a signed and executed copy of the Proposed Credit Core Facility within ninety (90) days of the effective date of the Order in this case, subject to administrative extension by the Commission's UAF Director.

6. The Company shall notify the Commission within ten days of any reallocation of sublimits authorized herein.

7. On or before January 31 of each year the Proposed Core Credit Facility is active, the Company shall file a report detailing the use of the Proposed Core Credit Facility for the previous year which should include the date, amount, and applicable interest rate of each loan under the Proposed Core Credit Facility.

8. This matter should remain under the continued review, audit, and appropriate directive of the Commission.

CASE NO. PUR-2018-00024
DECEMBER 21, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to establish a credit facility under Chapters 3 and 4, Title 56 of the Code of Virginia, as amended

ORDER GRANTING APPROVAL

On December 12, 2018, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("VEPCO") (the "Applicant") filed an application ("Application") with the State Corporation Commission ("Commission") under Chapters 3[1] and 4[2] of Title 56 of the Code of Virginia ("Code") for authority to modify its $6 billion, five-year syndicated revolving credit facility with its parent, Dominion Energy, Inc. ("DEI").[3] The facilities are used to provide letters of credit and liquidity to commercial paper programs and other short-term type securities.

Currently the Core Credit Facility requires each borrower to file their 10-K and 10-Q to the lenders. VEPCO states that Questar Gas may withdraw from its ongoing reporting requirements to the Securities and Exchange Commission ("SEC") since it privately issues its debt. If completed, Questar Gas would no longer file a 10-K or 10-Q. DEI seeks to modify the existing Core Credit Facility by seeking a limited consent from its lenders for Questar Gas to file audited GAAP financials in lieu of SEC financials.

No amendment to the current Core Credit Facility would be required to execute a consent with the Lenders, which would be consummated by separate agreement ("Limited Consent") that was attached to the Application. The proposed Limited Consent would apply exclusively to Questar Gas and would not affect the economic terms of the current Core Credit Facility. No other modification to the Core Credit Facility was requested. The Applicant expects the Limited Consent to be granted at no cost, and DEI will bear any administrative fees associated with the Limited Consent.

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 is in the public interest. Accordingly, IT IS ORDERED THAT:

(1) VEPCO is authorized to implement the Limited Consent subject to certain conditions outlined in the Appendix.

(2) This case is continued.

APPENDIX

1. Separate Commission approval shall be required for any changes in the terms and conditions of the Core Credit Facility, including changes in the allocation methodologies and successors or assigns.

2. The Commission's approval shall have no accounting or ratemaking implications.

3. The approval granted in this case shall not preclude the Commission from exercising its authority under the provisions of Code § 56-76 *et seq*. hereafter.

4. The Commission shall reserve the right to examine the books and records of any affiliate in connection with the approval granted in this case whether or not such affiliate is regulated by this Commission.

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[1] Code § 56-55 *et seq*.

[2] Code § 56-76 *et seq*.

[3] By Orders dated September 23, 2010, VEPCO was initially authorized 1) to establish and participate in a $500 million syndicated letter of credit facility; and 2) establish and participate in a $3 billion syndicated revolving credit and competitive loan facility ("Core Credit Facility") together with DEI. Since that time, the facilities have been amended and/or extended pursuant to Commission Orders dated September 21, 2011, September 17, 2012, May 16, 2014, March 23, 2016, November 4, 2016, and March 15, 2018. The facilities now include Dominion Energy Gas Holdings, LLC and Questar Gas Company ("Questar Gas").

5. The Company shall file with the Commission a signed and executed copy of the Limited Consent within ninety (90) days of the effective date of the Order in this case, subject to administrative extension by the Commission's Director of Utility Accounting and Finance.

6. The Company shall notify the Commission within ten days of any reallocation of sublimits authorized herein.

7. On or before January 31 of each year the Core Credit Facility is active, the Company shall file a report detailing the use of the Core Credit Facility for the previous year which should include the date, amount, and applicable interest rate of each loan under the Core Credit Facility.

8. This matter should remain under the continued review, audit, and appropriate directive of the Commission.

CASE NO. PUR-2018-00027
MARCH 26, 2018

JOINT PETITION OF
PEOPLES MUTUAL TELEPHONE COMPANY and RIVERSTREET MANAGEMENT SERVICES, LLC

For approval to enter into financing arrangements under Chapters 3 and 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On February 13, 2018, Peoples Mutual Telephone Company ("Peoples Mutual") and RiverStreet Management Services, LLC ("RiverStreet") (collectively, "Petitioners") filed a joint petition ("Petition") with the State Corporation Commission ("Commission") under Chapter 3 ("Securities Act")[1] and Chapter 4 ("Affiliates Act")[2] of Title 56 of the Code of Virginia ("Code") seeking authority for financing arrangements and affiliate matters ("Financing Arrangement") related to the transfer of control of Peoples Mutual which the Commission approved in Case No. PUR-2017-00178[3] ("Transfer").

On November 27, 2017, RiverStreet and MJD Ventures, Inc. ("MJD"), entered into a stock purchase agreement whereby RiverStreet agreed to purchase all outstanding stock of Peoples Mutual from MJD as a part of the Transfer. To obtain the Amended CoBank Loan that will partially fund the acquisition of Peoples Mutual, RiverStreet will pledge the stock of Peoples Mutual and Peoples Mutual will execute a Negative Pledge Agreement.

The Petitioners state that it is unclear whether Peoples Mutual's actions in connection with the Amended CoBank Loan require approval under the Securities Act.[4] Accordingly, the Petitioners state that they seek such approval of the Financing Arrangement, as needed.[5] The Petitioners assert that Peoples Mutual is not assuming, extending, or renewing any obligation or liability of any affiliate interest in connection with the Amended CoBank Loan, and therefore it is unclear to the Petitioners if the Affiliates Act applies.

The Staff of the Commission ("Staff") notes in its Action Brief that it believes that the Financing Arrangement requires approval pursuant to the Securities Act because Peoples Mutual is foregoing the potential use of its assets as collateral to acquire debt capital as a condition of the Financing Arrangement. Staff also notes that it believes that the Financing Arrangement requires approval pursuant to the Affiliates Act because the Financing Arrangement concerns interrelated financing obligations that involve two affiliates, Peoples Mutual and Riverstreet. Staff indicates in its Action Brief that it believes that the Financing Arrangement appears to satisfy the requirements of the Securities Act and appears to be in the public interest consistent with the provisions of the Affiliates Act.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that the Financing Arrangement is not detrimental to the public interest pursuant to the Securities Act and is in the public interest consistent with the provisions of the Affiliates Act. We also find that the Petitioners' Motion is no longer necessary and, therefore, should be denied.[6]

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[1] Code § 56-55 *et seq*.

[2] Code § 56-76 *et seq*.

[3] *Joint Petition of Consolidated Communications Holdings, Inc., Consolidated Communications, Inc., MJD Ventures, Inc., Peoples Mutual Telephone Company, RiverStreet Management Services, LLC, and Wilkes Telephone Membership Corporation, For approval of a transfer of control pursuant to Va. Code § 56-88 et seq.*, Case No. PUR-2017-00178, Doc. Con. Cen. No. 180230009, Order Granting Approval (Feb. 15, 2018).

[4] Petition at 8.

[5] *Id.*

[6] The Commission held the Petitioners' Motion in abeyance and has not received a request for leave to review the confidential information submitted in this proceeding. Accordingly, the Commission denies the Motion as moot but directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the Securities Act and the Affiliates Act, the Petitioners hereby are granted approval of the Financing Arrangement as described herein.

(2) The Petitioners' Motion is denied; however, we direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(3) This case is dismissed.

CASE NO. PUR-2018-00028
JUNE 8, 2018

APPLICATION OF
KENTUCKY UTILITIES COMPANY d/b/a OLD DOMINION POWER COMPANY

To revise its fuel factor pursuant to § 56-249.6 of the Code of Virginia

ORDER ESTABLISHING FUEL FACTOR

On February 15, 2018, Kentucky Utilities Company d/b/a Old Dominion Power Company ("KU/ODP" or "Company") filed with the State Corporation Commission ("Commission"), pursuant to § 56-249.6 of the Code of Virginia ("Code"), its application, written testimony, and exhibits proposing to decrease its levelized fuel factor by $0.00209 per kilowatt-hour ("kWh"), from $0.02449 per kWh to $0.02240 per kWh, effective for service rendered on and after April 1, 2018 ("Application"). According to KU/ODP, the proposed fuel factor represents a decrease of $2.09 per month for a customer using 1,000 kWh per month.[1]

On February 27, 2018, the Commission issued an Order Establishing 2018-2019 Fuel Factor Proceeding that, among other things: (1) assigned a Hearing Examiner to conduct all further proceedings; (2) scheduled a hearing on the Company's Application; (3) required KU/ODP to provide public notice of its Application; and (4) directed the Company to place its proposed fuel factor into effect on an interim basis for service rendered on and after April 1, 2018.

The Office of the Attorney General's Division of Consumer Counsel filed a notice of participation in this proceeding on April 2, 2018.

On April 18, 2018, the Staff of the Commission ("Staff") filed testimony concluding that the Company's projected Virginia jurisdictional fuel expenses and sales for the forecast period were reasonable and recommended that the Commission accept KU/ODP's proposed forecast of energy sales and delivered fuel prices to establish a 2018-2019 fuel factor and approve the proposed fuel factor of $0.02240 per kWh.[2]

On April 20, 2018, KU/ODP filed a letter advising that it would not file rebuttal testimony in this proceeding and requesting that the Commission issue an order on or before May 31, 2018, accepting Staff's recommendations and approving the interim levelized fuel factor of $0.02240 per kWh.[3]

On May 2, 2018, the Hearing Examiner convened the public hearing and admitted the Company's Application, testimony, and exhibits and the Staff's testimony into the record. No public witnesses appeared to testify at the hearing.

On May 31, 2018, the Report of Howard P. Anderson, Jr., Hearing Examiner ("Report") was issued. The Hearing Examiner found that KU/ODP's proposed levelized fuel factor meets the requirements of Code § 56-249.6 A 1 and the Commission's standards for fuel cost projections set forth in 20 VAC 5-300-100. Accordingly, the Hearing Examiner recommended that the Commission approve for KU/ODP a levelized fuel factor of $0.02240 per kWh to be effective for service rendered on and after April 1, 2018.

NOW THE COMMISSION, having considered the record in this case, the Report of the Hearing Examiner, and the applicable law, is of the opinion and finds that the findings and recommendations in the Hearing Examiner's Report should be adopted. Accordingly, we find that setting the Company's fuel factor at $0.02240 per kWh is reasonable and appropriate. We find that this rate, now in effect on an interim basis, should be approved and should remain in effect pending further order of the Commission. However, our approval of the fuel factor should not be construed as approval of KU/ODP's actual fuel expenses. No finding in this Order Establishing Fuel Factor is final, as this matter is continued pending the Staff's audit of actual fuel expenses and the Commission's entry of a final order addressing the Company's fuel recovery position. Should the Commission find that (1) any component of KU/ODP's actual fuel expenses or credits has been included or excluded inappropriately, or (2) KU/ODP has failed to make every reasonable effort to minimize costs or has made decisions resulting in unreasonable fuel costs, the Company's recovery position will be adjusted. This adjustment will be reflected in the recovery position at the time of KU/ODP's next fuel factor proceeding.

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[1] Ex. 2 (Application) at 5.

[2] Ex. 7 (Jenkins Direct) at 13.

[3] Ex. 8 (KU/ODP's April 20, 2018 Letter).

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner hereby are adopted.

(2) The Company's proposed fuel factor of $0.02240 per kWh, placed into effect on an interim basis for service rendered on and after April 1, 2018, is approved and shall remain in effect pending further order of the Commission.

(3) This case is continued.

CASE NO. PUR-2018-00030
JUNE 29, 2018

APPLICATION OF
ROANOKE GAS COMPANY

For approval of a gas supply incentive mechanism

FINAL ORDER

On February 16, 2018, Roanoke Gas Company ("Roanoke Gas" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for approval to implement a tariff revision pursuant to § 56-236 of the Code of Virginia ("Code") to include a gas supply incentive mechanism ("Incentive Mechanism").

Roanoke Gas proposed to implement the Incentive Mechanism to incentivize the Company to expand its efforts to support, develop, and enhance its gas supply asset management program ("Program").[1] The Company represented that currently it works with a third-party asset manager ("Asset Manager") through an asset management agreement ("Agreement") to oversee the Program.[2] Roanoke Gas stated that the Asset Manager provides the Company with essential gas supply services such as marketing the Company's excess capacity to third parties, managing the storage injection and withdrawal timing and volumes, and acquiring the necessary natural gas volumes.[3]

The Company indicated that its management is actively involved with the Asset Manager in pipeline capacity management, daily and intra-day demand analysis, large volume customer management, and storage fill and storage release scheduling, among other functions.[4] Roanoke Gas asserted that the partnership between the Company and the Asset Manager is critical to meeting daily customer gas delivery requirements and maximizing the value derived from the Agreement.[5] The Company represented that if it did not contract with a third-party asset manager, it would be required to hire additional personnel to handle the entire Program, which would significantly increase the Company's cost-of-service.[6]

Roanoke Gas stated that the Agreement currently allows for an annual utilization credit ("Credit") from the Asset Manager which is applied to demand charges and credited to customers through the Company's Purchased Gas Adjustment Actual Cost Adjustment.[7] Roanoke Gas represented that under the proposed Incentive Mechanism, customers would be credited with the initial $700,000 of the annual Credit and that every dollar the Company receives after the initial $700,000 would be split 75% to customers and 25% to the Company.[8] Roanoke Gas indicated that the total annual Credit to customers would be $1,300,000 – or 87% of the total Credit – and that the Company would receive $200,000 or 13% of the total Credit.[9]

Roanoke Gas stated that it is appropriate to implement the Incentive Mechanism now to ensure that the Company can realize some benefit from its managements' efforts in continuing to develop and maximize the value of the asset management Program.[10]

On March 8, 2018, the Commission issued an Order for Notice and Comment in this proceeding which, among other things, docketed the Application; required Roanoke Gas to publish notice of its Application; and gave interested persons the opportunity to participate in this proceeding and to comment or request a hearing on the Company's Application. No one filed comments or requested a hearing in this proceeding.

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[1] Application at 1.

[2] *Id.*

[3] *Id.* at 1-2.

[4] *Id.* at 2.

[5] *Id.*

[6] *Id.*

[7] *Id.*

[8] *Id.*

[9] *Id.* at 3.

[10] *Id.*

On June 1, 2018, the Commission's Staff ("Staff") filed a report ("Staff Report") stating that the general structure of the Company's proposed Incentive Mechanism is not inconsistent with what the Commission has approved previously for other local distribution companies and that it could be an appropriate mechanism if the Commission concludes that Roanoke Gas has justified some level of incentive for the Company to continue to support, develop, and enhance its Program.[11] Staff stated that, if the Commission approves the Incentive Mechanism, after an initial payment is applied to ratepayers, for every additional dollar received, a split of 75% to ratepayers and 25% to shareholders is appropriate.[12] Staff noted that the Company's proposed $700,000 initial payment to ratepayers was based on an estimated Credit from the Asset Manager of $1,500,000, and the initial payment in the Company's example equaled 46.7%[13] of the estimated total Credit.[14] Therefore, Staff recommended that the initial payment to ratepayers be 46.7% of the actual total Credit, effective April 1, 2018, since the actual Credit amount is different from the $1,500,000 in the Company's example.[15]

On June 6, 2018, the Company filed a response ("Response") to the Staff Report. In its Response, Roanoke Gas stated that the Incentive Mechanism is an appropriate tool to incentivize the Company to continue the development and enhancement of its Program.[16] Further, Roanoke Gas asserted that the Incentive Mechanism is consistent with other Commission-approved incentive programs for other gas companies in the Commonwealth.[17] The Company indicated that, in general, it does not take issue with Staff's recommendations.[18] However, Roanoke Gas asserted that the initial payment to customers should be based on the estimated total Credit from the Asset Manager at the time the Company filed the Application, not the amount of the actual total Credit in the new Asset Management Agreement effective April 1, 2018.[19] The Company also requested that it be permitted to propose revisions to the initial credit percentage in future proceedings.[20]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Incentive Mechanism is an appropriate mechanism to allow the Company to continue to support, develop, and enhance its Program and therefore should be approved. We further find that customers should receive the initial $700,000 of the Credit as it is paid to the Company in the new Asset Management Agreement, effective April 1, 2018; and for every additional dollar received, a split of 75% to customers and 25% to shareholders is appropriate. While we agree with the Company's determination of the initial credit percentage to customers, revisions to the initial credit percentage may be proposed in the future.

Accordingly, IT IS ORDERED THAT:

(1) The Company's Incentive Mechanism, as set forth in the Application and modified herein, is approved.

(2) The Company shall forthwith file revised tariffs with the Division of Public Utility Regulation.

(3) This case is dismissed.

[11] Staff Report at 5.

[12] *Id.* at 6.

[13] ($700,000/$1,500,000=46.7%).

[14] Staff Report at 6.

[15] *Id.*

[16] Response at 2.

[17] *Id.*

[18] *Id.* at 1.

[19] *Id.* at 3.

[20] *Id.*

CASE NO. PUR-2018-00031
MARCH 9, 2018

APPLICATION OF
A & N ELECTRIC COOPERATIVE

For a general increase in electric rates

ORDER FOR NOTICE AND HEARING

On February 20, 2018, A & N Electric Cooperative ("ANEC" or "Cooperative") filed with the State Corporation Commission ("Commission") an application ("Application") pursuant to §§ 56-231.33, 56-231.34, 56-236, 56-238, and 56-585.3 of the Code of Virginia ("Code") requesting approval of a proposed increase in rates and charges for bills issued on or after October 1, 2018.[1]

[1] Application at 4. ANEC clarifies that while the majority of the proposed rate schedules filed with the Application indicate an effective date for bills issued on and after October 1, 2018, Schedule PCA-1 is proposed to be effective for bills issued on or after January 1, 2019. *Id.* at 4.

ANEC represents that a rate increase is needed because the Cooperative's capital and operating costs have continued to increase over the past several years while load growth is lacking.[2] Specifically, the proposed rates and charges are designed to increase the Cooperative's jurisdictional revenues by $2.9 million per year based on the Cooperative's filed rate year levels for an overall net jurisdictional rate increase of 4.49%.[3] ANEC represents that the proposed rates will result in a jurisdictional rate of return on rate base of 5.57% and produce a rate year jurisdictional Times Interest Earned Ratio ("TIER") of 2.25x.[4]

ANEC states that, in developing the proposed rates, it sought to develop rates that more closely reflect the cost of providing service, as well as to introduce greater consistency in the rates of return of various rate classes.[5] ANEC states that revenue and rate neutral changes to base rates are applied as necessary to rebalance all rates between supply and distribution costs so that the rate year level of electric supply service ("ESS") revenue matched the rate year purchased power expense.[6] The Cooperative further asserts that it sought to bring the unit charges more in line with the unit costs derived from the cost of service study, and to increase rates to a level that would generate an appropriate TIER for the Cooperative.[7]

The Cooperative seeks to rename the "Customer Delivery Charge" as an "Access Charge," and proposes an increase to Access Charges in each rate class to better reflect the cost of service classified as customer-related.[8]

Of the proposed $2.9 million revenue increase, $2.6 million is allocated to the Schedule A-1/A-2, resulting in a 6.48% increase to the class, compared to the overall jurisdictional increase of 4.49%.[9] The Cooperative indicates that the largest percentage increase, 9.81%, has been applied to Schedule I.[10]

ANEC also proposes a number of changes to its rate schedules including: renaming certain rate schedules; the introduction of seasonal price differentials to certain schedules; ESS pricing and rate design changes to certain schedules; and the introduction of new schedules.[11]

The Cooperative represents that it is not making any substantive changes to its Terms and Conditions at this time.[12] Notwithstanding, ANEC will need to make several non-substantive revisions to its Terms and Conditions to reflect the changes being made to its rate schedules.[13]

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that ANEC should provide notice of its Application; a public hearing should be scheduled for the purpose of receiving testimony and evidence on the Cooperative's Application; a procedural schedule should be established to allow interested persons an opportunity to file written or electronic comments on the Cooperative's Application or to participate in this proceeding as a respondent; and the Commission's Staff ("Staff") should be directed to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon. We also find that a Hearing Examiner should be appointed to conduct all further proceedings in this matter on behalf of the Commission and to file a final report.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2018-00031.

(2) As provided by Code § 12.1-31 and Rule 5 VAC 5-20-120, *Procedures before hearing examiners*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"),[14] a Hearing Examiner is appointed to conduct all further proceedings in this matter on behalf of the Commission and to file a final report.

(3) ANEC may implement its proposed rates, subject to refund with interest, for bills rendered on and after October 1, 2018.

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[2] *Id.* at 3.

[3] *Id.* at 4.

[4] *Id.* The Cooperative is not requesting that the Commission set a TIER of 2.25x and adjust its proposed rates to that TIER. ANEC requests that the Commission approve rates as proposed provided the resulting TIER, based on the rate year used by the Commission, is within a reasonable rate that would normally be recommended for cooperatives in Virginia. *Id.* at 4-5.

[5] *Id.* at 5.

[6] *Id.*

[7] *Id.*

[8] *Id.*

[9] *Id.*at 10.

[10] *Id.*

[11] *Id*. at 10-14.

[12] *Id.* at 14.

[13] *Id.* at 14-15. ANEC represents that the revisions to the Terms and Conditions will be submitted to the Commission after Board approval. *Id.* at 15.

[14] 5 VAC 5-20-10 *et seq.*

(4) A public hearing shall be convened at 10 a.m. on August 21, 2018, in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive into the record the testimony of public witnesses and evidence of the Cooperative, any respondents, and the Commission's Staff. Any person desiring of offer testimony as a public witness need only appear at the hearing location fifteen (15) minutes before the starting time of the hearing and identify himself or herself to the Commission's Bailiff.

(5) The Cooperative shall make copies of a public version of its Application, as well as a copy of this Order for Notice and Hearing, available for public inspection during regular business hours at each of the Cooperative's business offices in the Commonwealth of Virginia. A copy may also be obtained by submitting a written request to counsel for ANEC, John A. Pirko, Esquire, LeClairRyan, 4201 Dominion Boulevard, Suite 200, Glen Allen, Virginia 23060. If acceptable to the requesting party, the Cooperative may provide the documents by electronic means. Copies of the public version of all documents filed in this case shall also be available for interested persons to review in the Commission's Document Control Center located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays. Interested persons also may download unofficial copies from the Commission's website: http://www.scc.virginia.gov/case.

(6) On or before April 10, 2018, ANEC shall cause the following notice to be published as display advertising (not classified) on one (1) occasion in newspapers of general circulation throughout the Cooperative's service territory:

NOTICE TO THE PUBLIC OF
A & N ELECTRIC COOPERATIVE'S APPLICATION
FOR A GENERAL INCREASE IN RATES
CASE NO. PUR-2018-00031

On February 20, 2018, A & N Electric Cooperative ("ANEC" or "Cooperative") filed with the State Corporation Commission ("Commission") an application (Application") pursuant to §§ 56-231.33, 56-231.34, 56-236, 56-238, and 56-585.3 of the Code of Virginia requesting approval of a proposed increase in rates and charges for bills issued on or after October 1, 2018.

ANEC represents that a rate increase is needed because the Cooperative's capital and operating costs have continued to increase over the past several years while load growth is lacking. Specifically, the proposed rates and charges are designed to increase the Cooperative's jurisdictional revenues by $2.9 million per year based on the Cooperative's filed rate year levels for an overall net jurisdictional rate increase of 4.49%. ANEC represents that the proposed rates will result in a jurisdictional rate of return on rate base of 5.57% and produce a rate year jurisdictional Times Interest Earned Ratio ("TIER") of 2.25x.

ANEC states that, in developing the proposed rates, it sought to develop rates that more closely reflect the cost of providing service, as well as to introduce greater consistency in the rates of return of various rate classes. ANEC states that revenue and rate neutral changes to base rates are applied as necessary to rebalance all rates between supply and distribution costs so that the rate year level of electric supply service ("ESS") revenue matched the rate year purchased power expense. The Cooperative further asserts that it sought to bring the unit charges more in line with the unit costs derived from the cost of service study, and to increase rates to a level that would generate an appropriate TIER for the Cooperative.

The Cooperative seeks to rename the "Customer Delivery Charge" as an "Access Charge," and proposes an increase to Access Charges in each rate class to better reflect the cost of service classified as customer-related.

Of the proposed $2.9 million revenue increase, $2.6 million is allocated to the Schedule A-1/A-2, resulting in a 6.48% increase to the class, compared to the overall jurisdictional increase of 4.49%. The Cooperative indicates that the largest percentage increase, 9.81%, has been applied to Schedule I.

ANEC also proposes a number of changes to its rate schedules including: renaming certain rate schedules; the introduction of seasonal price differentials to certain schedules; ESS pricing and rate design changes to certain schedules; and the introduction of new schedules.

The Cooperative represents that it is not making any substantive changes to its Terms and Conditions at this time. Notwithstanding, ANEC will need to make several non-substantive revisions to its Terms and Conditions to reflect the changes being made to its rate schedules. Interested persons are encouraged to review the Application and supporting documents for the details of these and other proposals. While the total revenue that may be approved by the Commission is limited to the amount produced by the Cooperative's proposed rates, TAKE NOTICE that the Commission may approve revenues and adopt rates, fees, charges, tariff revisions, and terms and conditions of service that differ from those appearing in the Application and supporting documents and may apportion revenues among customer classes and/or design rates in a manner differing from that shown in the Application and supporting documents.

The Commission entered an Order for Notice and Hearing that, among other things, permits the Cooperative to place its proposed rates, charges, and terms and conditions of service into effect, subject to refund, for bills rendered on and after October 1, 2018.

The Commission's Order for Notice and Hearing scheduled a public hearing at 10 a.m. on August 21, 2018, in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive the testimony of public witnesses and the evidence of the Cooperative, any respondents, and the Commission's Staff. Any person desiring to testify as a public witness should appear at the hearing location fifteen (15) minutes prior to the starting time of the hearing and contact the Commission's Bailiff.

Copies of the public version of all documents filed in this case are available for interested persons to review in the Commission's Document Control Center located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays. Interested persons also may download unofficial copies from the Commission's website: http://www.scc.virginia.gov/case.

Copies of the Cooperative's Application and the Commission's Order for Notice and Hearing also may be inspected during regular business hours at each of the Cooperative's business offices in the Commonwealth of Virginia. Copies of these documents also may be obtained, at no charge, by submitting a written request to counsel for the Cooperative: John A. Pirko, Esquire, LeClairRyan, 4201 Dominion Boulevard, Suite 200, Glen Allen, Virginia 23060. If acceptable to the requesting party, the Cooperative may provide the documents by electronic means.

On or before July 31, 2018, any interested person may file written comments on the Cooperative's Application with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Interested persons desiring to submit comments electronically may do so on or before July 31, 2018, by following the instructions found on the Commission's website: http://www.scc.virginia.gov/case. Compact disks or any other form of electronic storage medium cannot be filed with the comments. All such comments shall refer to Case No. PUR-2018-00031.

Any person or entity may participate as a respondent in this proceeding by filing a notice of participation on or before June 7, 2018. If not filed electronically, an original and fifteen (15) copies of a notice of participation shall be filed with the Clerk of the Commission at the address set forth above. A copy of the notice of participation shall be sent to counsel for ANEC at the address set forth above. Pursuant to Rule 5 VAC 5-20-80, *Participation as a respondent*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"), any notice of participation shall set forth: (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 organization, corporation, or government body participating as a respondent shall be represented by counsel as required by Rule 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2018-00031. For additional information about participation as a respondent, any person or entity should obtain a copy of the Commission's Order for Notice and Hearing.

All documents filed in the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and Format*, of the Commission's Rules of Practice.

The Commission's Rules of Practice may be viewed at the Commission's website: http://www.virginia.scc.gov/case. A printed copy of the Commission's Rules of Practice and an official copy of the Commission's Order for Notice and Hearing in this proceeding may be obtained from the Clerk of the Commission at the address set forth above.

A & N ELECTRIC COOPERATIVE

(7) On or before April 10, 2018, ANEC shall serve a copy of its Application and this Order for Notice and Hearing on the following local officials, to the extent the position exists, in each county, city, and town in which the Cooperative provides service in the Commonwealth of Virginia: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city and town; and the county, city, or town attorney. Service shall be made by either personal delivery or first class mail to the customary place of business or residence of the person served.

(8) On or before May 10, 2018, ANEC shall file proof of the notice and service required by Ordering Paragraphs (6) and (7), including the name, title, and address of each official served, with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118.

(9) On or before July 31, 2018, any interested person may file written comments on the Application with the Clerk of the Commission at the address set forth in Ordering Paragraph (8). Any interested person desiring to file comments electronically may do so on or before July 31, 2018, by following the instructions found on the Commission's website: http://www.scc.virginia.gov/case. Compact disks or any other form of electronic storage medium cannot be filed with the comments. All comments shall refer to Case No. PUR-2018-00031.

(10) On or before June 7, 2018, any person or entity may participate as a respondent in this proceeding by filing a notice of participation. If not filed electronically, an original and fifteen (15) copies of a notice of participation shall be filed with the Clerk of the Commission at the address set forth in Ordering Paragraph (8), and each respondent shall serve a copy of the notice of participation on counsel to ANEC at the address set forth in Ordering Paragraph (5). Pursuant to Rule 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice, any notice of participation shall set forth: (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 organization, corporation, or government body participating as a respondent shall be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2018-00031.

(11) Within five (5) business days of receipt of a notice of participation as a respondent, the Cooperative shall serve upon the respondent a copy of this Order for Notice and Hearing, a copy of the public version of this Application, and all public materials filed by the Cooperative with the Commission, unless these materials already have been provided to the respondent.

(12) On or before June 29, 2018, each respondent may file with the Clerk of the Commission at the address set forth in Ordering Paragraph (8) and serve on the Staff, the Cooperative, and all other respondents, any testimony and exhibits by which the respondent expects to establish its case, and each witness's testimony shall include a summary not to exceed one page. If not filed electronically, an original and fifteen (15) copies of such testimony and exhibits shall be filed with the Clerk of the Commission at the address set forth in Ordering Paragraph (8). In all filings, respondents shall comply with the Commission's Rules of Practice, including, but not limited to: 5 VAC 5-20-140, *Filing and service,* and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2018-00031.

(13) The Staff shall investigate the Application. On or before July 13, 2018, the Staff shall file with the Clerk of the Commission an original and fifteen (15) copies of testimony and exhibits concerning the Application, and each Staff witness's testimony shall include a summary not to exceed one page. The Staff shall serve a copy thereof on counsel to the Cooperative and all respondents.

(14) On or before August 1, 2018, ANEC shall file with the Clerk of the Commission any rebuttal testimony and exhibits that it expects to offer, and each rebuttal witness's testimony shall include a summary not to exceed one page. The Cooperative shall serve a copy thereof on the Staff and all respondents. If not filed electronically, an original and fifteen (15) copies of such rebuttal testimony and exhibits shall be filed with the Clerk of the Commission at the address set forth in Ordering Paragraph (8).

(15) All documents filed with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format,* of the Commission's Rules of Practice.

(16) The Commission's Rule of Practice 5 VAC 5-20-260, *Interrogatories to parties or requests for production of documents and things*, shall be modified for this proceeding as follows: responses and objections to written interrogatories and requests for production of documents shall be served within seven (7) business days after receipt of the same. In addition to the service requirements of 5 VAC 5-20-260 of the Rules of Practice, on the day that copies are filed with the Clerk of the Commission, a copy of the interrogatory or request for production shall be served electronically, or by facsimile, on the party to whom the interrogatory or request for production is directed or the assigned Staff attorney, if the interrogatory or request for production is directed to the Staff.[15] Except as modified above, discovery shall be in accordance with Part IV of the Commission's Rules of Practice, 5 VAC 5-20-240 *et seq*.

(17) This matter is continued.

[15] The assigned Staff attorney is identified on the Commission's website: http://www.scc.virginia.gov/case, by clicking "Docket Search," then "Search Cases," and entering the case number, PUR-2018-00031, in the appropriate box.

CASE NO. PUR-2018-00031
SEPTEMBER 13, 2018

APPLICATION OF
A & N ELECTRIC COOPERATIVE

For a general increase in electric rates

FINAL ORDER

On February 20, 2018, A & N Electric Cooperative ("ANEC" or "Cooperative") filed with the State Corporation Commission ("Commission") an application and supporting documents for a general increase in electric rates ("Application").

ANEC represents that a rate increase is needed because the Cooperative's capital and operating costs have continued to increase over the past several years while load growth is lacking.[1] Specifically, the proposed rates and charges are designed to increase the Cooperative's jurisdictional revenues by $2.9 million per year based on the Cooperative's filed rate year levels for an overall net jurisdictional rate increase of 4.49%.[2] ANEC represents that the proposed rates will result in a jurisdictional rate of return on rate base of 5.57% and produce a rate year jurisdictional Times Interest Earned Ratio ("TIER") of 2.25x.[3] ANEC also proposed a number of changes to its rate schedules including: renaming certain rate schedules; the introduction of seasonal price differentials to certain schedules; electric supply service ("ESS") pricing and rate design changes to certain schedules; and the introduction of new schedules.[4]

On March 9, 2018, the Commission entered an Order for Notice and Hearing, which among other things, docketed the Application; established a procedural schedule; directed ANEC to provide notice of its Application to the public; provided interested persons an opportunity to comment on the Application or participate in the proceeding as a respondent by filing a notice of participation; scheduled an evidentiary hearing; and appointed a Hearing Examiner to conduct all further proceedings in this matter.

A notice of participation was filed in this proceeding by the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"). On July 13, 2018, the Staff of the Commission ("Staff") filed testimony describing the results of its investigation of the Application. On July 31, 2018, ANEC filed rebuttal testimony. No public comments were filed in this proceeding.

On August 13, 2018, ANEC and Staff filed a Joint Motion to Approve Stipulation ("Joint Motion") and an attached proposed Stipulation. The proposed Stipulation provides in substantive part that: (1) ANEC will increase rate year jurisdictional revenues by $2.6 million based on a rate year revenue requirement of approximately $68.3 million. This is designed to produce total test year jurisdictional margins of approximately $4.2 million. The net effect is a 4.01% increase in jurisdictional sales revenues, and with the approval of the proposed rates, the Cooperative will have a TIER of 2.50; (2) The rate schedules set forth in Exhibit 5A of the Application would go into effect for bills rendered on and after October 1, 2018, including the ESS Rates and Access Charges, subject to: (i) the corrections and clarifications to Schedule LP-A submitted by ANEC on June 28, 2018; (ii) the distribution energy rates of Rate Schedules A-l, A-2, TOU-A-1, B, LP-A, and LP-B being adjusted to reflect the revenue apportionment set forth in Stipulation Exhibit A; and (iii) any other

[1] Ex. 2 (Application) at 3.

[2] *Id.* at 4.

[3] *Id.*

[4] *Id*. at 10-14.

changes set forth in the Stipulation. Stipulation Exhibit B sets forth the agreed upon rates, which would remain in effect until revised by the Commission; (3) ANEC's Schedule A shall be renamed Schedule A-l and limited to residential and church sanctuary service. All other non-residential and non-church services will be moved to new Schedule A-2. The proposed rate for Schedule A-2 is the same as Schedule A-l; (4) ANEC will introduce seasonal price differentials into the ESS portions of proposed Schedules A-l, A-2, B, and LP-A. Higher seasonal prices for ESS will occur during the months of June through September; (5) ESS pricing and rate design will be included in Schedules LP-B and LP-T. Schedule LP-C shall be withdrawn, and its one customer will be transferred to Schedule LP-B. Schedule LP-B will be modified to remove the minimum load factor condition. The ESS portion of Schedules LP-B and LP-T have been updated to pass through wholesale demand-related power cost from Old Dominion Electric Cooperative ("ODEC"), based on the actual rates charged or credited by ODEC and each customer's actual contribution to ODEC billing demands; (6) Schedules LP-B and LP-T shall include an Excess Demand Charge set at 50% of the prevailing ODEC owned-resources demand charge. The Excess Demand Charge will be applied to the difference between a customer's monthly maximum demand and the demand coincident with ODEC's monthly owned-resources billing demand; (7) Schedule CS-1 shall provide a curtailable demand option for customers served on Schedule B or Schedule LP-A. Customers will receive credits based on the ODEC rate for load curtailments during the RTO peaks and zonal peak. Rider SG shall provide credits based on the ODEC rate for customer-owned generation during the RTO peaks and zonal peak. Rider SG is available to Schedules A-l, A-2, B, and LP-A customers; (8) A new Schedule OL is established for outdoor lighting using four different types of LED light fixtures. All new or replacement outdoor lighting fixtures will be LED. Rates for individual lights not currently connected are withdrawn. Effective October 1, 2018, Schedules PL and SL will be closed. Schedule ORL will be applied to metered service for athletic field lighting; (9) ANEC will impose a temporary ESS rider, Schedule ESS-TR, for Schedules A-l, A-2, B, and LP-A, effective October through December 2018 billing only and expiring thereafter. Each rider surcharge is equal to the annualized average ESS rate minus the corresponding non-summer rate, *i.e.*, the rate that would have been proposed if not for the seasonal structure of the proposed base rates; (10) ANEC will establish a new Schedule PCA-1 designed to recover actual purchased power and fuel expense (including diesel fuel for the generators on Smith and Tangier Islands) on a dollar-for-dollar basis, effective for bills issued on and after January 1, 2019. Schedule PCA-1 includes an over- and under-recovery adjustment mechanism that tracks the difference between the purchased power and fuel expense recovered from sales and actual purchased power and fuel expense. The balance of any over- or under-recovery will be rolled-in to the PCA-1 factor at least once per year and the billing factor will be adjusted any time there is a change in the rates charged by ODEC. The Schedule PCA-1 Base will be $0.00719 per kWh based on Staffs updated rate year; (9) The interest expense and corresponding interest income of the Cushion of Credit ("CC") should be reduced for determining a TIER-based revenue requirement. To the extent the same or similar facts regarding the CC are encountered in a future rate case, ANEC should apply the weighted average cost of debt to the rate year 13-month average of the balance of the CC in determining the revenue requirement to reflect the benefit of interest earned on the CC while allowing for the inflating impact of interest expense.[5]

Consumer Counsel did not object to the Stipulation.[6]

The evidentiary hearing in this matter was convened on August 14, 2018. Counsel for the Cooperative, Consumer Counsel, and Staff appeared at the hearing.[7] No public witnesses appeared to testify at the hearing.[8]

On August 24, 2018, the Report of Michael D. Thomas, Hearing Examiner ("Report") was filed. In his Report, the Hearing Examiner found that: the Stipulation is fair, reasonable, in the public interest, and complies with the statutory provisions cited above; and that the Joint Motion to Approve Stipulation should be granted and the Stipulation should be adopted by the Commission.[9]

Accordingly, the Hearing Examiner recommended that the Commission enter an Order that: (1) adopts the findings and recommendations contained in the Report; (2) grants the Joint Motion to Approve Stipulation; (3) adopts the Stipulation; (4) approves an increase in rate year jurisdictional revenues of $2.6 million based on a rate year revenue requirement of approximately $68.3 million, which is designed to produce total test year jurisdictional margins of approximately $4.2 million; (5) approves the revenue allocation set forth in Exhibit A of the Stipulation; (6) approves the class rates and charges set forth in Exhibit B of the Stipulation to be effective for bills rendered on and after October 1, 2018; (7) approves ANEC's other proposed tariff changes as set forth in the Stipulation; and (8) passes the papers herein to the file for ended causes.[10]

ANEC, Consumer Counsel, and Staff filed comments in support of the Hearing Examiner's Report.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that the findings and recommendations of the Hearing Examiner should be adopted. We further find that the Stipulation satisfies the statutory requirements attendant to this case. Accordingly, we approve and adopt the Stipulation.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the August 24, 2018 Report hereby are adopted as provided for herein.

(2) The Joint Motion filed by Staff and ANEC hereby is granted, and the Stipulation presented in this case is hereby approved.

(3) Within thirty (30) days of the issuance of this Final Order, the Cooperative shall file revised tariffs, schedules, and terms and conditions of service that reflect the rates and charges approved herein.

(4) This case is dismissed.

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[5] *See* Joint Motion, Exhibit 1.

[6] Joint Motion at 2.

[7] Tr. at 2.

[8] Tr. at 4.

[9] Report at 22.

[10] *Id.* at 22-23.

CASE NO. PUR-2018-00032
MARCH 12, 2018

APPLICATION OF
TALK AMERICA SERVICES, LLC

For authority to partially discontinue local exchange services

ORDER PERMITTING PARTIAL DISCONTINUANCE OF SERVICES

On February 21, 2018, Talk America Services, LLC ("Talk America" or "Company"), filed with the State Corporation Commission ("Commission") an application pursuant to 20 VAC 5-423-30 of the Commission's Rules Governing the Discontinuance of Local Exchange Telecommunications Services Provided by Competitive Local Exchange Carriers, 20 VAC 5-423-10 *et seq*., for authority to discontinue providing local exchange services to certain residential customers within the Commonwealth ("Application").

In support of its Application, Talk America states that local exchange services are being discontinued in the affected areas because the Company's wholesale service provider intends to decommission the telecommunications equipment that is used to serve the affected customers, and that as a reseller of telecommunications services, Talk America has no ability to provide substitute services to the impacted customers. The Company states that approximately 25 residential local exchange customers are affected by the proposed discontinuance, and that all existing customers are being notified of the discontinuance at least 30 days prior to the proposed April 1, 2018 effective date via notices which were mailed on February 15, 2018. A copy of the customer notice was filed with the Application, which Talk America represents includes the information required under 20 VAC 5-423-30 C.

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that Talk America's Application should be granted. The Commission's primary concern with authorizing discontinuance of any telecommunications services is providing adequate notice to affected customers. We have reviewed the notice provided by the Company and find that it provides customers with sufficient notice.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2018-00032.

(2) Talk America is authorized to discontinue providing local exchange services to certain customers in Virginia as described in the Application.

(3) This case is dismissed.

CASE NO. PUR-2018-00033
JULY 10, 2018

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.,

For an extension of service in an uncertificated area of Pittsylvania County pursuant to Section 56-265.3 B of the Code of Virginia

FINAL ORDER

On February 22, 2018, pursuant to § 56-265.3 B of the Code of Virginia ("Code"), Columbia Gas of Virginia, Inc. ("CVA" or "Company"), filed an application ("Application") with the State Corporation Commission ("Commission") for approval to serve certain customer addresses within an uncertificated area of Pittsylvania County, Virginia, and to expand its service territory along Route 29 in Pittsylvania County, Virginia. CVA also submitted a map with its Application showing the location of an existing extension of its natural gas distribution facilities in the uncertificated area of Pittsylvania County.

According to the Company, CVA is currently authorized to serve the vast majority of Pittsylvania County.[1] The Company notes that a portion of the southwestern corner of Pittsylvania County is certificated to Southwestern Virginia Gas Company ("Southwestern") and that the southcentral area of the County, including the City of Danville ("Danville" or "City"), remains uncertificated.[2] The Company further states that the uncertificated area is defined by a boundary line situated approximately two miles outside of the municipal boundary of Danville, as that municipal boundary existed in 1966. The Company asserts that the area between CVA's Pittsylvania County service area boundary line and the Danville municipal boundary are not certificated to another natural gas public utility, nor is another entity specifically authorized to provide natural gas service in that uncertificated portion of Pittsylvania County.[3] CVA states that it recently incorporated its Pittsylvania County service territory boundary lines into its Geographic Information System and discovered that a significant portion of its facilities along the northeastern most boundary of the uncertificated area of Pittsylvania County are located within the uncertificated area of Pittsylvania County. In addition, the Company is currently serving five residential customer addresses from its high-pressure pipeline facilities and one residential customer address from its medium-pressure facilities located within the uncertificated area of Pittsylvania County.[4]

According to the Company, to remedy the aforementioned circumstances, the Company is seeking approval to: (1) serve the existing five high-pressure customers; (2) serve a corridor extending 750 feet on both sides of U.S. Route 29, commencing at CVA's regulator station located immediately west of Route 29 and extending in a northerly direction along Route 29 to the point at which Route 29 crosses CVA's existing service territory boundary, including one existing medium-pressure address; and (3) serve any customers located on the three connected unnamed roads that intersect Route 29, immediately southwest of CVA's current service territory boundary.[5]

On March 15, 2018, the Commission issued an Order for Notice and Comment in this proceeding which, among other things, docketed the Application; required CVA to publish notice of its Application; and gave interested persons the opportunity to participate in this proceeding and to comment or request a hearing on the Company's Application. No notices of participation or requests for hearing were filed.

On May 16, 2018, Danville filed comments on the Application ("Comments"). In its Comments, Danville stated that it is concerned that the extension requested by CVA "infringe[s] on the City's uncertificated natural gas territory. . . ."[6] Therefore, the City requested the Commission to do the following: (1) revise the certification map in Pittsylvania County to reflect the City's 1988 annexation; (2) suspend this proceeding until the City and CVA can meet and discuss the possible solution that will benefit both natural gas utilities and the potential customers within the described area; (3) decertify the areas that are located within Danville's city limits and unserved areas within two miles of the present City limits; and (4) decertify areas within 750 feet of existing City facilities.[7]

On June 13, 2018, the Company filed its Reply in which the Company asserted the following: (1) CVA's request is consistent with the public interest, the City offers no reason to deny CVA's request to expand its service territory in a limited portion of an uncertificated area of Pittsylvania County, and the City does not specifically oppose the relief requested in the Application;[8] (2) CVA's request for certification to serve a limited portion of the uncertificated area in Pittsylvania County does not infringe upon the City's "uncertificated service territory" because Virginia law does not provide municipalities with formal natural gas distribution service territories;[9] (3) the City's proposal to decertify certificated service areas of CVA and Southwestern is contrary to law and well established precedent;[10] (4) the City's proposal to decertify certificated service areas of CVA and Southwestern is unnecessary based on the existing statutory scheme, which permits a municipality to offer natural gas service outside of its municipal boundaries, including areas within the certificated service territory of a natural gas public service company regulated by the Commission;[11] and (5) the City's request to suspend the procedural schedule is unnecessary and the City's requested coordination between CVA and the City could violate federal and state antitrust law.[12]

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[1] Application at 2.

[2] *Id.*

[3] *Id.* at 2-3.

[4] CVA's Application initially requested authority to serve six existing high-pressure customers and one existing medium pressure customer in the uncertificated area of Pittsylvania County. CVA subsequently determined that one of the six high-pressure customers was erroneously identified as being located within the uncertificated area. Therefore, CVA is only seeking authority to serve five existing high pressure customers and one existing medium pressure customer in the uncertificated area of Pittsylvania County. *See* Reply Comments of Columbia Gas of Virginia, Inc. to the Comments of the City of Danville ("Reply") at 1.

[5] Application at 4.

[6] Comments at 1.

[7] *Id.*

[8] Reply at 3.

[9] *Id.* at 6.

[10] *Id.* at 7.

[11] *Id.* at 9.

[12] *Id.* at 10.

On June 20, 2018, Commission Staff ("Staff") filed its report ("Report" or "Staff Report"). In its Report, Staff found that serving the six additional customer addresses and the expansion of CVA's service territory along Route 29 is in the public interest.[13] Therefore, Staff recommended that the Commission amend the Company's service territory to include the six customer addresses currently served by the Company that are outside of its certificated Pittsylvania County service territory.[14] Further, Staff did not oppose the additional limited service expansion along Route 29, as requested by the Company in its Application.[15]

On June 21, 2018, CVA filed its response to the Staff Report wherein it supported Staff's analysis and recommendations and urged the Commission to approve the Application.

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that issuance of a certificate, pursuant to § 56-265.3 B of the Code, authorizing CVA to provide natural gas distribution service to the existing five high-pressure customers addresses and one medium-pressure customer address and expanding CVA's service territory along Route 29 as identified in Attachment 3 and Attachment G-147b to the Application is in the public interest. We will, therefore, approve the Company's Application.

Section 56-265.3 B of the Code provides the standard of review for this case:

> On initial application by any company, the Commission, after formal or informal hearing upon such notice to the public as the Commission may prescribe, may, by issuance of a certificate of convenience and necessity, allot territory for development of public utility service by the applicant if the Commission finds such action in the public interest.

Accordingly, the Commission must make a finding as to whether granting the Application, and allowing the Company to continue to serve the five high-pressure and one medium-pressure customer addresses and allotting the requested territory to CVA, is in the public interest. Having considered the record in this proceeding, including the Comments submitted by Danville, we conclude that it is in the public interest to continue to allow the Company to serve the five high-pressure and one medium-pressure customer addresses and to allot the requested territory to CVA, as sought in the Application.

This finding is supported by evidence in this case regarding, among other things: the specific areas involved; CVA's ability to serve those areas in normal and in emergency circumstances; the different types of services offered by CVA; the Company's rate structure; the character of the services rendered by the Company; CVA's ability to fulfill its obligation to serve; the potential for duplication of natural gas facilities and associated safety concerns; the Company's facilities that exist in close proximity to currently uncertificated areas of Pittsylvania County; and CVA's service to customers within its previously certificated territory that is in close proximity to the customers in the uncertificated areas of Pittsylvania County.[16]

With regard to the City's Comments, we note that the City does not contest CVA's ability to serve the customer addresses or the limited area requested by CVA in its Application, both of which are outside of the City's existing boundaries. The City requested the Commission to decertify certain areas within CVA's service territory in Pittsylvania County. However, once the Commission grants a certificate, that certificate represents "a property right . . . entitled to the protection of the courts."[17] Yet, as noted by the Company in its Reply, a municipal utility is not prohibited from providing service in the certificated territory of a public utility.[18] Based on the evidence presented by CVA and the law, we find no reason to suspend the proceedings. Rather, as discussed herein, we find that it is in the public interest to authorize the Company to continue to serve the five high-pressure and one medium-pressure customer addresses and to allot the requested territory to CVA, as sought in the Application.

Accordingly, IT IS ORDERED THAT:

(1) CVA's Application for a certificate to provide natural gas distribution service to the five high-pressure and one medium-pressure customer addresses in an uncertificated area of Pittsylvania County, Virginia, and to expand the Company's service territory along Route 29 as identified in Attachment 3 and Attachment G-147b to the Application is found to be in the public interest and granted.

(2) CVA's Certificate G-147a is cancelled and reissued as Certificate G-147b, reflecting the Company's revised service territory boundary in Pittsylvania County.

(3) Within sixty (60) days of the date of this Order, CVA shall file with the Commission's Division of Public Utility Regulation a map of the service territory certificated herein.

(4) This case is dismissed.

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[13] Report at 4-5.

[14] *Id.* at 5.

[15] *Id.*

[16] *See* Reply at 3-5.

[17] *Town of Culpeper v. VEPCO*, 215 Va. 189, 194 (1974).

[18] Pursuant to Code § 56-265.4:6 G, a municipal utility that provides natural gas service in the certificated territory of a public utility "must have written authorization from that certificate holder to provide such service which authorization shall not be unreasonably withheld."

CASE NO. PUR-2018-00034
APRIL 10, 2018

JOINT APPLICATION OF
DOWN UNDER CONSTRUCTION LLC, DARYL DUNBAR, and DOWN UNDER COMMUNICATIONS, LLC

For approval of the transfer of control of Down Under Communications, LLC, to Down Under Construction LLC, pursuant to Va. Code § 56-88 *et seq.*

ORDER GRANTING APPROVAL

On February 23, 2018, Down Under Construction LLC ("Down Under"), Daryl Dunbar ("Mr. Dunbar"), and Down Under Communications, LLC ("DUC") (collectively, "Applicants"),[1] filed a joint application ("Application") with the State Corporation Commission ("Commission"), pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"),[2] requesting approval of the transfer of control of DUC to Down Under ("Transfer"). The Applicants also filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*.

DUC is authorized to provide local exchange and interexchange telecommunications services in Virginia pursuant to its certificates of public convenience and necessity issued by the Commission.[3] Hylan, through a separate subsidiary, is an engineering and construction firm focused on the telecommunications end-market in the New York City metropolitan area.[4] Pursuant to a Contribution and Purchase Agreement dated January 17, 2018, Mr. Dunbar will sell his membership interests in DUC to Down Under. As a result, direct control of DUC will be transferred to Down Under and its ultimate parent company, Hylan.[5]

The Applicants assert that DUC will continue to have the financial, managerial, and technical resources to provide telecommunications services in Virginia under the ownership and control of Down Under and its owners. The Applicants represent that the proposed Transfer will allow DUC to have access to the financial assets and managerial skills of Down Under and its owners. The Applicants further state that Down Under will utilize the experience of the existing management and employees of DUC, including having Mr. Dunbar as President of Down Under going forward. Finally, the Applicants state that the proposed Transfer will not adversely impact any aspect of the current operations or business of DUC.

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff, is of the opinion and finds that the above-described Transfer should be approved. The Commission also finds that the Applicants' Motion is no longer necessary and, therefore, should be denied.[6]

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-88.1 and 56-90, the Applicants hereby are granted approval of the Transfer as described herein.

(2) The Applicants shall file a report of action with the Commission's Document Control Center within thirty (30) days after closing of the Transfer, which shall note the date the Transfer occurred.

(4) The Applicants' Motion is denied; however, we direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(5) This case is dismissed.

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[1] Hylan Intermediate Holdings LLC, Hylan Holdings LLC ("Hylan"), Hylan Investor Holdings Group, LP ("TZP"), and Flexis Broadband Holdings, L.P. ("Flexis"), are also considered Applicants and have provided the statutorily required verifications.

[2] Code § 56-88 *et seq*.

[3] *See Application of Down Under Communications, LLC, For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services*, Case No. PUC-2011-00058, 2012 S.C.C. Ann. Rept. 172, Final Order (Jan. 4, 2012).

[4] *See* Application at 2.

[5] There are two companies that hold a 25% or greater ownership interest in Hylan: TZP (approximately 45%) and Flexis (approximately 31%), and therefore, upon completion of the Transfer, will acquire ultimate, indirect control over DUC.

[6] The Commission held the Applicants' Motion in abeyance and has not received a request for leave to review the confidential information submitted in this proceeding. Accordingly, the Commission denies the Motion as moot but directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

CASE NO. PUR-2018-00035
MAY 10, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY and VP PROPERTY, INC.

For approval to enter into a bill of sale agreement under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On February 23, 2018, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("DEV" or "Company") and VP Property, Inc. ("VPP") (collectively, "Applicants"), filed an Application with the State Corporation Commission ("Commission"), pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code"),[1] requesting approval to enter into a bill of sale agreement ("Agreement") for the transfer of certain assets from DEV to VPP (the "Transfer"). Specifically, the Agreement pertains to the sale by DEV to VPP of certain communications and related assets located in Pennsylvania and Maryland (collectively, the "Communications Assets").

Pursuant to the Agreement, DEV proposes to sell the Communications Assets to VPP on an "as is" basis for approximately $32,702, which is the assets' total net book value ("NBV") as of December 31, 2017.[2] The Applicants state that, consistent with the Commission's approval of the transfer of certain docking facility assets in Case No. PUA-1999-00060,[3] and the recent unrelated transfer of certain chemical lab assets from Dominion Energy Services, Inc., to the Company in Case No. PUR-2017-00172,[4] the proposed purchase price of the Communications Assets for the Transfer to VPP is based on the NBV of those assets. The Applicants represent that no unnecessary costs would be imposed on the Company's customers as a result of this Transfer of the Communications Assets; rather, the Company would expend only those costs required for the operation and maintenance of such assets, which would be the same as if the Company continued to own the Communications Assets.[5]

The Agreement contains an Assumption of Liabilities provision, which releases DEV from any liabilities associated with ownership of the Communications Assets once the Transfer is approved. On a prospective basis, the Company would continue to assume all liabilities associated with the ongoing maintenance and operations of the Communications Assets.

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff, is of the opinion and finds that the Agreement for the Transfer of the Communications Assets is in the public interest and should be approved subject to certain requirements set forth in the Appendix attached hereto.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code, the Applicants are hereby granted approval to enter into the Agreement for the Transfer of the Communications Assets, subject to the requirements set forth in the Appendix attached hereto.

(2) This case is dismissed.

APPENDIX

(1) The Commission's approval granted in this case shall have no accounting or ratemaking implications.

(2) The consideration paid for the Transfer shall be equivalent to DEV's net book value of the Communications Assets as of the date of the Transfer.

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[1] Code § 56-76 *et seq.*

[2] In the Application, the NBV of the Communications Assets as of December 31, 2017, is shown as approximately $24,214; however, in response to a Staff Data Request, the Applicants stated that the NBV shown in the Application does not reflect the appropriate depreciation ratio for one of the Communications Assets in Maryland. Therefore, with the updated amount for that asset, the total NBV of the Communications Assets as of December 31, 2017, is $32,702. *See* Applicants' Response to Staff Data Request No. 1-6, Attachment Staff Set 1-6 at Note 1, which is attached as Staff Exhibit 1 to the Action Brief filed in this proceeding by the Commission's Staff. The Applicants represent that should the Commission determine that a date other than December 31, 2017, is more appropriate, the replacement date would be used to determine the NBV and acquisition value. Application at 5, n.4.

[3] *Application of Virginia Electric and Power Company and VP Property, Inc., For approval of affiliate transactions pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUA-1999-00060, 1999 S.C.C. Ann. Rept. 205, Order Granting Approval (Dec. 22, 1999).

[4] *Application of Virginia Electric and Power Company and Dominion Energy Services, Inc., For exemption from or approval to enter into a Bill of Sale Agreement under Chapter 4, Title 56 of the Code of Virginia*, Case No. PUR-2017-00172, Doc. Con. Cen. No. 180210241, Order Denying Exemption and Granting Approval (Feb. 9, 2018).

[5] The Applicants state that the prospective operation and maintenance services related to the Communications Assets to be provided by DEV are described in the Form Affiliates Support Services Agreement, provided as Attachment C to the Application, which would be executed by the Company and VPP pursuant to the exemption for future affiliates approved in Case No. PUR-2017-00111. *See Application of Virginia Electric and Power Company and Dominion Energy Kewaunee, Inc., Dominion Energy Nuclear Connecticut, Inc., Dominion Products and Services, Inc., Dominion Energy Technical Solutions, Inc., Dominion Energy Transmission, Inc., For approval of revised affiliate support services agreements and future exemptions pursuant to Va. Code § 56-76 et seq.*, Case No. PUR-2017-00111, Doc. Con. Cen. No. 171130192, Order Granting Approval (Nov. 20, 2017).

(3) The Applicants shall file with the Commission a signed and executed copy of the Bill of Sale Agreement within sixty (60) days of the effective date of the Order in this case, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director").

(4) The Applicants shall file with the Commission a Report of Action ("Report") within sixty (60) days after the consummation of the Transfer. The Report shall include: (1) the effective date of the Transfer; (2) DEV's actual accounting entries, including any tax-related entries, to record the Transfer; and (3) a schedule of the actual transferred Communications Assets by asset description, quantity, and dollar amount. The Transfer accounting entries shall be in accordance with the Uniform System of Accounts for electric utilities.

(5) The Transfer shall be included in DEV's next Annual Report of Affiliate Transactions submitted to the Commission's UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. The Transfer information shall include the case number, description, Transfer amount, and Report filing date.

(6) The approval granted in this case shall not preclude the Commission from exercising its authority under the provisions of § 56-78 and § 56-80 of the Code hereafter.

(7) The Commission shall reserve the right to examine the books and records of any affiliate in connection with the approval granted in this case whether or not such affiliate is regulated by this Commission.

CASE NO. PUR-2018-00037
MARCH 19, 2018

APPLICATION OF
ROANOKE GAS COMPANY

For authority to receive cash capital contributions from an affiliate pursuant to Va. Code § 56-76 *et seq.*

ORDER GRANTING APPROVAL

On February 26, 2018, Roanoke Gas Company ("Roanoke Gas" or "Company"), filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to the Affiliates Act, Chapter 4 of Title 56 of the Code of Virginia ("Code"),[1] requesting authority to receive cash capital contributions from its corporate parent, RGC Resources, Inc. ("Resources").

According to the Application, Roanoke Gas seeks approval of an affiliate transaction where the company will receive cash capital contributions from Resources, in an aggregate amount, totaling up to $40 million. Roanoke Gas will primarily use the proceeds to support its construction program and to repay short-term debt. Resources will fund the capital contributions to Roanoke Gas through proceeds from common stock equity offerings planned by Resources in 2018.

In support of the Application, the Company provided a Chapter 4 transaction summary, financial statements, and estimated capitalization for fiscal years 2018-2020. According to the transaction summary, the equity cash capital contributions will enable Roanoke Gas to maintain a more appropriate capital structure and to finance its capital requirements.

NOW THE COMMISSION, upon consideration of the Application and the record herein, is of the opinion and finds that the Application is in the public interest and should be approved subject to the requirements set forth in the Appendix attached hereto.

Accordingly, IT IS SO ORDERED, and this case is dismissed.

APPENDIX

1. Roanoke Gas shall file a Report of Action within thirty (30) days of the receipt of any cash capital contributions. The Report of Action shall include the date(s) and amount(s) of any capital contributions made pursuant to the Commission's Order, the use of the proceeds, and an end-of quarter capital structure reflecting the additional equity.

2. Roanoke Gas shall file a Final Report of Action on or before November 30, 2020, to include a summary of the dates and amounts of all cash capital contributions made pursuant to the Commission's Order, the use of the proceeds, and a final capital structure for the quarter ended September 30, 2020.

3. The approval granted in this case shall have no ratemaking implications. Specifically, the approval in this case shall not guarantee the recovery of any costs directly or indirectly related to the proposed cash capital contributions.

4. The approval granted in this case shall not preclude the Commission from exercising its authority under the provisions of §§ 56-78 and 56-80 of the Code hereafter.

5. The Commission reserves the right to examine the books and records of any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

[1] Code § 56-76 *et seq*.

CASE NO. PUR-2018-00038
MAY 23, 2018

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For approval of its 2018 annual update to Rate Schedule PT-1

FINAL ORDER

On March 1, 2018, pursuant to Ordering Paragraph (4) of the Final Order issued by the State Corporation Commission ("Commission") in Case No. PUE-2016-00076 on May 3, 2017,[1] and in accordance with Rule 80 of the Commission's Rules of Practice and Procedure,[2] 5 VAC 5-20-80, Virginia Natural Gas ("VNG" or "Company") filed its application for approval of its first annual adjustment to Rate Schedule PT-1 and requested that the adjusted PT-1 rate be approved effective June 1, 2018 ("Application").

VNG states that Section III.A of the Company's Rate Schedule PT-1 permits the Company to adjust the PT-1 rate annually to reflect any changes in the cost of service components going forward and to refund or recover any difference between actual and recovered operations and maintenance ("O&M") expense.[3] According to the Company, for each year the PT-1 rate is in effect, the Company will update the plant in service, accumulated depreciation, and projected O&M expenses, as well as property tax expense and federal and state tax rates.[4] The Company will also update changes to its depreciation rates and rate of return to reflect the results in each base rate case while the PT-1 rate is in effect.[5] At the end of each 12-month period that the PT-1 rate is in effect, VNG will reconcile the difference between the actual O&M expenses and the amounts recovered through the PT-1 rate.[6] The Company will also include an adjustment to the subsequent year's PT-1 rate to recover or refund the difference in these O&M costs.[7]

In its Application, the Company proposes a revised PT-1 rate of $1.00450 per dekatherm ("Dth").[8] According to the Company, the primary drivers for the increase in the PT-1 rate from $0.94203 per Dth to $1.00450 per Dth are (i) the projected level of total monthly fixed O&M costs, and (ii) the true-up of the under-recovered fixed O&M costs for the period January 1, 2017, through December 31, 2017.[9] The Company included an estimated level of total monthly fixed O&M costs of $70,122, as compared to an actual level of $113,750, resulting in an under-recovery of $43,628 per month.[10] The Company also included forecasted total monthly fixed O&M costs of $95,964 for January 1, 2018, through December 31, 2018.[11] According to the Company, the increase in the PT-1 rate due to O&M costs is offset in part by changes to other components of the rate calculation, including depreciation rates and the federal income tax rate.[12] In December 2017, the federal *Tax Cut and Jobs Act of 2017* ("Act") was enacted, and among other provisions, the Act reduced the federal corporate income tax rate from 35% to 21%, effective January 1, 2018.[13] The Company states that its cost of capital and revenue expansion factor reflects the reduction in the federal income tax rate.[14]

On March 21, 2018, the Commission entered an Order for Notice and Hearing ("Procedural Order") that, among other things, docketed the case, suspended the proposed update to Rate Schedule PT-1 pursuant to § 56-238 of the Code of Virginia to and through June 1, 2018, or until further order of the Commission, whichever is earlier; required the Company to serve a copy of the Application and the Procedural Order on Doswell Limited Partnership, the City of Richmond, Columbia Gas of Virginia, Inc., and Virginia Electric and Power Company (collectively, "Customers"); provided any interested person or entity affected by the Company's Application an opportunity to file comments or request a hearing on the Company's Application; provided the Commission Staff ("Staff") an opportunity to investigate the Application and file with the Commission a report ("Report") or testimony, as appropriate, setting forth the Staff's findings and recommendations on VNG's Application; and permitted the Company to file a response or testimony ("Response"), as appropriate, in rebuttal to the Staff's Report or testimony or any comments or requests for hearing.

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[1] *Application of Virginia Natural Gas, Inc., For authority to revise Rate Schedule PT-1, Pipeline Transportation Service,* Doc. Con. Cen. No. 170510184, Final Order (May 3, 2017).

[2] 5 VAC 5-20-10 *et seq.*

[3] Application at 5.

[4] *Id.* at 6.

[5] *Id.*

[6] *Id.*

[7] *Id.*

[8] *Id.* at 7.

[9] *Id.*

[10] *Id.*

[11] *Id.*

[12] *Id.*

[13] *Id.*

[14] *Id.*

No comments, requests for hearing or notices of participation were filed. On May 8, 2018, Staff filed its Report on the Application. In its Report, Staff did not oppose the proposed rate, but noted that the Company's distribution ratepayers should be held harmless from any deficient returns produced by the PT-1 class in the future.[15] Staff recommended that the Commission approve the proposed rate; that the proposed rate be applied to all Customers; and that the 2011 analysis of property tax expense be reevaluated to a more current year for purposes of allocating property tax expense to the joint use pipeline.[16]

On May 14, 2018, the Company filed its Response to the Report. In its Response, the Company noted that Staff's recommendation on updating the 2011 property tax expense is silent with respect to the timing of the reevaluation and stated that it is the "Company's understanding, consistent with Staff's recommendation, that VNG would update the 2011 property tax expense for incorporation in the next Rate Schedule PT-1 annual update."[17] With that clarification, the Company supported the conclusions and recommendations in the Report.[18]

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that the Application should be approved, including the proposed rate, effective June 1, 2018, and the Company should update the 2011 analysis of property tax expense for incorporation in the next Rate Schedule PT-1 annual update.

Accordingly, IT IS ORDERED THAT:

(1) Company's Application is approved.

(2) Within thirty (30) days of the date of this Order, the Company shall file a copy of the tariff, Rate Schedule PT-1, with the Commission. The Company shall simultaneously submit a copy of the tariff, Rate Schedule PT-1, to the Commission's Division of Public Utility Regulation.

(3) The Company shall update the 2011 analysis of property tax expense for incorporation in the next Rate Schedule PT-1 annual update.

(4) On or before March 1, 2019, the Company shall file with the Commission its annual adjustment to Rate Schedule PT-1.

(5) This case hereby is dismissed.

[15] Report at 5.

[16] *Id.*

[17] Response at 2.

[18] *Id.*

CASE NO. PUR-2018-00039
SEPTEMBER 21, 2018

APPALACHIAN POWER COMPANY,
Petitioner,
v.
COLLEGIATE CLEAN ENERGY, LLC,
Respondent

FINAL ORDER

On February 28, 2018, Appalachian Power Company ("Appalachian") filed a complaint ("Complaint") with the State Corporation Commission ("Commission") against Collegiate Clean Energy, LLC ("Collegiate") pursuant to 20 VAC 5-312-10 *et seq.* ("Retail Access Rules"), requesting that the Commission suspend or revoke the license of Collegiate to conduct business as a competitive service provider ("CSP"). Appalachian asserts that it is an interested party as set out in Rule 20 VAC 5-312-40 of the Retail Access Rules.[1]

In its Complaint, Appalachian states that Collegiate is a CSP licensed to provide service in Appalachian's Virginia service territory.[2] In support of Appalachian's requested license suspension or revocation, Appalachian asserts that Collegiate is in violation of, among other things, the Retail Access Rules.

On March 9, 2018, the Commission issued an Order Appointing Hearing Examiner, which assigned a Hearing Examiner to conduct all further proceedings in this matter.

On August 17, 2018, Senior Hearing Examiner Alexander F. Skirpan, Jr., issued a Report in this matter, which summarized the record and made specific findings and recommendations ("Hearing Examiner's Report").

On September 6, 2018, Appalachian filed comments on the Hearing Examiner's Report ("Appalachian's Comments"). On September 7, 2018, Collegiate filed comments on the Hearing Examiner's Report ("Collegiate's Comments").

[1] Complaint at 2. In addition, Rule 20 VAC 5-312-70 of the Retail Access Rules has been referred to in this proceeding as the "Marketing Rules."

[2] *Id*. at 1.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

Code of Virginia

Collegiate is a CSP that offers to sell to its customers electric energy provided 100% from renewable energy pursuant to Code §§ 56-576 and 56-577(A)(5).[3]

Code § 56-576 defines renewable energy as follows:

> "Renewable energy" means energy derived from sunlight, wind, falling water, biomass, sustainable or otherwise, (the definitions of which shall be liberally construed), energy from waste, landfill gas, municipal solid waste, wave motion, tides, and geothermal power, and does not include energy derived from coal, oil, natural gas, or nuclear power. Renewable energy shall also include the proportion of the thermal or electric energy from a facility that results from the co-firing of biomass.

Code § 56-577(A)(5) states as follows:

> After the expiration or termination of capped rates, individual retail customers of electric energy within the Commonwealth, regardless of customer class, shall be permitted:
>
> a. To purchase electric energy provided 100 percent from renewable energy from any supplier of electric energy licensed to sell retail electric energy within the Commonwealth, other than any incumbent electric utility that is not the incumbent electric utility serving the exclusive service territory in which such a customer is located, if the incumbent electric utility serving the exclusive service territory does not offer an approved tariff for electric energy provided 100 percent from renewable energy; and
>
> b. To continue purchasing renewable energy pursuant to the terms of a power purchase agreement in effect on the date there is filed with the Commission a tariff for the incumbent electric utility that serves the exclusive service territory in which the customer is located to offer electric energy provided 100 percent from renewable energy, for the duration of such agreement.

In addition, the Hearing Examiner explained that the United States Environmental Protection Agency defines a Renewable Energy Certificate ("REC") as follows: "a market-based instrument that represents the property rights to the environmental, social and other non-power attributes of renewable electricity generation. RECs are issued when one [MWh] of electricity is generated and delivered to the electricity grid from a renewable energy resource."[4]

Hearing Examiner's Report

The Hearing Examiner addressed both of Appalachian's allegations against Collegiate, which are as follows:[5]

> 1. [Collegiate] is delivering energy to its customers that [Collegiate] cannot guarantee or truthfully represent is "renewable," because [Collegiate] does not retire or retain the [REC] associated with each [MWh] it delivers; and
>
> 2. [Collegiate] has refused to comply with its obligation under the Retail Access Rules to respond to Appalachian's request, pursuant to [the Marketing Rules], to provide documentation that substantiates its claims that the energy it provides to its customers is "renewable" . . . [and there is no] evidence that [Collegiate's] marketing materials make clear that a REC can only be used once if a MWh is to retain its renewable characteristic.

The Hearing Examiner made the following findings and recommendations:[6]

> 1. Collegiate should be directed to retain or retire RECs associated with the renewable energy it supplies its customers;
>
> 2. Pursuant to the Marketing Rules, Collegiate was required to provide a prompt response to Appalachian's request for information, and that a response after four-and-a-half months is not a prompt response;
>
> 3. Collegiate should be directed to establish written procedures to document and track any future requests received pursuant to Subsection E of the Marketing Rules;
>
> 4. If the Commission agrees with [the Hearing Examiner's] finding that Collegiate should be directed to retain or retire RECs associated with the renewable energy it supplies its customers, then Appalachian's allegation that Collegiate's marketing materials fail to make clear that a REC can only be used once if a MWh is to retain its renewable characteristic is moot and no such statement would be required in Collegiate's marketing information;

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[3] *See e.g.*, Hearing Examiner's Report at 12.

[4] *Id*. at 3 n.7 (citing https://www.epa.gov/greenpower/renewable-energy-certificates-recs).

[5] *Id.* at 12 (citations omitted).

[6] *Id.* at 18-19.

5. In the alternative, if the Commission agrees with Collegiate that it may provide customers both the renewable energy and the associated RECs, then Collegiate should be directed to include on its website and other marketing material conspicuous statements that for energy to be considered renewable, such energy must retain its associated RECs; and

6. Collegiate's License should not be suspended or revoked, subject to its compliance with the Commission's Order making the above directives.

Decision

The Commission adopts the Hearing Examiner's findings and recommendations as set forth below.[7]

For purposes of implementing retail choice under Code § 56-577, the Commission exercises a legislative function delegated to it by the General Assembly. As explained by the Supreme Court of Virginia, "[w]hen a statute delegates such authority to the Commission, we presume that any limitation on the Commission's discretionary authority by the General Assembly will be clearly expressed in the language of the statute."[8] In this instance, the language of the statute neither prohibits nor requires the retention or retirement of RECs for purposes of selling renewable energy under Code § 56-577(A)(5). Accordingly, the Hearing Examiner properly found that "the question of whether Collegiate must retain or retire RECs associated with renewable energy it supplies to its customers is within the Commission's discretion to decide."[9]

As noted above, RECs represent the property rights to the environmental, social, and other non-power attributes of renewable electricity generation. In short, a REC represents the renewable attribute of renewable energy. For each MWh of renewable energy that Collegiate delivers under Code § 56-577(A)(5), there is a corresponding REC.[10] If that REC is not retired or retained by Collegiate, it can then be sold or otherwise separated from the energy provided by Collegiate.[11] In such instance, the Commission finds that if the REC can be used later to represent the renewable attribute of renewable energy, then the energy sold by Collegiate did not contain that renewable attribute. For purposes of selling renewable energy under Code § 56-577(A)(5), we find that renewable energy – without the renewable attribute – is just energy. As a result, Collegiate is directed to retain or retire the RECs associated with the renewable energy it supplies to its customers.[12]

Collegiate is also directed to establish written procedures to document and track any future requests received pursuant to Subsection E of the Marketing Rules.[13] In addition, as proposed by Collegiate and in furtherance of this directive, Collegiate shall: (a) maintain a log that documents the receipt of all future requests received pursuant to Subsection E of the Marketing Rules and that documents the timing of responses to such future requests; and (b) make such log available upon request of the Commission's Staff.[14]

Finally, as also recommended by the Hearing Examiner, Collegiate's License is not suspended or revoked, subject to its compliance with the Commission's Final Order herein.[15]

In sum, as of the date of this Final Order, Collegiate shall retain or retire the RECs associated with the energy it supplies to *new* customers under Code § 56-577(A)(5). For *existing* customers taking service under Code § 56-577(A)(5), Collegiate shall commence retaining or retiring the RECs associated therewith within 90 days from the date of this Final Order.[16]

Accordingly, IT IS SO ORDERED, and this case is dismissed.

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[7] Having done so, recommendation 5, above, is now moot.

[8] *City of Alexandria v. State Corp. Comm'n*, 2018 WL 4140586, at *9 (2018) (quoting *Virginia Elec. & Power Co. v. State Corp. Comm'n*, 284 Va. 726, 741 (2012)).

[9] Hearing Examiner's Report at 14. Neither Appalachian nor Collegiate object to this finding. *See, e.g.,* Appalachian's Comments at 4; Collegiate's Comments at 4.

[10] *See, e.g.,* Hearing Examiner's Report at 12.

[11] *See, e.g., id.*

[12] *See, e.g., id*. at 15.

[13] Neither Collegiate nor Appalachian opposed this recommendation. *See, e.g.,* Collegiate's Comments at 7; Appalachian's Comments at 4. Collegiate also did "not object to the [Hearing Examiner's] Report's finding that Collegiate should have provided a prompt response to [Appalachian's] inquiry and should implement measures in the future to ensure a prompt response to such inquiries." Collegiate's Comments at 7.

[14] *Id*. at 7-8.

[15] Neither Collegiate nor Appalachian opposed this recommendation. *See, e.g.,* Collegiate's Comments at 2-3; Appalachian's Comments at 4. Although no sanctions are imposed herein, the Commission confirms that, consistent with the Retail Access Rules, CSPs are subject to sanctions for violations of the Retail Access Rules, their licenses, and the Code. *See* Appalachian's Comments at 4. The Commission further confirms that it encourages utilities and interested parties to attempt to resolve disputed matters in an informal and timely manner if possible. *See* Collegiate's Comments at 8.

[16] The Commission also notes that both Appalachian and Collegiate recognized this matter involved questions of first impression. For example, while Appalachian continues to submit "that sanctions are appropriate, Appalachian acknowledges that this is the first proceeding in which the Commission has been presented with violations such as those set out in the [Hearing Examiner's] Report." Appalachian's Comments at 4. Similarly, while Collegiate "believes it is also reasonable" for the Commission *not* to require retention or retirement of RECs herein, Collegiate will cease providing RECs to its customers if directed by the Commission and requests (as recommended by the Hearing Examiner) that it "be given reasonable time" to do so. Collegiate's Comments at 4, 7.

CASE NO. PUR-2018-00040
APRIL 24, 2018

APPLICATION OF
COLUMBIA GAS OF VIRGINIA INC.

For reauthorization of gas supply and other supply related agreements under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On March 1, 2018, Columbia Gas of Virginia, Inc. ("CVA"), filed an application ("Application") requesting that the State Corporation Commission ("Commission") reauthorize certain gas supply and other supply-related contracts ("Base Contract(s)") between CVA, Columbia Gas of Ohio, Inc., Columbia Gas of Pennsylvania, Inc., Columbia Gas of Kentucky, Inc., Columbia Gas of Maryland, Inc., and Bay State Gas Company, which operates as Columbia Gas of Massachusetts (collectively, the "Affiliate LDCs"),[1] for an additional five-year period. CVA also requests approval to execute individual transaction confirmations ("Transactions")[2] under each of the Base Contracts[3] without further approval from the Commission through the reauthorization period. CVA further requests continued approval to enter into Base Contracts with future regulated affiliate distribution companies ("Future LDC Affiliates"), without separate approval of the Commission, to be effective for the five-year authorization period requested, subject to the same terms and conditions applicable to the referenced Affiliate LDCs. The Commission previously granted limited duration approval of these requests in Case Nos. PUA-2001-00068,[4] PUE-2003-00219,[5] PUE-2005-00044,[6] PUE-2008-00038,[7] and PUE-2013 00024.[8] CVA represents that the Base Contracts with the Affiliate LDCs, which are included as Attachments C and D to the Application, have not changed since they were approved in the PUE-2013-00024 Order.

CVA also represents that, while the gas supply-related Transactions between CVA and its affiliates have been relatively infrequent in the past, they have been beneficial in supplementing CVA's gas supply needs in a reliable and cost-effective manner. CVA is currently required to include the Transactions, including the timing, nature, pricing, and basis of such pricing in its Annual Report of Affiliate Transactions in compliance with the applicable Orders in the previous five cases.

NOW THE COMMISSION, upon consideration of the Application and the record herein and having been advised by its Staff through Staff's Action Brief, is of the opinion and finds that the proposed Base Contracts and Transactions, and authority to enter into Base Contracts and Transactions with Future LDC Affiliates without separate approval (collectively "Base Contracts and Transactions"), is in the public interest and should be approved subject to the requirements set forth in the Appendix attached hereto.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code, the Base Contracts and Transactions are approved subject to the requirements outlined in the Appendix attached to this Order.

(2) This case is dismissed.

APPENDIX

1) The Commission's approval of the Base Contracts and Transactions shall be limited to five (5) years from the date of the Order in this case. Should the Applicants wish to continue under the Base Contracts and Transactions beyond that date, separate Commission approval shall be required.

2) The Commission's approval shall be limited to the specific Transactions identified in the Base Contracts. Should CVA wish to enter into additional Transactions that are not specifically identified in the Base Contracts, separate Commission approval shall be required.

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[1] The Affiliate LDCs are wholly owned subsidiaries of NiSource Gas Distribution Group, Inc. ("NGDG"). NGDG is a wholly owned subsidiary of NiSource Inc. Since the Affiliate LDCs are wholly owned subsidiaries of NiSource Inc., the companies are considered affiliated interests of CVA under § 56-76 *et seq.* of the Code of Virginia.

[2] Transaction Confirmations specify the details of each transaction with respect to such key contract terms as quantity, price, term, delivery, and receipt points and any other special provisions of the transaction.

[3] The Base Contracts establish the general terms and conditions governing purchases, sales, and/or exchanges of gas between the parties.

[4] *Application of Columbia Gas of Virginia, Inc., For approval of gas supply and other related supply arrangements*, Case No. PUA-2001-00068, 2002 S.C.C. Ann. Rept. 173, Order Granting Approval (Feb. 19, 2002).

[5] *Application of Columbia Gas of Virginia, Inc., For approval of gas supply and other related supply arrangements pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2003-00219, 2003 S.C.C. Ann. Rept. 516, Order Granting Approval (Aug. 13, 2003).

[6] *Application of Columbia Gas of Virginia, Inc., For approval of gas supply and other related supply arrangements pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2005-00044, 2005 S.C.C. Ann. Rept. 441, Order Granting Approval (Aug. 10, 2005).

[7] *Application of Columbia Gas of Virginia, Inc., For approval of gas supply and other related supply arrangements pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2008-00038, 2008 S.C.C. Ann. Rept. 530, Order Granting Approval (July 3, 2008).

[8] *Application of Columbia Gas of Virginia, Inc., For reauthorization of gas supply and other related agreements with affiliates under Chapter 4 of Title 56 of the Code of Virginia,* Case No. PUE-2013-00024, 2013 S.C.C. Ann. Rept. 387, Order Granting Approval (June 4, 2013).

3) CVA shall maintain records necessary to show that, at any particular time, gas purchases from the Affiliate LDCs or Future LDC Affiliates were made at the lowest possible cost, and that gas sales to the Affiliate LDCs or Future LDC Affiliates were made at the highest possible price.

4) Separate Commission approval shall be required for any changes in the terms and conditions of the Base Contracts and Transaction Confirmations.

5) The Commission's approval herein shall have no ratemaking implications.

6) The approval granted herein shall not preclude the Commission from exercising the provisions of § 56-78 and § 56-80 of the Code of Virginia hereafter.

7) The Commission reserves the right to examine the books and records of any affiliate in connection with the approval granted in this case whether or not such affiliate is regulated by this Commission.

8) All transactions shall be reflected in CVA's monthly service company bill and included in CVA's Annual Report of Affiliate Transactions ("ARAT"), submitted to the Director of the Commission's Division of Utility Accounting and Finance ("UAF Director") on May 1 of each year, subject to administrative extension by the UAF Director, and shall include the following information:

(a) The case number in which the Base Contracts were approved;
(b) A description of each Transaction;
(c) A calendar year annual schedule, in Excel electronic spreadsheet format with formulas intact, showing transactions provided by CVA to any of the Affiliate LDCs by month, type of service, FERC account, and amount as they are recorded on CVA's books; and
(d) A calendar year annual schedule, in Excel electronic spreadsheet format with formulas intact, transactions received by CVA from any of the Affiliate LDCs, type of service, FERC account, and amount as they are recorded on CVA's books.

9) In the event that CVA's rate proceedings are not based on a calendar year, then CVA shall include the affiliate information contained in its ARAT for the test period in such filings.

CASE NO. PUR-2018-00041
JULY 25, 2018

APPLICATION OF
SHENANDOAH VALLEY ELECTRIC COOPERATIVE

For approval of prepaid electric service tariff

ORDER ON APPLICATION

On March 7, 2018, Shenandoah Valley Electric Cooperative ("SVEC" or "Cooperative") filed with the State Corporation Commission ("Commission") an application pursuant to § 56-247.1 A 7 of the Code of Virginia ("Code") requesting approval of a new proposed voluntary tariff, Schedule PES ("Prepaid Tariff"), to allow certain residential customers to establish and maintain a prepaid balance for their electric service ("Application").[1] The Cooperative also proposed the addition of a new Appendix B to its Terms and Conditions of Service to address SVEC's prepaid electric service ("Prepaid Service").[2]

On April 5, 2018, the Commission issued an Order for Notice and Comment in this proceeding that, among other things, docketed this proceeding; directed SVEC to provide public notice of its Application; provided an opportunity for interested persons to comment or request a hearing on the Application; and directed the Commission's Staff ("Staff") to investigate the Application and file a report containing the Staff's findings and recommendations
("Staff Report").[3]

On June 28, 2018, Staff filed its Staff Report recommending that, consistent with prior orders, the Commission direct SVEC to: (1) file a report including the items found in Attachment ATB-1 on an annual basis from the date on which its Prepaid Service program is first available to customers; (2) include the costs and revenues associated with Prepaid Service in the cost of service studies of future rate filings; (3) work with Staff to formulate customer education materials prior to offering Prepaid Service to its customers; and (4) address offering in-home display ("IHD") devices to customers receiving service under the Prepaid Tariff.[4] Staff concluded that, should the Cooperative comply with these recommendations, the proposed Prepaid Tariff is not contrary to the public interest.[5] Further, Staff recommended that, for clarity, SVEC amend Schedule PES page 1 as well as Section IV. C. 1 of Appendix B to reflect explicitly how payments and fees will be applied at the commencement of service.[6]

[1] Application at 1.

[2] Direct Testimony of J. Michael Aulgur at 10.

[3] No one filed comments or requested a hearing in this proceeding.

[4] Staff Report at 10.

[5] *Id.*

[6] *Id.*

On July 12, 2018, SVEC filed its response to the Staff Report ("Response"). In its Response, SVEC stated that, other than Staff's recommendations concerning IHD devices, the Cooperative does not oppose Staff's recommendations and conclusions.[7] Regarding the IHD devices, SVEC maintained that it is not necessary for the Cooperative to offer IHD devices to its Prepaid Service customers and requested that the Commission approve the Application without imposing any requirements related to IHD devices.[8] However, SVEC requested that, should the Commission determine that the Cooperative should offer IHD devices to its Prepaid Service customers, the Commission suspend the IHD device requirement, consistent with prior orders.[9]

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds as follows:

Code § 56-247.1 A 7 expressly allows an electric cooperative such as SVEC to provide certain prepaid electric service. Specifically, the statute provides:

> [The Cooperative] may install and operate, upon a customer's request and pursuant to an appropriate tariff for any type or classification of service, a prepaid metering equipment and system that is configured to terminate electric service immediately and automatically when the customer has incurred charges for electric service equal to the customer's prepayments for such service.[10]

This statute further mandates that "[s]uch tariffs shall be filed with the Commission for its review and determination that the tariff is not contrary to the public interest."[11]

We find that SVEC's tariff for Prepaid Service is not contrary to the public interest, provided the Cooperative incorporates the recommendations in the Staff Report. Specifically, SVEC shall: (1) file a report including the items found in Attachment ATB-1 (attached hereto) on an annual basis from the date on which its Prepaid Service program is first available to customers; (2) include the costs and revenues associated with Prepaid Service in the cost of service studies of future rate filings; (3) work with Staff to formulate customer education materials, to ensure accuracy and clarity, prior to offering Prepaid Service to its customers; and (4) amend Schedule PES page 1 as well as Section IV. C. 1 of Appendix B as set forth in Attachment A to SVEC's Response.

With regard to IHD devices, the Commission finds that SVEC should be required to offer members choosing prepaid electric service an IHD device, with this requirement being suspended pending further review and action by the Commission after the receipt of one or more annual reports. SVEC shall include in the annual report discussed above, sufficient data to perform a cost-benefit analysis of deploying IHD devices.

Accordingly, IT IS ORDERED THAT:

(1) SVEC's Application is approved as modified herein.

(2) The Cooperative shall file the Prepaid Tariff approved herein with the Clerk of the Commission no less than thirty (30) days prior to offering Prepaid Service to customers. The Clerk of the Commission shall retain such filing for public inspection in person and on the Commission's website: http://www.scc.virginia.gov/case.

(3) This matter is continued.

NOTE: A copy of Attachment ATB-1 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.

[7] Cooperative's Response at 2. In Attachment A to its Response, SVEC included clean and redlined versions of Schedule PES page 1 and Appendix B to clarify the treatment of the initial $50 payment. *Id.*

[8] Cooperative's Response at 2. SVEC also requested that the Commission confirm that Staff's recommended reporting requirements related to IHD devices are unnecessary. *Id.* at 2 n1.

[9] Cooperative's Response at 2.

[10] Code § 56-247.1 A 7.

[11] *Id.*

CASE NO. PUR-2018-00042
DECEMBER 19, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For revision of rate adjustment clause: Rider U, new underground distribution facilities, for the rate year commencing February 1, 2019

FINAL ORDER

On March 19, 2018, Virginia Electric and Power Company ("Dominion" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for revision of a rate adjustment clause ("RAC"), designated Rider U, pursuant to, among other provisions, § 56-585.1 A 6 ("Section A 6") of the Code of Virginia ("Code"), as amended by Senate Bill 966 ("SB 966") passed during the 2018 Virginia General Assembly regular session.[1] Through its Application, the Company seeks to recover costs associated with Phase One, Phase Two, and Phase Three of the Company's Strategic Underground Program ("SUP") for the rate year February 1, 2019, through January 31, 2020 ("2019 Rate Year").

[1] 2018 Va. Acts Ch. 296. SB 966 was signed into law by the Governor on March 9, 2018.

Specifically, the Company seeks an annual update to approved cost recovery associated with the SUP. The Company also seeks cost recovery of the remaining balance of costs associated with Phase Two of the SUP, which the Commission rejected previously for recovery through Rider U.[2] Finally, the Company seeks cost recovery for Phase Three of the SUP, designed to convert an additional 416 miles of overhead tap lines to underground at a capital investment cost of approximately $179.0 million, with an average cost-per-mile of $430,000 and an average cost-per-customer undergrounded of $13,299.[3]

In total, the Company seeks approval of a revised Rider U with an associated revenue requirement in the amount of $71.149 million for the 2019 Rate Year.[4] For purposes of the projected revenue requirements, the Company proposes a 9.2% return on equity, as approved by the Commission in its Final Order in Case No. PUR-2017-00038.[5] Through its Application, Dominion also proposes a new method of cost allocation between the Virginia Jurisdictional and Virginia Non-Jurisdictional customers.[6]

The impact on customer bills of revised Rider U will depend on the customer's rate schedule and usage. The Company asserts that implementation of its proposed Rider U beginning on February 1, 2019, would increase the monthly bill of a residential customer using 1,000 kilowatt-hours per month by $1.33 over the current Rider U, for a total Rider U bill impact of $1.92 per month.[7]

On April 2, 2018, the Commission issued an Order for Notice and Hearing that, among other things, established procedures for this matter, permitted interested persons to participate, and scheduled an evidentiary hearing. The Order for Notice and Hearing also appointed a Hearing Examiner to conduct all further proceedings on the Application and to file a report to the Commission, containing the Hearing Examiner's findings and recommendations.

The following filed notices of participation in this case: the Apartment and Office Building Association of Metropolitan Washington ("AOBA"); the Board of Supervisors of Culpeper County, Virginia; and the Virginia Attorney General's Office, Division of Consumer Counsel. On June 12, 2018, AOBA and Consumer Counsel prefiled testimony.[8] On June 26, 2018, Staff prefiled testimony.[9] On July 10, 2018, the Company filed rebuttal testimony.[10] The Commission received both written and oral comments on the Application.

On July 24, 2018, the Hearing Examiner convened a public evidentiary hearing on the Application. On September 7, 2018, the Company, AOBA, Consumer Counsel, and the Commission Staff ("Staff") filed post-hearing briefs. On November 8, 2018, the Hearing Examiner issued the Report of Deborah V. Ellenberg, Chief Hearing Examiner ("Report") making findings and recommendations to the Commission. On November 29, 2018, Dominion and Consumer Counsel filed comments on the Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows:

Code of Virginia

Section A 6 provides for the recovery of certain underground facilities through a RAC:

> To ensure the generation and delivery of a reliable and adequate supply of electricity, to meet the utility's projected native load obligations and to promote economic development, a utility may at any time, after the expiration or termination of capped rates, petition the Commission for approval of a rate adjustment clause for recovery on a timely and current basis from customers of the costs of . . . (iv) one or more new underground facilities to replace one or more existing overhead distribution facilities of 69 kilovolts or less located within the Commonwealth, . . .

Section A 6 limits when a utility may file for a RAC to recover costs associated with "one or more new underground facilities to replace one or more existing overhead distribution facilities of 69 kilovolts or less located in the Commonwealth":

> subject to the provisions of the following sentence, the utility shall not file a petition under clause (iv) more often than annually and, in such petition, shall not seek any annual incremental increase in the level of investments associated with such a petition that exceeds five percent of such utility's distribution rate base, as such rate base was determined for the most recently ended 12-month test period in the utility's latest review proceeding conducted pursuant to subdivision 3 and concluded by final order of the Commission prior to the date of filing of such petition under clause (iv).

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[2] *See, e.g.,* Ex. 2 (Application) at 5. In Case No. PUE-2016-00136, the Commission limited cost recovery of Phase Two costs through Rider U to $40.0 million. *See Application of Virginia Electric and Power Company, For revision of a rate adjustment clause: Rider U, new underground distribution facilities, for the rate year commencing September 1, 2017*, Case No. PUE-2016-00136, Final Order, 2017 S.C.C. Ann. Rept. 406, 410 (Sept. 1, 2017).

[3] Ex. 2 (Application) at 5. The Company seeks to recover only the costs of Phase Three projects completed prior to February 1, 2019. *Id*. at 6.

[4] Dominion's Comments on the Hearing Examiner's Report at 2.

[5] Ex. 2 (Application) at 6. *Application of Virginia Electric and Power Company, For the determination of the fair rate of return on common equity to be applied to its rate adjustment clauses*, Case No. PUR-2017-00038, 2017 S.C.C. Ann. Rept. 475, Final Order (Nov. 29, 2017).

[6] Ex. 2 (Application) at 8-9.

[7] *Id.* at 9; Ex. 30 (Crouch Rebuttal) at 12.

[8] On July 23, 2018, AOBA filed supplemental testimony.

[9] On July 17, 2018, Staff filed supplemental testimony.

[10] The Company also filed corrected schedules on this date.

Pursuant to Section A 6, costs relating to "one or more new underground facilities to replace one or more existing overhead distribution facilities of 69 kilovolts or less" include:

> costs of the facility, as accrued against income, . . . including projected construction work in progress, and any associated allowance for funds used during construction, planning, development and construction or acquisition costs, life-cycle costs, costs related to assessing the feasibility of potential sites for new underground facilities, and costs of infrastructure associated therewith, plus, as an incentive to undertake such projects, an enhanced rate of return on common equity calculated as specified below;

Section A 6 further contains a public-policy declaration and limits the Commission's discretion to approve such cost recovery:

> The replacement of any subset of a utility's existing overhead distribution tap lines that have, in the aggregate, an average of nine or more total unplanned outage events-per-mile over a preceding 10-year period with new underground facilities in order to improve electric service reliability is in the public interest. In determining whether to approve petitions for rate adjustment clauses for such new underground facilities that meet this criteria, and in determining the level of costs to be recovered thereunder, the Commission shall liberally construe the provisions of this title.
>
> . . . in determining the amounts recoverable under a rate adjustment clause for new underground facilities, the Commission shall not consider, or increase or reduce such amounts recoverable because of (a) the operation and maintenance costs attributable to either the overhead distribution facilities being replaced or the new underground facilities or (b) any other costs attributable to the overhead distribution facilities being replaced. Notwithstanding the preceding sentence, the costs described in clauses (a) and (b) thereof shall remain eligible for recovery from customers through the utility's base rates for distribution service.

Section A 6 also addresses who should pay for such underground facilities: "No rate adjustment clause for new underground facilities shall allocate costs to, or provide for the recovery of costs from, . . . the large general service rate classes for a Phase II Utility." Section A 6 also supplants the Commission's certificate authority with respect to such facilities: "New underground facilities are hereby declared to be ordinary extensions or improvements in the usual course of business under the provisions of § 56-265.2." In addition, Code § 56-585.1 A 7 declares that "[a]ny petition filed pursuant to subdivision 4, 5, or 6 shall be considered by the Commission on a stand-alone basis without regard to the other costs, revenues, investments, or earnings of the utility."

The 2018 Session of the Virginia General Assembly enacted legislation (SB 966), which revised Section A 6 and further limited the Commission's discretion as follows (emphases added):

> The conversion of any such facilities on or after September 1, 2016, is *deemed* to provide local and system-wide benefits *and* to be cost beneficial, and the costs associated with such new underground facilities are *deemed* to be reasonably and prudently incurred and, notwithstanding the provisions of subsection C or D, *shall be approved* for recovery by the Commission pursuant to this subdivision, provided that the total costs associated with the replacement of any subset of existing overhead distribution tap lines proposed by the utility with new underground facilities, exclusive of financing costs, shall not exceed an average cost per customer of $20,000, with such customers, including those served directly by or downline of the tap lines proposed for conversion, and, further, such total costs shall not exceed an average cost per mile of tap lines converted, exclusive of financing costs, of $750,000.

Section A 6, inclusive of the SB 966 amendment, further provides that:

> In all proceedings regarding petitions filed under clause (iv) or (vi), the level of investments approved for recovery in such proceedings shall be in addition to, and not in lieu of, levels of investments previously approved for recovery in prior proceedings under clause (iv) or (vi), as applicable. As of December 1, 2028, any costs recovered by a utility pursuant to clause (iv) shall be limited to any remaining costs associated with conversions of overhead distribution facilities to underground facilities that have been previously approved or are pending approval by the Commission through a petition by the utility under this subdivision.

Finally, pursuant to Enactment Clause 20 of SB 966, "the provisions of [SB 966] shall apply to any applications pending with the State Corporation Commission regarding new underground facilities or offshore wind facilities on or after January 1, 2018." The instant Application was filed March 19, 2018. Therefore, SB 966 applies.

History

This is Dominion's fourth Rider U application. The Commission denied Dominion's first Rider U application.[11] While applying the applicable statutes, including liberally construing the relevant provisions of Section A 6 at the time, the Commission stated expressly in the 2015 Rider U Order that it could not find Dominion's initial proposed investment in the SUP was reasonable, prudent, and in the public interest.[12] The Commission found that, "Dominion did not present evidence to establish that its proposed level of spending for the first portion of the SUP is cost effective based on any reasonable criteria."[13] Dominion had conducted no cost-benefit analysis.[14] Dominion had failed to establish "that its proposed first-year SUP would result in specific

[11] *See Application of Virginia Electric and Power Company, For approval of a rate adjustment clause: Rider U, new underground distribution facilities, for the rate year commencing September 1, 2015*, Case No. PUE-2014-00089, 2015 S.C.C. Ann. Rept. 239, Final Order (July 30, 2015) ("2015 Rider U Order").

[12] *Id.* at 240.

[13] *Id.*

[14] *Id*. at 241.

reliability improvements justifying such an extensive, and expensive, program."[15] Dominion presented no evidence showing that it considered whether any alternatives to its proposed SUP could increase reliability at a lower, and reasonable, cost to ratepayers.[16] The Commission noted in the 2015 Rider U Order that a limited, pilot-type program "specifically targeting tap lines with the worst reliability records and that would be used to provide realistic cost-benefit analyses and credible measurements of any demonstrative improvements in reliability, could reasonably satisfy the statutory requirements attendant to Rider U."[17] Dominion, however, had proposed no such limited, pilot-type program in that case.

The Commission approved Dominion's second Rider U application, for Phase One of the SUP, as a limited pilot-type program in 2016.[18] When approving Phase One, the Commission expressly noted in its Final Order that "detailed evidence demonstrating both the local and system-wide benefits – and establishing that the SUP is and will be cost effective on *both* a local and system-wide basis – will be paramount in any future SUP proceeding."[19]

Dominion filed its third Rider U application in December 2016. Section A 6, at the time Dominion filed its application, included rebuttable presumptions, a public interest declaration, and again required that the Commission liberally construe the provisions of the title.[20] Based in part on the fact that the proposed SUP in that case (Phase Two) would serve fewer than 1% of Dominion's customers directly at a cost of $110 million dollars, the Commission again rejected Dominion's proposed SUP in 2016 and approved instead a more targeted, limited-scale Phase Two – for the purpose of extending the pilot-type program approved for Phase One.[21] The Commission found that the rebuttable presumptions in the statute had been rebutted: (1) Dominion's proposed new underground facilities were not cost-beneficial; and (2) the costs associated therewith were not reasonable and prudent.[22] In approving the limited Phase Two program, the Commission noted that "a rebuttable presumption is fundamentally different from a *per se* rule . . . . The General Assembly . . . could have – but did not – mandate approval of a SUP at any cost, in any manner of implementation, and no matter how burdensome to customers in relation to the benefits received."[23]

With the passage of SB 966, described above, the General Assembly has since mandated Commission approval of a SUP meeting certain statutory requirements. The General Assembly has deemed certain tap lines meeting the statutory criteria of *average* cost parameters to have local and system-wide benefits and to be cost-beneficial. The General Assembly has further pre-determined that the costs of such tap lines have been incurred reasonably and prudently. Legally, the General Assembly has removed the Commission's discretion to make such findings based on the actual evidence admitted into the record.

Evidence

The evidence in this case includes that listed below.

Total cost of the SUP

- The lifetime revenue requirement of the entire SUP is approximately $5.8 billion, which includes recovery of costs and a return on equity on approximately $2 billion of capital costs.[24]

Revenue requirement

- In the instant case, Dominion seeks a revenue requirement of $71.149 million consisting of $18.119 million for Phases One and Two, and $53.030 million for proposed Phase Three and remaining Phase Two costs.[25]

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[15] *Id.* at 240-41.

[16] *Id.* at 241.

[17] *Id.*

[18] *Application of Virginia Electric and Power Company, For establishment of a rate adjustment clause: Rider U, new underground distribution facilities, for the rate year commencing September 1, 2016*, Case No. PUE-2015-00114, 2016 S.C.C. Ann. Rept. 305, Final Order (Aug. 22, 2016) ("2016 Rider U Order").

[19] *Id.* at 307 (emphasis in original).

[20] *See Application of Virginia Electric and Power Company, For establishment of a rate adjustment clause: Rider U, new underground distribution facilities, for the rate year commencing September 1, 2017*, Case No. PUE-2016-00136, 2016 S.C.C. Ann. Rept. 406, Final Order (Sept. 1, 2017) (describing Section A 6 at the time).

[21] *Id.* at 408, 410.

[22] *Id.* at 409.

[23] *Id.* (emphasis in original).

[24] *See, e.g.,* Ex. 19 (Davis) at 13.

[25] Dominion's Comments on the Hearing Examiner's Report at 2.

Direct customer impacts

- Dominion estimates less than 1%, approximately 0.36% (8,578 customers) of its total 2.4 million Virginia customers, will be served directly from the tap lines converted to underground service in Phase Three of the SUP.[26]
- Only another approximately 0.20% (4,872 customers) of Dominion's total Virginia customers will be served "down line" from these Phase Three conversions.[27]
- At the completion of the SUP, Dominion anticipates it will have undergrounded a total of approximately 4,000 miles of tap lines, approximately 8% of its distribution service, over 10 years.[28]

Impact on customer bills

- Dominion proposes to assign 93.15% of the total rate year cost of its proposed underground conversion projects to the jurisdictional customers in its Virginia service territory.[29]
- Dominion estimates its proposed revisions to Rider U will increase the total bill for *all* residential customers by approximately $1.33 per month over the current Rider U charges.[30]
- Dominion estimates the total Rider U impact on *all* residential customers to be an increase of $1.92 per month.[31]
- Dominion estimates that by 2028, the total Rider U impact on *all* residential customers' monthly bills will be $5.16.[32]

Cost benefit analysis

- Dominion's Application included no independent analysis demonstrating that Phase Three of the SUP is cost-beneficial to customers.[33]

Cost of conversion

- The 14 highest cost conversions in Phases Two and Three ranged in cost from $159,710 to $299,149 per customer, well above the average cost-per-customer cap of $20,000 set forth in the statute.[34]
- The highest cost-per-customer tap line in Phase Two of the SUP had an estimated lifetime revenue requirement per customer of $597,119.[35]
- The highest cost-per-customer tap line in Phase Three of the SUP had an estimated lifetime revenue requirement per customer of $759,565.[36]
- Dominion calculated an *average* cost-per-customer of $11,912 for conversion projects in Phase Two.[37] The Phase Two conversions thus appear to meet the statutory eligibility requirements.
- Dominion calculated an *average* cost-per-customer of $13,299 for conversion projects in Phase Three.[38] The Phase Three conversions thus appear to meet the statutory eligibility requirements.

[26] *See, e.g.,* Ex. 13 (Norwood) at 4-5.

[27] *Id.* at 5.

[28] *See, e.g.,* Report at 22; Tr. 60.

[29] Ex. 30 (Crouch Rebuttal) at 7.

[30] *See, e.g.*, Ex. 30 (Crouch Rebuttal) at 12.

[31] *Id*.

[32] Ex. 13 (Norwood) at 5-6; Ex. 22 (Dalton) at 20, Attachment DJD-5 (Company's Response to Consumer Counsel's Interrogatory 2-24 (JCC)). This assumes an allocation factor of approximately 77.8%.

[33] Ex. 13 (Norwood) at 7.

[34] *See, e.g.,* Ex. 22 (Dalton) at 4-5, 6-8; Report at 26.

[35] Ex. 22 (Dalton) at 6-8.

[36] *Id.* at 8.

[37] *See, e.g.,* Ex. 3 (Bradshaw Direct) at 5.

[38] *See, e.g., id.* at 7.

- Dominion calculated an *average* cost-per-mile of $422,496 for conversion projects in Phase Two.[39] The Phase Two conversions thus appear to meet the statutory eligibility requirements.

- Dominion calculated an *average* cost-per-mile of $430,000 for conversion projects in Phase Three.[40] The Phase Three conversions thus appear to meet the statutory eligibility requirements.

Tap line selection

- "While the outage reports provided by Dominion generally were consistent with outage data used for selecting SUP lines, there were certain discrepancies between the reports and data used for the SUP."[41]

- Dominion used an events-per-mile metric (the ratio of the number of outage events for a tap line over a 10-year period divided by the length of the line in miles) to identify and select candidate tap lines for underground conversions.[42]

- Phase Two tap lines yielded an average rate of 14.27 outage events-per-mile over a 10-year period.[43] The Phase Two conversions thus appear to meet the statutory eligibility requirements.

- Phase Three tap lines yielded an average rate of approximately 14 outage events-per-mile over the past 10-year period.[44] The Phase Three conversions thus appear to meet the statutory eligibility requirements.

Conclusion

The Commission has considered the entire record.[45] Based on the evidentiary record in this proceeding and the findings of fact recounted above, the costs of the proposed SUP would not be considered reasonable and prudent under a standard analysis, nor cost-beneficial for residential customers in particular (the statute exempts large general service customers from paying the costs of Rider U, thus shifting more costs of Rider U to residential customers).[46] The facts indicate that:

(1) The lifetime revenue requirement of the entire SUP is approximately $5.8 billion, which includes recovery of costs and a return on equity on approximately $2 billion of capital costs.

(2) Dominion seeks a revenue requirement in this case of $71.149 million.

(3) Dominion estimates less than 1%, approximately 0.36% (8,578 customers) of its total 2.4 million Virginia customers, will be served directly from the tap lines converted to underground service in Phase Three of the SUP, and only another 0.20% will be served "down line."

(4) While less than 1% of residential customers will be served directly, Dominion estimates the total Rider U impact on *all* of its residential customers, including the revenue requirement approved in this case, to be an increase of $1.92 per month, which will increase to $5.16 at the completion of the SUP in 2028.

(5) The 14 highest cost conversions in Phases Two and Three ranged in cost from $159,710 to $299,149 per customer, well above the average cost-per-customer cap of $20,000, set forth in the statute.

(6) Dominion's Application included no independent analysis demonstrating that Phase Three of the SUP is cost-beneficial to customers.

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[39] *See, e.g., id.* at 5.

[40] *See, e.g., id.* at 7.

[41] Ex. 13 (Norwood) at 10.

[42] Ex. 3 (Bradshaw Direct) at 7; Report at 24.

[43] Ex. 3 (Bradshaw Direct) at 5-6.

[44] *Id.* at 7.

[45] *See Board of Supervisors of Loudoun County v. State Corp. Comm'n*, 292 Va. 444, 454 n.10 (2016) ("We note that even in the absence of this representation by the Commission, pursuant to our governing standard of review, the Commission's decision comes to us with a presumption that it considered all of the evidence of record.") (citation omitted).

[46] *See* Section A 6 ("No rate adjustment clause for new underground facilities shall allocate costs to, or provide for the recovery of costs from, . . . the large general service rate classes for a Phase II Utility.").

Consumer Counsel and Staff argue that to maximize the benefit of the SUP, Dominion should consider such facts as customer counts, outage duration, the costs of undergrounding certain lines, and the impacts on customers' bills.[47] Dominion asserts, however, that the statute has removed any Commission discretion to use such facts or to make findings contrary to those mandated by the statute.[48] Dominion is correct. The statute explicitly directs this Commission to find that Dominion's Rider U proposal is cost-beneficial to customers without regard to contrary evidence in the record. In accordance with the statute, therefore, we so find and approve Dominion's application for cost recovery through Rider U in the amount the Hearing Examiner determined is required by statute.

Specifically, we approve an approximately $69.5 million revenue requirement for the Company's Rider U, commencing February 1, 2019. This amount removes the seven projects identified by Consumer Counsel[49] and incorporates Staff's allocation methodology, updated to reflect the Company's 2017 class cost-of-service data consistent with the findings in the Hearing Examiner's Report.[50]

We decline to adopt the Company's proposal to adjust the Rider U jurisdictional allocation factor based on the Company's Rider U expenditures in the various Federal Energy Regulatory Commission Accounts.[51] Further, we agree with Staff that it is appropriate to calculate the Rider U Virginia jurisdictional revenue requirement before removing the exempt jurisdictional rate classes. Exempt jurisdictional rate classes should be removed only during the class allocation of the Virginia jurisdictional revenue requirement to the jurisdictional rate classes consistent with the statute and consistent with our precedent.[52] Finally, we agree with the Hearing Examiner that it is not appropriate to allocate Rider U costs to the Company's North Carolina jurisdiction and that the Virginia system-wide allocation, as opposed to AOBA's recommended *situs* approach, continues to be reasonable and appropriate.[53]

Accordingly, IT IS ORDERED THAT:

(1) The Company shall file forthwith revised Rider U tariffs and terms and conditions of service and supporting workpapers, including a computation of the revenue requirement, with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filing for public inspection in person and on the Commission's website: http://www.scc.virginia.gov/case.

(2) Rider U, as approved herein, shall be effective for usage on and after February 1, 2019.

(3) This case is continued.

[47] *See, e.g.,* Ex. 13 (Norwood) at 13; Ex. 21 (Upton) at 10-12, 21; Ex. 22 (Dalton) at 6-9.

[48] *See, e.g.,* Dominion's Comments on the Hearing Examiner's Report at 2, 5-6, 11, 16.

[49] Going forward, a conversion project shall be deemed complete on the date the project is "closed to plant" on the Company's books. *See* Dominion's Comments on the Hearing Examiner's Report at 7-10.

[50] Report at 30. The resulting jurisdictional allocation factor is 89.0331%. *See* Tr. 154, 167; Ex. 23 (2017 Cost of Service, Staff Methodology).

[51] *See, e.g.,* Ex. 8 (Crouch Direct) at 5-6; Ex. 22 (Dalton) at 13-14. This finding does not run contrary to the requirement in Code § 56-585.1 A 7 to consider a Section A 6 petition "on a stand-alone basis without regard to the other costs, revenues, investments, or earnings of the utility."

[52] *See, e.g.,* Ex. 22 (Dalton) at 12-13; 2016 Rider U Order at 307 n.13.

[53] *See, e.g.,* Report at 29.

CASE NO. PUR-2018-00044
JUNE 12, 2018

JOINT PETITION OF
E.I. DU PONT DE NEMOURS & CO., SPRUANCE GENCO, LLC AND SPRUANCE OPERATING SERVICES, LLC

For approval of the disposition and acquisition of public utility assets under the Utility Transfers Act, Chapter 5 of Title 56 of Va. Code § 56-88 *et seq.*

FINAL ORDER

On March 26, 2018, E.I. du Pont de Nemours & Co. ("DuPont"), Spruance Genco, LLC ("Spruance Genco"), and Spruance Operating Services, LLC ("Spruance Operating") (collectively, "Joint Petitioners"), filed with the State Corporation Commission ("Commission") a complete joint petition and application ("Petition") seeking approval for the disposition by Spruance Genco and the acquisition by Spruance Operating ("Transfer") of an existing electric and steam coal-fired cogeneration facility and associated equipment ("Subject Facility") owned by Spruance Genco and located in the City of Richmond, Virginia, pursuant to the Utility Transfers Act.[1] The Joint Petitioners also request a waiver of certain guidelines requiring information identified in Section A of the Commission's Division of Public Utility Accounting Guidelines for Filing Applications Under Title 56, Chapter 5 of the Code of Virginia.[2]

[1] Section 56-88 *et seq.* of the Code of Virginia ("Code").

[2] Petition at 6-7.

The Joint Petitioners represent that the Subject Facility is a 120-megawatt cogeneration facility comprised of four stoker coal-fired boilers and an extracting/condensing steam turbine generator, including associated interconnection equipment.[3] The Joint Petitioners state that the Subject Facility is a qualified cogeneration facility under the Public Utility Regulatory Policies Act of 1978, as amended ("PURPA").[4] The Joint Petitioners further represent that "[a]ll sales of electric power by Spruance Genco are at wholesale,"[5] and the facility does not serve any retail Virginia electric supply customers.[6] Therefore, the costs of the Subject Facility are not included in the base rates of any utility regulated by the Commission.[7] After the Transfer, the Joint Petitioners represent that Spruance Operating will shut down the Subject Facility to convert the boilers from coal to gas and make other improvements to the equipment, and then restart operations as a PURPA qualifying cogeneration facility.[8]

On April 17, 2018, the Commission entered an Order for Notice and Comment, which, among other things, provided interested persons the opportunity to file comments or request a hearing on the Petition; directed the Staff of the Commission ("Staff") to investigate the Petition and to file a report ("Staff Report") containing its findings and recommendations; and provided an opportunity for the Joint Petitioners to file a response to the Staff Report. No comments or requests for hearing were filed in this proceeding.

On May 17, 2018, the Staff filed its Staff Report. Based on the Staff's investigation of the Joint Petitioners' representations that: (1) DuPont's resources to finance the proposed transaction are adequate; (2) Spruance Operating will offer the Subject Facility's output exclusively into PJM; and (3) the Subject Facility will continue to be a PURPA qualifying facility, Staff determined that adequate service at just and reasonable rates should not be impaired by the proposed Transfer and, accordingly, recommended approval with a report of action due after closing.[9] On May 21, 2018, the Joint Petitioners filed a letter notifying the Commission that they would not be filing a response to the Staff Report.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that the proposed Transfer will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should be approved. The Joint Petitioners' request for a waiver of certain guidelines requiring information in Section A of the Commission's Division of Public Utility Accounting Guidelines for Filing Applications Under Title 56, Chapter 5 of the Code of Virginia is granted based upon the Joint Petitioners representations that the Subject Facility currently is a PURPA qualifying facility, offering its output exclusively to PJM, and that the Subject Facility will continue to be a PURPA qualifying facility after the proposed Transfer.[10]

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-89 and 56-90, the Joint Petitioners are hereby granted approval of the transfer of the Subject Facility as described herein.

(2) Within thirty (30) days after closing of the Transfer, the Joint Petitioners shall file a Report of Action ("Report") with the Commission. The Report shall include the date the Transfer occurred, the name(s) of the buyer and seller, and the transfer price.

(3) This case hereby is dismissed.

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[3] Petition at 14 (Attachment A).

[4] Petition at 2.

[5] *Id.*

[6] *Id.* at *3.*

[7] *Id.*

[8] *Id.* at *2.*

[9] Staff Report at 5.

[10] Generally, PURPA qualifying facilities are exempt from rate regulation under Chapter 10 of Title 56 of the Code. 18 C.F.R. § 292.602(c).

CASE NO. PUR-2018-00045
APRIL 9, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY and DOMINION ENERGY, INC.

For authority to modify and continue an Inter-Company Credit Agreement under Chapters 3 and 4 of Title 56 of the Code of Virginia

ORDER GRANTING AUTHORITY

On March 21, 2018, Virginia Electric and Power Company ("Dominion Energy Virginia") and Dominion Energy, Inc. ("DEI") (collectively, "Applicants"), filed a joint application ("Application") with the State Corporation Commission ("Commission") under Chapters 3[1] and 4[2] of Title 56 of the Code of Virginia ("Code") wherein the Applicants request authority to continue to participate in a $1 billion inter-company credit agreement ("Credit Agreement").[3] Loans under the Credit Agreement will be in the form of short-term demand notes with maturities of less than 365 days. Under the terms of the Credit Agreement, Dominion Energy Virginia can borrow from but not lend to DEI. The amount of short-term debt proposed in the Application could exceed twelve percent (12%) of total capitalization as defined in § 56-65.1 of the Code.[4] Applicants paid the requisite fee of $250.

According to Dominion Energy Virginia, DEI occasionally has cash available for use by its subsidiaries. On a DEI-consolidated basis, the best use of this available cash may be to payoff outstanding debt at Dominion Energy Virginia. Continued participation in the Credit Agreement will provide one means to execute such a transaction. The proposed Credit Agreement will have a termination date of May 1, 2023. The interest rate or cost to Dominion Energy Virginia will be equal to or less than its displaced borrowing cost. Interest will accrue daily at a rate no greater than the average rate of Dominion Energy Virginia's outstanding commercial paper as determined on the business day immediately preceding the borrowing. If there is no outstanding commercial paper on that day, the interest rate will be no greater than that determined by adding: (1) the spread over one-month London Inter-Bank Offering Rate ("LIBOR") of the average rate on outstanding commercial paper as of the most recent business day wherein commercial paper was outstanding; and (2) the one-month LIBOR rate effective on the business day immediately preceding the borrowing.

NOW THE COMMISSION, upon consideration of the Application and the record herein, is of the opinion and finds that the proposed Credit Agreement is in the public interest and is approved subject to the requirements set forth in the Appendix attached hereto.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-55 *et seq.* and § 56-76 *et seq.* of the Code, the Credit Agreement is approved subject to the requirements set forth in the Appendix attached to this Order.

(2) This case is dismissed.

APPENDIX

(1) Applicant is hereby authorized to borrow funds from DEI through the $1 billion Credit Agreement with its parent, DEI, under the terms and conditions and for the purposes set forth in the Application through May 1, 2023.

(2) On or before June 30th between 2019 and 2023, Applicant shall file a report detailing use of the Credit Agreement to include the date, amount, applicable interest rate of any loans under the Credit Agreement, the basis for the interest rate, and the use of the proceeds.

(3) The authority granted herein shall not preclude the Commission from applying the provisions of § 56-78 and § 56-80 of the Code of Virginia hereafter.

(4) The Commission reserves the right to examine the books and records of any affiliate in connection with the authority granted herein, whether or not such affiliate is regulated by this Commission.

(5) The authority granted herein shall have no ratemaking implications.

(6) This matter shall remain under the continued review, audit, and appropriate directive of the Commission.

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[1] Va. Code § 56-55 *et seq.*

[2] Va. Code § 56-76 *et seq*.

[3] *Application of Virginia Electric and Power Company and Dominion Resources, Inc., for approval to continue an inter-company credit agreement under Chapters 3 and 4 of Title 56 of the Code of Virginia,* Case No. PUE-2011-00037, Doc. Con. Cen. No. 130560048, Order Granting Approval (May 22, 2013).

[4] Application at page 3.

CASE NO. PUR-2018-00046
APRIL 11, 2018

APPLICATION OF
SOUTHWESTERN VIRGINIA GAS COMPANY

For authority to incur long-term debt

ORDER GRANTING AUTHORITY

On March 20, 2018, Southwestern Virginia Gas Company ("Southwestern" or "Applicant") filed an application with the State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia ("Code")[1] for authority to incur long-term debt ("Application"). Southwestern has paid the requisite fee of $250.

The Applicant requests authority to borrow up to $2.5 million through the issuance of a first mortgage note ("Note") to Fidelity Bank. The Note will be amortized over a 25-year period but will have a maturity of 7 years. The interest rate will be floating based on the prime rate minus 1%. Payment of interest and principal will be due monthly. Issuance costs are estimated by the Applicant to be $14,700.

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.

Accordingly, IT IS ORDERED THAT:

(1) The Applicant is hereby authorized to issue up to $2.5 million in long-term debt in the form of a first mortgage note to Fidelity Bank, under the terms and conditions and for the purposes set forth in the Application.

(2) The Applicant shall submit a Report of Action within thirty (30) days after the issuance of the long-term debt pursuant to Ordering Paragraph (1), to include the following:

(a) the issuance date of the first mortgage note and the net proceeds to the Applicant;

(b) the list of any signed agreements not previously provided which were executed for the purpose of issuing the long-term debt pursuant to Ordering Paragraph (1);

(c) the initial interest rate term selected and the date of the next change of the interest rate index; and

(d) a schedule of the balance of all unamortized issuance expenses on the old first note.

(3) The Applicant shall file a final Report of Action on or before April 30, 2019, that includes a detailed account of all the actual expenses and fees paid to date for the new first mortgage note, with an explanation of any variances from the estimated expenses contained in the Financing Summary attached to the Application.

(4) Approval of the Application shall have no implications for ratemaking purposes.

(5) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

[1] Code § 56-55 *et seq.*

CASE NO. PUR-2018-00047
MAY 29, 2018

APPLICATION OF
AIRBUS DS COMMUNICATIONS OF VIRGINIA, INC.

For amended and reissued certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services to reflect a company name change

ORDER REISSUING CERTIFICATE

On March 26, 2018, Airbus DS Communications of Virginia, Inc. ("Airbus DS" or "Company") filed a letter application with the State Corporation Commission ("Commission") requesting that the certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia issued to Airbus DS[1] be amended to reflect a company name change ("Application"). The Company submitted with its Application proof of the company name change to Vesta Solutions of Virginia, Inc.

[1] *See Application of Airbus DS Communications of Virginia, Inc., For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia,* Case No. PUC-2016-00019, 2016 S.C.C. Ann. Rept. 171, Final Order (July 26, 2016).

NOW THE COMMISSION, having considered the Application and applicable law, is of the opinion and finds that the existing certificates in the name of Airbus DS should be cancelled and reissued in the name of Vesta Solutions of Virginia, Inc.

Accordingly, IT IS ORDERED THAT:

(1) This case is docketed and assigned Case No. PUR-2018-00047.

(2) The certificate of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia, Certificate No. T-747, heretofore issued to Airbus DS Communications of Virginia, Inc., hereby is cancelled and shall be reissued as Certificate No. T-747a in the name Vesta Solutions of Virginia, Inc.

(3) The certificate of public convenience and necessity to provide interexchange telecommunications services in the Commonwealth of Virginia, Certificate No. T-293A, heretofore issued to Airbus DS Communications of Virginia, Inc., hereby is cancelled and shall be reissued as Certificate No. T-293B in the name Vesta Solutions of Virginia, Inc.

(4) Any tariffs on file with the Commission's Division of Public Utility Regulation or product guide available online in the name of Airbus DS Communications of Virginia, Inc., shall be replaced reflecting the name change within forty-five (45) days of the date of entry of this Order.

(5) This case is dismissed.

CASE NO. PUR-2018-00047
JUNE 7, 2018

APPLICATION OF
AIRBUS D S COMMUNICATIONS OF VIRGINIA, INC.

For amended and reissued certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services to reflect a company name change

ORDER NUNC PRO TUNC

On March 26, 2018, Airbus DS Communications of Virginia, Inc. ("Airbus DS" or "Company"), filed a letter application with the State Corporation Commission ("Commission") requesting that the certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services ("Certificates") in the Commonwealth of Virginia issued to Airbus DS be amended to reflect a company name change ("Application"). The Company submitted with its Application proof of the company name change to Vesta Solutions of Virginia, Inc. ("Vesta").

On May 29, 2018, the Commission issued an Order Reissuing Certificate ("May 29 Order") granting new Certificates to Vesta to provide local and interexchange telecommunications services as requested. However, upon further review, it has been determined that one of the reissued Certificates was misidentified in Ordering Paragraph (3) of the May 29 Order.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that an Order *Nunc Pro Tunc* should be entered to revise Ordering Paragraph (3) of the May 29 Order. Said revision is to be effective as if originally made with the May 29 Order.

Accordingly, IT IS ORDERED THAT:

(1) Ordering Paragraph (3) of the May 29 Order is removed and replaced, *nunc pro tunc*, with the following:

> (3) The certificate of public convenience and necessity to provide interexchange telecommunications services in the Commonwealth of Virginia, Certificate No. TT-293A, heretofore issued to Airbus DS Communications of Virginia, Inc., hereby is cancelled and shall be reissued as Certificate No. TT-293B in the name Vesta Solutions of Virginia, Inc.

(2) This case is dismissed.

CASE NO. PUR-2018-00049
JUNE 29, 2018

APPLICATION OF
KENTUCKY UTILITIES COMPANY d/b/a OLD DOMINION POWER COMPANY

For authority to engage in affiliate transactions pursuant to Va. Code § 56-76 *et seq*.

ORDER GRANTING APPROVAL

On April 3, 2018, Kentucky Utilities Company d/b/a Old Dominion Power Company ("KU/ODP" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code"),[1] requesting authority to engage in affiliate transactions with 10 Affiliates[2] (collectively with KU/ODP, "Parties") pursuant to four amended and restated affiliate agreements.[3]

The currently operative Tax Allocation Agreement, Mutual Assistance Agreement, Money Pool Agreement, and Data Hosting Agreement, and amendments thereto (collectively, "Current Agreements"), were previously approved by the Commission under the Affiliates Act in Case Nos. PUE-2010-00094, PUE-2011-00095, PUE-2011-00110, PUE-2013-00051, and PUE-2015-00126.[4] The proposed amendments to, or renewal of regulatory approval of each of the Amended Agreements are as follows.

The proposed amendment to the Tax Allocation Agreement clarifies the definition of "Member" as a defined term in the agreement. Exhibit 1 to the Application presents a list of the PPL affiliates who participated together with KU/ODP in the Tax Allocation Agreement in 2017. The Company represents that the affiliates shown on Exhibit 1 to the Application will change from time to time; however, the Company states that it will report the affiliates who participated as a "Member" under the Tax Allocation Agreement on an annual basis in its Annual Report of Affiliate Transactions.

The proposed amendments to the Mutual Assistance Agreement extend the term for an additional five-year period and add LG&E as a party. The Company represents that, although KU/ODP and LG&E have authority to provide such services pursuant to the Amended and Restated Utility Services Agreement approved by the Commission in Case No. PUE-2015-00126 ("Services Agreement"), the Parties desire to add LG&E to the Mutual Assistance Agreement in accordance with a recommendation by the Pennsylvania Public Utility Commission ("PPUC") Bureau of Audits to negotiate a mutual assistance agreement between LG&E and PPL Electric. Upon receiving approval, KU/ODP and LG&E would provide and receive emergency services and equipment pursuant to the proposed amended Mutual Assistance Agreement, and would continue to provide and receive non-emergency services and equipment pursuant to the Commission-approved Services Agreement. The Parties state that the proposed Mutual Assistance Agreement will also need to be approved by the PPUC.[5]

The Company is not proposing any amendments to the Money Pool Agreement, rather KU/ODP seeks only to renew the regulatory approval of the Money Pool Agreement for an additional five-year period.[6]

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[1] Code § 56-76 *et seq*. ("Affiliates Act").

[2] LG&E and KU Energy LLC; Louisville Gas and Electric Company ("LG&E"); LG&E and KU Services Company ("LKS"); LG&E Energy Marketing Inc.; LG&E and KU Capital LLC ("LKC"); PPL Corporation ("PPL"); PPL Electric Utilities Corporation ("PPL Electric"); PPL Services Corporation ("PPL Services"); PPL EU Services Corporation ("PPLEU Services"); and PPL Capital Funding, Inc. (collectively, "Affiliates").

[3] (1) PPL and Consenting Members of Its Consolidated Group Agreement for Filing Consolidated Income Tax Returns and for Allocation of Consolidated Income Tax Liabilities and Benefits ("Tax Allocation Agreement"); (2) Utility Services Agreement for Mutual Assistance ("Mutual Assistance Agreement"); (3) 2018 Utility Money Pool Agreement ("Money Pool Agreement"); and (4) Hosting Services Agreement PPL Alternate Data Center ("Data Hosting Agreement") (collectively, "Amended Agreements").

[4] *See Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, For approval of affiliate transactions in connection with transfer of ownership and control and restructuring and refinancing of debt pursuant to Chapter 4 of Title 56 of the Code of Virginia,* Case No. PUE-2010-00094, 2010 S.C.C. Ann. Rept. 596, Order Granting Authority (Oct. 19, 2010); 2010 S.C.C. Ann. Rept. 601, Amending Order (Dec. 20, 2010); 2011 S.C.C. Ann. Rept. 353, Amending Order (Feb. 22, 2011); *Joint Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, Louisville Gas and Electric Company, LG&E and KU Services Company, LG&E and KU Energy LLC, LG&E and KU Capital LLC, PPL Corporation, PPL Electric Utilities Corporation, and PPL Services Corporation, For authority to engage in affiliate transactions and to enter into Utility Services Agreements, pursuant to Chapter 4 of Title 56 of the Code of Virginia, § 56-76 et seq.*, Case No. PUE-2011-00095, 2011 S.C.C. Ann. Rept. 534, Order Granting Authority (Nov. 14, 2011); Doc. Con. Cen. No. 14123001, Order on Motion (Dec. 22, 2014); *Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, For authority under Chapter 4 of Title 56 of the Code of Virginia to execute an amended affiliate agreement*, Case No. PUE-2011-00110, 2011 S.C.C Ann. Rept. 548, Order Granting Authority (Nov. 29, 2011); *Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, Louisville Gas and Electric Company, LG&E and KU Energy LLC, and LG&E and KU Services Company, For authority to engage in affiliate transactions under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2013-00051, and *Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, For authority under Chapter 4 of Title 56 of the Code of Virginia to execute an amended affiliate agreement*, Case No. PUE-2011-00110, 2013 S.C.C. Ann. Rept. 228, Order Granting Authority (July 3, 2013); and *Application of Kentucky Utilities Company d/b/a Old Dominion Power Company, For authority to engage in affiliate transactions*, Case No. PUE-2015-00126, 2016 S.C.C. Ann. Rept. 318, Order Granting Authority (Feb. 24, 2016) (collectively, "Prior Orders").

[5] The proposed Mutual Assistance Agreement contains a five-year period of authorization, to become effective upon the date of approval by either the Commission or the PPUC, whichever occurs later.

[6] The Money Pool Agreement does not require Commission approval under Chapter 3 of Title 56 of the Code, § 56-55 *et seq*. See Company's Response to Staff Data Request No. 1-1, which is attached as Staff Exhibit 1 to the Action Brief filed in this proceeding by the Commission's Staff.

The proposed amendments to the Data Hosting Agreement extend the term for an additional five-year period and add PPLEU Services as a party with rights and obligations commensurate with PPL Services' existing authority under the currently-approved Data Hosting Agreement. The Company states that the addition of PPLEU Services is necessitated by personnel changes within PPL Services and PPLEU Services, and would permit PPL Services and PPLEU Services to jointly or separately receive data-hosting services at KU/ODP, LG&E, and LKC's Simpsonville Data Center.

The Company represents that, other than the proposed revisions to the Amended Agreements discussed above, the terms and conditions of the Amended Agreements are substantively identical to the Current Agreements approved in the Prior Orders. The Company states that the proposed amendments to the Tax Allocation Agreement, Mutual Assistance Agreement, and Data Hosting Agreement and the renewal of the regulatory approval of the Money Pool Agreement are in the public interest and will allow for the continued supply and provision of safe and reliable electric utility service by the Parties.

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff, is of the opinion and finds that the Amended Agreements are in the public interest and should be approved subject to certain requirements set forth in the Appendix attached hereto.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-77, the Company hereby is granted approval to enter into the Amended Agreements effective as of the date of this Order, subject to the requirements set forth in the Appendix attached to this Order.

(2) This case is dismissed.

APPENDIX

(1) Consistent with the Company's request for five (5)-year terms for the Mutual Assistance Agreement, Money Pool Agreement, and Data Hosting Agreement, the Commission's approval of these agreements shall extend for five (5) years from the date of the Order in this case or the date that the agreement(s) become effective, whichever occurs later. The Commission's approval of the Tax Allocation Agreement shall also be limited to five (5) years from the date of the Order in this case. Should KU/ODP wish to continue under any of the Amended Agreements beyond the five (5)-year period of authorization, separate Commission approval shall be required.

(2) The Commission's approval shall be limited to the specific services identified in the Amended Agreements. Should KU/ODP wish to obtain additional services from or provide additional services to its Affiliates under the Amended Agreements, other than those services specifically identified in the agreements, subsequent Commission approval shall be required.

(3) Separate Affiliates Act approval shall be required for the Company to provide or receive services from its Affiliates, other than those specifically approved in this case, through the engagement of affiliated third parties under the Amended Agreements.

(4) Separate Commission approval shall be required for any changes in the terms and conditions of the Amended Agreements, including changes in the services provided, allocation methodologies, service category descriptions, and successors or assigns.

(5) The Commission's approval granted in this case shall have no accounting or ratemaking implications.

(6) The Commission shall reserve the right to reflect ratemaking adjustments to the Company's income taxes in the course of any Commission review and analysis of KU/ODP's cost of service in the future.

(7) The approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq*., hereafter.

(8) The Commission shall reserve the right to examine the books and records of any affiliate in connection with the approval granted in this case whether or not such affiliate is regulated by this Commission.

(9) The Company shall bear the burden of proving, in any rate proceeding, that, (i) for services provided to its Affiliates for which a market exists, KU/ODP charged the higher of cost or market for such services, and (ii) for services obtained from its Affiliates for which a market exists, KU/ODP paid the lower of cost or market for such services.

(10) The Company shall file with the Commission signed and executed copies of each of the Amended Agreements within ninety (90) days of the effective date of the Order in this case or within ninety (90) days of the agreement becoming effective, whichever occurs later, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director").

(11) All transactions under the Amended Agreements shall be included in the Company's Annual Report of Affiliate Transactions ("ARAT"), submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. All KU/ODP ARAT reporting shall include, but not be limited to, the following information:

(a) The most recent Case Number under which the agreement was approved;
(b) The name and type of activity performed by each affiliate under the agreement; and,
(c) A schedule, in Excel electronic spreadsheet format with formulas intact, listing the prior year's transactions by month, type of service, FERC account, and dollar amount (as the transaction is recorded on the utility's books).

(12) In addition to Requirement (11) above, the Company shall also include the following information with its ARAT submitted to the UAF Director each year:

(a) A copy of LKS's annual financial activities as reported in the Federal Energy Regulatory Commission's ("FERC") Form 60 Report for centralized service companies;
(b) An annual schedule showing LKS billings to KU/ODP by FERC account, month, and amount as they are recorded on KU/ODP's books;
(c) An annual schedule that reconciles any differences in the FERC account distribution of LKS billings as they are recorded on KU/ODP's books and LKS's books;
(d) An updated list of the PPL affiliates who participated as a "Member" under the Tax Allocation Agreement on an annual basis; and
(e) An annual detailed reconciliation of any differences between the Company's allocation of actual federal and state tax liabilities and what such liabilities are on a separate return basis. If there are no differences between KU/ODP's allocated and separate return tax liabilities, then the Company shall prepare a verified legal representation to that effect to be included as an addendum to its ARAT.

(13) In the event that the Company's annual informational filings or expedited or general rate case filings are not based on a calendar year, then the Company shall include the affiliate information contained in its ARAT in such filings.

CASE NO. PUR-2018-00050
MAY 24, 2018

PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY and DOMINION ENERGY KEWAUNEE, INC.

For exemptions or, alternatively, for approval of non-inventory, zero-dollar transfers and future exemptions under Chapter 4 of Title 56 of the Code of Virginia

ORDER

On April 11, 2018, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("DEV") and Dominion Energy Kewaunee, Inc. ("DEK")[1] (collectively, "Petitioners"), filed a petition ("Petition") with the State Corporation Commission ("Commission") requesting exemptions or, alternatively, approval of certain non-inventory, zero-dollar transfers and future exemptions under Chapter 4 of Title 56 of the Code of Virginia ("Code").[2] Specifically, the Petitioners are seeking exemptions under Code § 56-77 B, or, alternatively, approval under Code § 56-77 A, for: (1) certain prior transfers of zero-dollar, fully written-off, non-inventory materials, tools, and equipment ("Materials") from DEK to DEV ("Prior Transfers"); (2) the transfer of two zero-dollar, fully written-off, non-inventory Foreign Material Exclusion ("FME") Cabinets ("Cabinets") from DEK to DEV ("Current Transfers"); and (3) potential future transfers of zero-dollar, fully-written off, non-inventory Materials from DEK to DEV ("Future Transfers") (collectively, "Transfers").

Prior Transfers

The Petitioners represent that, while preparing the Petition, they identified certain Materials that DEK had previously transferred to DEV without Commission approval. The Prior Transfers consisted of fifty categories of Materials equipment with an approximate value of $2.3 million that DEK transferred to DEV's Surry, North Anna, and Bremo Power Stations and to DEV's Innsbrook operating center between 2013 and 2017.[3]

Current Transfers

The Petitioners seek to transfer from DEK to DEV two FME Cabinets[4] with an approximate total value of $10,000, which would be used at the Surry Power Station.

Future Transfers

The Petitioners represent that additional Materials no longer needed by DEK could be of use to DEV and that such Materials would otherwise need to be purchased new from unaffiliated third parties in the market at additional cost to DEV.[5]

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[1] DEK owns the Kewaunee Power Station ("Kewaunee"), a nuclear power station located in Kewaunee, Wisconsin. DEK began decommissioning Kewaunee when the unit ceased operations in 2013. The Petitioners represent that when DEK began decommissioning Kewaunee in 2013, it wrote down the materials that are the subject of this Petition to zero value on its books.

[2] Code § 56-76 *et seq.* ("Affiliates Act").

[3] *See* Attachment B to the Petition.

[4] The Cabinets are stocked with FME products (e.g., covers, caps, lanyards) that are used by electricians, instrumentation and control technicians, and mechanics while working on nuclear plant equipment.

[5] According to the Petitioners, because the Future Transfers would involve Materials located outside the Commonwealth of Virginia, the proposed Future Transfers would not implicate Chapter 5 of Title 56 of the Code, Code § 56-88 *et seq.*

Exemptions

Since the Prior Transfers, proposed Current Transfers, and the potential Future Transfers consist of zero-dollar, fully-written off, non-inventory Materials that have been or will be transferred to DEV at no cost, the Petitioners claim that DEV will not provide anything of value to DEK in exchange for the Materials. Given this, the Petitioners appear to assert that the Affiliates Act may not apply to the Transfers, or that the Transfers qualify for exemptions from the filing and prior filing requirements of the Affiliates Act. The Petitioners propose the following exemption criteria for any Future Transfers:

(a) The item to be transferred is fully written-off, and no gain or loss will be booked by DEV or DEK associated with the Future Transfer;
(b) No payment or other item of value will be provided by DEV in exchange for the transferred item;
(c) The Future Transfer will have no effect on DEV's service, rates, or rate base; and
(d) The transfer will be in the public interest.

NOW THE COMMISSION, upon consideration of the Petition and the record herein and having been advised by its Staff through Staff's action brief, is of the opinion and finds that the Transfers are subject to the Affiliates Act. Though the Transfers do not involve a monetary exchange because DEV does not pay for the Materials, DEV does assume legal ownership and responsibility for the exchanged items as a result of the Transfers.[6]

However, we are not opposed to the Petitioners' request for exemptions for the Prior Transfers, the proposed Current Transfers, and the potential Future Transfers. DEV's acquisition of materials, tools, and equipment from DEK at zero cost should not adversely affect DEV's rates or service to its customers. We will adopt Staff's recommendations to supplement the Petitioners' proposed exemption criteria by requiring: (a) that DEK be the only affiliate to make such Transfers to DEV; and (b) that DEV should submit a schedule reporting the Transfers annually (in the same format as Attachment B to the Petition) in its Annual Report of Affiliate Transactions ("ARAT") submitted to the Commission's Director of the Division of Utility Accounting and Finance annually.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code, exemptions from the filing and prior approval requirements of the Affiliates Act are granted for the Prior Transfers, Current Transfers, and Future Transfers, subject to the requirements listed in the Appendix attached to this Order.

(2) This case is dismissed.

APPENDIX

(1) The Commission's approval of the exemptions for the Prior Transfers, the Current Transfers, and the Future Transfers shall have no accounting or ratemaking implications.

(2) The Commission's approval of the exemptions shall not preclude the Commission from exercising its authority under Va. Code § 56-76 et seq. hereafter.

(3) The criteria for a Future Transfer Exemption shall be that:

(a) DEK is the only affiliate permitted to make a Future Transfer to DEV;
(b) The item to be transferred is fully written-off, and no gain or loss will be booked by DEV or DEK associated with the Future Transfer;
(c) No payment or other item of value will be provided by DEV in exchange for the transferred item; and
(d) The Future Transfer will have no effect on DEV's service, rates, or rate base.

(4) DEV shall submit a schedule reporting the Transfers annually (in the same format as Attachment B to the Petition) in its ARAT submitted to the Utility Accounting and Finance Director annually.

[6] Furthermore, we take judicial notice that DEV failed to seek prior approval for the Prior Transfers, which took place over a five-year period, and we remind DEV that it is responsible for complying with all aspects of the Affiliates Act.

CASE NO. PUR-2018-00051
DECEMBER 18, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

In re: Appalachian Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 *et seq*.

FINAL ORDER

On May 1, 2018, Appalachian Power Company ("APCo" or "Company") filed with the State Corporation Commission ("Commission") the Company's Integrated Resource Plan ("IRP") pursuant to § 56-599 of the Code of Virginia ("Code"). APCo's IRP encompasses the 15-year planning period from 2018 to 2032.[1]

On May 4, 2018, the Commission issued an Order for Notice and Hearing in this proceeding that, among other things, established a procedural schedule; set an evidentiary hearing date; directed APCo to provide public notice of its IRP; and provided any interested person an opportunity to file comments on the Company's IRP or to participate in the case as a respondent by filing a notice of participation. Notices of participation were filed by the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"); the Old Dominion Committee for Fair Utility Rates; the Mid-Atlantic Renewable Energy Coalition ("MAREC"); the VML/VACo APCo Steering Committee ("Steering Committee"); Appalachian Voices; and the Virginia Chapter of the Sierra Club.

The Commission's Order for Notice and Hearing also provided for the prefiling of testimony and exhibits by APCo, respondents, and the Commission's Staff ("Staff"). The Company, MAREC and Staff prefiled testimony in this proceeding.

On October 1, 2018, the Commission convened a hearing on the Company's IRP.[2] No public witnesses appeared to testify at the hearing.[3] During the hearing, the Commission received testimony and exhibits from APCo, the respondents, and Staff.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

Legal Sufficiency of APCo's 2018 IRP

Pursuant to § 56-599 C of the Code, the Commission must, after giving notice and an opportunity to be heard, determine whether APCo's IRP is reasonable and in the public interest. The Commission finds, based on the record of this proceeding and applicable statutes, that the Company's IRP is reasonable and in the public interest for the specific and limited purpose of filing the planning document as mandated by § 56-597 *et seq.* of the Code. Consistent with prior final orders issued under these provisions of the Code, we reiterate that approval of an IRP does not create a presumption that resource options contained in the approved IRP will be approved in a future certificate of public convenience and necessity, rate adjustment clause, fuel factor, or other type of proceeding governed by different statutes.[4]

Future IRPs

The 2018 Regular Session of the General Assembly passed and the Governor signed Senate Bill 966,[5] which impacts subsequent IRPs. In its Order approving APCo's 2017 IRP, the Commission directed APCo to include detailed plans to implement the mandates contained in that legislation.[6] The Company complied with this directive in part, but failed to include a plan to comply with the mandate regarding energy efficiency programs set forth in Enactment Clause 15 of Senate Bill 966.[7] The Commission therefore directs APCo to include in its next IRP detailed plans to implement the mandates

[1] Exhibit ("Ex.") 2 (IRP) at ES-2.

[2] The Company, Consumer Counsel, MAREC, the Steering Committee, Appalachian Voices and Staff participated in the hearing.

[3] Tr. 9. The Commission considered public comments filed pursuant to the Order for Notice and Hearing.

[4] *See, e.g., Commonwealth of Virginia, ex rel., State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.,* Case No. PUE-2016-00049, 2016 S.C.C. Ann. Rept. 405, 406, Final Order (Dec. 14, 2016); *Commonwealth of Virginia, ex rel., State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUE-2011-00092, 2012 S.C.C. Ann. Rept. 296, Final Order (Oct. 5, 2012); *Commonwealth of Virginia, ex rel., State Corporation Commission, In re: Appalachian Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.,* Case No. PUE-2009-00097, 2010 S.C.C. Ann. Rept. 387, 389, Final Order (Aug. 6, 2010); *Commonwealth of Virginia, ex rel., State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq*., Case No. PUE-2009-00096, 2010 S.C.C. Ann. Rept. 385, 387, Final Order (Aug. 6, 2010).

[5] 2018 Acts ch. 296.

[6] *Commonwealth of Virginia, ex rel., State Corporation Commission, In re: Appalachian Power Company's Integrated Resource Plan filing pursuant to Va. Code § 597 et seq.*, Case No. PUR-2017-00045, Doc. Con. Cen. No. 180320096, Final Order at 3 (March 12, 2018).

[7] *See, e.g.,* Ex. 12 (Stevens Direct) at 3-4; Ex. 16 (Dalton Direct) at 28. Appalachian Voices requested rejection of the IRP for APCo's failure to include detailed plans for meeting Senate Bill 966's mandate on energy efficiency. Tr. 186.

contained in Senate Bill 966,[8] including but not limited to the statute's mandate that APCo develop a proposed program of energy conservation measures of no less than an aggregate amount of $140 million for the period beginning July 1, 2018, and ending July 1, 2028.

We further direct that in all future IRPs, to enable this Commission to make certain reports required by law, for purposes of its least-cost plan the Company shall not include any costs associated with carbon control regulations,[9] nor force the modeling to select any resource, nor exclude any reasonable resource. This requirement does not reflect any finding that the Company should pursue any specific resource included in the least-cost plan; rather, as the Commission has repeatedly recognized, the IRP is a planning document, and it is reasonable, for planning purposes, to identify the least-cost plan to provide a benchmark against which to measure the costs of other alternative plans including the costs of alternative plans to comply with carbon regulations.

Load Forecast

APCo's load has actually *fallen* by seven percent in the past decade.[10] Additionally, APCo's forecasted peak demand and energy sales growth remain low and relatively flat. We find no compelling reason to require APCo to re-calculate its load forecast for purposes of this IRP. In its next IRP, however, as directed previously herein, APCo shall model the $140 million in energy efficiency programs that are mandated in Enactment Clause 15 of Senate Bill 966. These energy efficiency program shall be modeled both as a reduction to load and as a supply resource.

We further direct APCo to include in all future IRPs modeling that includes, but need not be limited to, the AEP Zone PJM coincident peak load forecast produced by PJM Interconnection, LLC, scaled down to the APCo load serving entity level.

Accordingly, IT IS SO ORDERED, and this matter IS DISMISSED.

[8] Pursuant to Senate Bill 966, the Company's next IRP filing is mandated to be filed on May 1, 2019. Since this date is so near, there is no reason for APCo to file a corrected IRP prior to May 1, 2019.

[9] The record reflects that the Company did not remove the CO_2 emissions constraints and CO_2 emissions costs from the LP Plan® model and therefore did not allow it to optimize to develop its least-cost plan. Tr. 95.

[10] Tr. 16.

CASE NO. PUR-2018-00052
JUNE 1, 2018

JOINT PETITION OF
DARK FIBER AND INFRASTRUCTURE, LLC, USA CORPORATE HOLDING, INC., and
GOFF NETWORK TECHNOLOGIES – VIRGINIA, INC.

For approval of the transfer of the telecommunications assets of Goff Network Technologies – Virginia, Inc.

ORDER GRANTING APPROVAL

On April 18, 2018, Dark Fiber and Infrastructure, LLC ("DF&I"), USA Corporate Holding, Inc. ("USA"), and Goff Network Technologies – Virginia, Inc. ("Goff") (collectively, "Joint Petitioners"),[1] completed the filing of a Joint Petition ("Petition") with the State Corporation Commission ("Commission") pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Code")[2] requesting approval for DF&I to acquire telecommunications assets ("Goff System") from Goff ("Proposed Transfer"). The Joint Petitioners also filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*.

Goff is authorized to provide local and interexchange telecommunications services in Virginia pursuant to certificates of public convenience and necessity issued by the Commission.[3] Goff owns, operates, and maintains fiber and conduit infrastructure located in Ashburn, Virginia, and currently provides transport services to telecommunications carriers and large enterprise customers. USA is a parent company for Goff and is primarily a communications company. DF&I is authorized to provide local and interexchange telecommunications services in Virginia pursuant to certificates of public convenience and necessity issued by the Commission.[4] Pursuant to an Asset Purchase Agreement dated April 2, 2018, DF&I will acquire the Goff System from Goff and its parent companies.

The Joint Petitioners represent that while the Proposed Transfer will result in a change in the ownership of the Goff System, along with a transfer of assets and customers, DF&I will at least initially continue to provide service to Goff customers in Virginia under the same rates, terms, and conditions as provided by Goff. The Joint Petitioners assert that DF&I will have the financial, managerial, and technical resources to provide telecommunications services to current Goff customers in Virginia. The Joint Petitioners assert that the Proposed Transfer is expected to provide Goff customers access to DF&I's technical and management expertise, financial resources, and suite of services, which together are expected to provide more advanced telecommunications

[1] Goff Network Technologies, Inc., also is considered a Petitioner in this proceeding and has provided the statutorily required verifications.

[2] Code § 56-88 *et seq*.

[3] *Application of Goff Network Technologies – Virginia, Inc., For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia,* Case No. PUC-2015-00030, 2015 S.C.C. Ann. Rept. 165, Final Order (Aug. 11, 2015).

[4] *Application of Dark Fiber and Infrastructure, LLC, For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia,* Case No. PUR-2018-00016, Doc. Con. Cen. No. 180540001, Final Order (May 15, 2018).

services to a broader customer base in Virginia. In support of the Petition, the Joint Petitioners provided current financial statements for DF&I, along with information on the technical, managerial, and financial qualifications of DF&I's management team.

NOW THE COMMISSION, upon consideration of this matter and having been advised by its Staff through Staff's action brief, is of the opinion and finds that the Proposed Transfer should be approved. The Commission also finds that the Joint Petitioners' Motion is no longer necessary and, therefore, should be denied.[5]

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-88.1 and 56-90, the Joint Petitioners hereby are granted approval of the Proposed Transfer as described herein.

(2) The Joint Petitioners shall file a report of action with the Commission's Document Control Center within thirty (30) days after the closing of the transfer, which shall note the date the transfer occurred.

(3) The Joint Petitioners' Motion is denied; however, the Clerk of the Commission is directed to retain the confidential information to which the Motion pertains under seal.

(4) This case is dismissed.

[5] The Commission held the Joint Petitioners' Motion in abeyance and has not received a request for leave to review the confidential information submitted in this proceeding. Accordingly, the Commission denies the Motion as moot but directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

CASE NO. PUR-2018-00054
OCTOBER 10, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

Ex Parte: In the matter concerning the implementation by Appalachian Power Company d/b/a American Electric Power-Virginia of reductions in rates for generation and distribution services pursuant to Enactment Clause Nos. 6 and 7 of Senate Bill 966

ORDER ON PETITION FOR RIDER

During its 2018 Session, the Virginia General Assembly enacted Senate Bill 966 ("Bill").[1] The Bill directed certain rate reductions in conjunction with reductions in corporate income tax reductions resulting from the passage of the federal Tax Cut and Jobs Act of 2017 ("Tax Act").

On April 16, 2018, the State Corporation Commission ("Commission") issued an Order Directing Compliance Filings to Reflect Reductions in Federal Income Taxes ("Compliance Order"), which established this docket for the purpose of implementing reductions in Appalachian Power Company's ("APCo" or "Company") generation and distribution rates. Subsequently, and as directed by the Compliance Order, APCo submitted the required compliance filing on May 11, 2018, with revised tariffs and workpapers implementing the rate reductions directed in Enactment Clause No. 7 of the Bill.[2]

To implement the rate reductions directed in Enactment Clause No. 6 of the Bill, on September 11, 2018, the Commission issued an Order Establishing Further Proceedings ("Order").[3] In the Order, the Commission, among other things: (i) scheduled a public hearing to be convened on January 8, 2019; (ii) directed APCo to quantify certain actual reductions in corporate income taxes and file the information with the Clerk of the Commission on or before October 9, 2018; and (iii) appointed a Hearing Examiner to conduct all further proceedings in this matter.

On September 19, 2018, APCo filed its Petition for Approval of a Rider ("Petition"). The Petition requested expedited consideration of the Company's request to implement an Accelerated Tax Rate Reduction Rider ("Rider A.T.R.R." or "Rider") to reduce the Company's annual revenues by $55 million associated with unprotected excess accumulated deferred federal income taxes ("EDIT").[4]

[1] The Bill was signed into law by the Governor of Virginia on March 9, 2018, as Chapter 296 of the 2018 Acts of Assembly. The Bill became effective July 1, 2018.

[2] Enactment Clause No. 7 of the Bill, in part, directed APCo to make interim rate reductions within 30 days of July 1, 2018, by an amount "sufficient to reduce its annual revenues from such rates by an aggregate amount of $50 million."

[3] Enactment Clause No. 6 of the Bill directs the Commission to implement adjustments in the rates for generation and distribution services of incumbent electric utilities effective April 1, 2019, to reflect the actual annual reductions in federal corporate income taxes resulting from the Tax Act.

[4] Petition at 3.

APCo has requested expedited review and approval of the proposed Rider in order to offset, in the aggregate, the impacts to customers of APCo's requested increase of approximately $53 million in its application to revise its fuel factor, which is scheduled to take effect on November 1, 2018.[5] The Petition states that the Rider "will not be trued up, and should be considered by the Commission as it evaluates the actual amount owed to [APCo's] customers because of the Tax Act."[6] The Company further requests the right to amend or withdraw this Petition if the fuel factor increase is not granted.[7]

On September 27, 2018, the Commission Staff ("Staff") filed its Response to the Petition. Staff stated that the proposed Rider A.T.R.R. "appears to be consistent with the provisions of Senate Bill 966's Sixth and Seventh enactment clauses, which direct reductions to utility rates for generation and distribution services to reflect the effects of the Tax Act."[8] Therefore, Staff stated that it "does not object to the relief requested in the Petition."[9] No other responses to the Petition have been filed with Commission.

On September 27, 2018 the Hearing Examiner issued a Ruling and Certification ("Ruling") stating that he agreed with Staff that the proposed Rider A.T.R.R. appears to be consistent with the provisions of Enactment Clause Nos. 6 and 7 of the Bill.[10] He also noted that the proposed Rider appears designed to offset, in the aggregate, the impacts on customers of APCo's requested increase of $53 million in its Fuel Factor Application scheduled to take effect on November 1, 2018.[11] The Hearing Examiner found that in order to have Rider A.T.R.R. in place by November 1, 2018, APCo's Petition should be certified to the Commission with his recommendation that it be approved.[12]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Rider A.T.R.R as proposed by the Company should be approved. We adopt the recommendation set forth in the Hearing Examiner's Ruling.

Accordingly, IT IS ORDERED THAT:

(1) Rider A.T.R.R, as approved herein, shall become effective for service rendered on and after November 1, 2018.

(2) This matter is continued.

[5] *Id.*; *Application of Appalachian Power Company, To revise its fuel factor*, Case No. PUR-2018-00153, Doc. Cont. Ctr. No. 180920014, Application (Sept. 13, 2018) ("Fuel Factor Application").

[6] Petition at 3. In support of its Petition, APCo filed the Direct Testimony of William K. Castle. Among other things, Mr. Castle testified that the Virginia jurisdictional share of the unprotected EDIT on a revenue basis is anticipated to be approximately $120 million, which would support an accelerated credit to customers of $55 million over the course of one year. *See* Direct Testimony of William K. Castle at 5-6.

[7] Direct Testimony of William K. Castle at 6.

[8] Staff Response at 2.

[9] *Id.*

[10] Hearing Examiner's Ruling at 3.

[11] *Id.*

[12] *Id.*

CASE NO. PUR-2018-00057
AUGUST 13, 2018

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.

For authorization to amend and extend its conservation and ratemaking efficiency plan pursuant to Chapter 25 of Title 56 of the Code of Virginia

ORDER APPROVING AMENDED NATURAL GAS CONSERVATION AND RATEMAKING EFFICIENCY PLAN

On April 20, 2018, Columbia Gas of Virginia, Inc. ("CVA" or "Company"), filed with the State Corporation Commission ("Commission") an application ("Application") for authorization to amend and extend its Conservation and Ratemaking Efficiency Plan ("CARE Plan") pursuant to Chapter 25 of Title 56 of the Code of Virginia ("Code").[1] According to the Company, its current CARE Plan includes a portfolio of programs that promote conservation and energy efficiency among CVA's residential and applicable small general service customer classes and a decoupling mechanism that adjusts actual non-gas distribution revenues per customer to the allowed distribution revenues previously approved by the Commission.[2] In its Application, the Company proposes to extend its CARE Plan, along with certain modifications and amendments, for an additional five-year period, through December 31, 2023 ("Amended CARE Plan").[3]

[1] Va. Code § 56-600 *et seq.* ("CARE Act").

[2] Application at 1.

[3] *Id.* at 2.

The proposed Amended CARE Plan would only be available to residential customers and includes three conservation and energy efficiency programs, with 16 measures.[4] Specifically, the Company requests approval to extend the following three conservation and energy efficiency programs,[5] with certain modifications, for an additional five-year period:

- Web-Based Home Audit Program;
- Home Savings Program; and
- Residential Low-Income and Elderly Program.[6]

In total, the three programs contain 16 measures. Specifically, for the Web-Based Home Audit Program, the Company proposes to (1) continue the Home Energy Kit No. 1 that includes bathroom and kitchen faucet aerators and efficiency showerheads, and (2) discontinue the Home Energy Kit No. 2 that included weather stripping and door sweeps.[7] For the Home Savings Program, the Company proposes to (1) continue the High-Efficiency Gas Furnace and High-Efficiency Windows, Doors, and Skylights measures; (2) revise the Smart Thermostat measure;[8] and (3) discontinue the Attic Insulation, Floor Insulation, High-Efficiency Showerhead (direct install), and Faucet Aerator (direct install) measures.[9] Finally, for the Residential Low-Income and Elderly Program, the Company proposes to continue all measures, with one revision to the attic insulation measure to include sufficient insulation to bring the home to R-49, consistent with the International Code Council Energy Conservation Code and International Residential Code.[10] In addition, the Company modified the Low-Income and Elderly Program to compensate the program contractor (Community Housing Partners) on a per measure installed basis rather than on a per home basis.[11]

The Company expects to invest $3.7 million over the five years of the Amended CARE Plan.[12] CVA recovers the incremental costs of implementing and administering its CARE Plan through its CARE Program Adjustment ("CPA"), which consists of a Current Factor and Reconciliation Factor.[13] The Company estimates that the proposed Amended CARE Plan's CPA will cost the average residential customer approximately $3.29 in 2019.[14] In its Application, CVA requests authority to implement the CPA effective with the first billing unit for the Company's January 2019 billing cycle (*i.e.*, December 31, 2018).[15]

The Company's proposed Amended CARE Plan also includes a decoupling mechanism, which the Company refers to as the revenue normalization adjustment ("RNA"). Other than discontinuing the application of the CPA and RNA to the small general service 1 and 2 customer classes, the Company is not proposing any changes to the CPA and RNA.[16]

The Company's performance based incentive mechanism ("CPPI") is designed to provide CVA the opportunity to earn an incentive of up to 15% of actual independently verified net economic benefits resulting from CVA's CARE Plan portfolio.[17] The Company is not proposing any changes in methodology for calculation of the CPPI. However, the Company is proposing to update its usage reduction targets for 2019, 2020, and 2021 and to add the years 2022 and 2023 of the proposed five-year Amended CARE Plan to reflect the proposed measures.[18]

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[4] *Id.* at 3, 8. The Company is not seeking approval to continue the Business Savings Program, which will expire December 31, 2018. *See id.* at 3-4; Direct Testimony of Carla Dix at 11-12.

[5] The Commission approved these programs in Case No. PUE-2015-00072. *See Application of Columbia Gas of Virginia, Inc., For authorization to amend and extend its conservation and ratemaking efficiency plan pursuant to Virginia Code § 56-602*, Case No. PUE-2015-00072, 2016 S.C.C. Ann. Rept. 261, Order Approving Amended Natural Gas Conservation and Ratemaking Efficiency Plan (Feb. 23, 2016) ("2016 Order").

[6] Application at 8-9.

[7] *See* Direct Testimony of Carla Dix, Attachment CD-1.

[8] *See* Direct Testimony of Jim Herndon at 6.

[9] *See* Direct Testimony of Carla Dix, Attachment CD-1.

[10] *Id.*; Direct Testimony of Jim Herndon at 8.

[11] Application at 10.

[12] *Id.* at 8.

[13] *Id.* at 10-11; Horner at 7-8.

[14] Application at 11. The Company states that this CPA will be subject to a true-up for 2018. *Id.*

[15] *Id.* at 14.

[16] Direct Testimony of Robert Horner at 3, 7.

[17] Application at 11.

[18] *Id.*; Direct Testimony of Robert Horner at 3.

On May 8, 2018, the Commission issued an Order for Notice and Comment in this proceeding that directed CVA to provide public notice of its Application and invited interested persons to file comments or a notice of participation or request a hearing on the Company's Application. The Commission also directed the Staff of the Commission ("Staff") to investigate the Application and file a report containing Staff's findings and recommendations ("Report" or "Staff Report"). No comments, notices of participation, or requests for hearing were filed in this proceeding.

On July 18, 2018, Staff filed its Report on the Company's Application. Among other things, the Staff Report examined the cost-effectiveness of the proposed Amended CARE Plan and analyzed the general assumptions and structure of the Company's cost/benefit model as well as the individual modifications proposed by the Company.

Staff first noted that the Company utilized a cost/benefit model that is identical to the model used in support of the Company's previous CARE Plan applications. Accordingly, Staff does not oppose the cost/benefit model used in the Company's Application in this proceeding.[19]

Staff examined the Company's methodology for forecasting long-term natural gas prices (avoided costs), which starts with a short-term forecast of commodity gas and, after adjusting those prices for transportation, upstream capacity costs, etc., extrapolates the adjusted prices using a regression analysis time-trend line.[20] Staff found that while CVA has used the same methodology in previous CARE Plan applications, in some instances the methodology has resulted in anomalous extrapolations of natural gas prices.[21] For instance, Staff notes that the Company's short-term gas prices in its 2015 CARE Plan case and the current case are consistent with recent experience and with each other; however, the long-term trend line extrapolations are "widely divergent."[22] Staff attributes this to the Company's use of linear trend regressions to calculate extrapolations of natural gas prices, which "produce extremely unreliable projections" because the regressions are "based on a limited number of highly variable observations."[23] Staff examined how the Company's cost/benefit results might change by inserting the Company's 2015 natural gas price extrapolations into the cost/benefit model in the current case and found that while the 2015 extrapolations did not cause the proposed Amended CARE Plan programs to not be cost-effective, "they do imply that the potential savings of the proposed programs . . . appear overstated."[24] Accordingly, Staff believes the Company and its consultant, Nexant, should reassess the Company's methodology for making long-term natural gas price projections.[25]

Staff further recommends that the proposed Amended CARE Plan not be extended beyond three years. Staff believes that a five-year term will extend the period between Commission reviews and prevent the Commission from timely addressing issues related to low-performing programs.[26]

With regard to the Company's proposed evaluation, measurement, and verification ("EM&V") Plan, Staff makes the following recommendations: (1) CVA should make its best effort to expand the Company's base of Company- and Virginia-specific data; (2) CVA should concentrate its EM&V expenditures and effort on the measures and programs yielding the greatest potential savings; and (3) the Company should verify the survey data to the greatest extent possible.[27]

Staff is not opposed to the Company's current RNA, CPA and CPPI methodologies or the Company's update to the usage reduction targets for calendar years 2019, 2020, and 2021.[28] If, however, the Commission modifies the Company's proposed Amended CARE Plan, Staff recommends that the Company's usage reduction targets for the CPPI be adjusted accordingly.[29] Staff is also not opposed to the Company's proposed changes to its tariff to clarify that SGS1, SGS2, SGTS1 and SGTS2 customers will continue to be billed for the CPPI applicable to calendar years 2015-2018 but will not be billed subsequent to those years for the new Amended CARE Plan as those classes will no longer be eligible to participate in the CARE Plan after 2018.[30]

Additionally, Staff audited the costs and recoveries associated with the Company's CARE Plan. Staff also addressed the accounting for the CPPI. For the CPA, Staff verified that the actual costs incurred were for items appropriate for the CARE Plan and were properly accounted for.[31] Staff also found that CVA's accounting methodology for the CPA, RNA and CPPI is appropriate and there was a proper accounting for CPA recoveries.[32]

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[19] Staff Report at 9.

[20] *Id.* at 10.

[21] *Id.*

[22] *Id.* at 11-12.

[23] *Id.* at 12.

[24] *Id.* at 12-13.

[25] *Id.* at 13.

[26] *See id.* at 13-14.

[27] *Id.* at 14, 17.

[28] *Id.* at 15-17.

[29] *Id.* at 17-18.

[30] *Id.* at 16. We note that under the Company's proposed tariff, these small general service class customers will also continue to be billed for the CPPI applicable to CARE Program years 2010-2014. *See* Direct Testimony of Robert Horner, Att. REH-1, §17.12.

[31] Staff Report at 20.

[32] *Id.* at 20, 39.

Staff also reviewed the Company's internal controls for verifying eligibility of participants in the Company's CARE Plan programs. Staff found no evidence that the Company is not properly evaluating applications for rebate eligibility.[33]

Finally, Staff noted that as of October 31, 2017, the CPA deferral balance for the small general service class was a $36,307 over-recovery,[34] and as of April 2018, the RNA deferral balance for the small general service class was a $31,520 credit (amount due to customers).[35] Staff recommends that any deferral balance associated with the CPA and RNA for the small general service class as of December 31, 2018, should be billed or credited to that class.[36]

On July 27, 2018, the Company filed its Reply Comments to the Staff Report. In its Response, CVA disagrees that its current long-term natural gas price forecast is an anomaly or produces an unreliable projection. The Company states that the divergent long-term forecasts are the result of including current assumptions that arose after the 2015 forecast, such as increases in pipeline capacity costs based on projects that are expected to come online during the forecast period.[37] Nevertheless, the Company agrees to evaluate other methodologies for projecting long-term natural gas prices in its next CARE Plan application.[38]

The Company also objects to Staff's recommendation that the Amended CARE Plan not be approved for a period longer than three years. The Company continues to believe that a five-year approval period for the Amended CARE Plan "will enhance cost-effectiveness and EM&V processes without precluding timely Commission oversight of the CARE Plan."[39]

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that the Company's Amended CARE Plan satisfies the provisions of the CARE Act and, for the reasons stated in the Staff Report, is approved for a period of three (3) years at an overall approved budget of $2.2 million,[40] subject to the requirements in this Order. We also approve the proposed tariff changes to clarify that SGS1, SGS2, SGTS1, and SGTS2 customers will continue to be billed for the CPPI applicable to calendar years 2010-2018 but will not be billed for the CPPI applicable to the new Amended CARE Plan approved herein.

As proposed by Staff and agreed to by the Company, CVA shall evaluate other methodologies for projecting long-term natural gas prices in its next application for approval of a CARE Plan. We also approve the Company's proposed update to its usage reduction targets for the CPPI for calendar years 2019, 2020, and 2021. Further, as recommended by Staff and not objected to by the Company, any deferral balance associated with the CPA and RNA for the small general service class as of December 31, 2018, shall be billed or credited to that class.

On or before May 1, 2019, and each May 1 thereafter, the Company shall file an annual report that measures and verifies the actual results of the Amended CARE Plan approved herein, in accordance with the 2016 Order[41] and the recently adopted EM&V rules.[42] As required by § 56-602 E of the Code, such reports also shall show "the year over year weather-normalized use of natural gas on an average customer basis, by customer class, as well as the incremental, independently verified net economic benefits created by the utility's cost-effective conservation and energy-efficiency programs during the previous year."

In addition, the Company shall maintain strict and detailed identification and accounting of its program-specific and common costs and shall identify program-specific benefits as well. For example, the Company shall specifically identify how – and what portion of – the costs of the Home Savings Program are achieving actual, verifiable energy usage reductions in the homes of residential customers. Moreover, all costs should be scrutinized to ensure that such expenditures are closely and definitely related to the programs and measures approved herein and are not used, for example, to serve general marketing or public relations purposes. In addition, the annual report shall identify the number of participants in each of the programs and measures approved herein.

Finally, any subsequent request by CVA to amend the CARE Plan approved herein, or to implement a new CARE Plan, shall: (a) incorporate the results from the annual reports required herein; (b) provide measured and verified evidence of energy savings to support any request to continue or modify programs designed for low-income or elderly customers; and (c) provide measured and verified evidence of cost-effectiveness to support any request to continue or modify other programs approved herein and in the currently-approved CARE Plan. Any application to which this filing requirement applies may be deemed incomplete, pursuant to Rule 5 VAC 5-20-160 of the Commission's Rules of Practice and Procedure, if the information directed herein is not include in such application.

Accordingly, IT IS ORDERED THAT:

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[33] *See id.* at 22, 27, 29.

[34] *Id.* at 34.

[35] *Id.* at 38.

[36] *Id.*

[37] Reply Comments at 3.

[38] *Id.*

[39] *Id.* at 4.

[40] This number is calculated based on the yearly budget projections set forth on page 7 of the Nexant Report attached to Company witness Jim Herndon's Direct Testimony.

[41] 2016 Order at 7-8; 2016 S.C.C. Ann. Rept. at 263.

[42] 20 VAC 5-318-10 *et. seq.*

(1) The Company's Application for approval to amend its CARE Plan is approved in part and denied in part, as set forth in this Final Order, and shall be effective December 31, 2018, the first billing unit for the Company's January 2019 billing cycle.

(2) Any deferral balance associated with the CPA and RNA for the small general service class as of December 31, 2018, shall be billed or credited to that class.

(3) The Company shall continue to include a separate line item for the RNA in its bills to customers who are subject to the RNA.

(4) The usage reduction targets associated with the CPPI shall be adjusted as necessary to be consistent with this Order.

(5) CVA shall file its Proposed CARE Plan tariff sheets with the Clerk of the Commission and the Division of Public Utility Regulation within thirty (30) days of the entry of this Order.

(6) Consistent with the findings made herein, CVA must file for approval to extend, modify, or renew its CARE Plan beyond December 31, 2021, or the CARE Plan will terminate.

(7) CVA shall file its annual EM&V report on May 1, 2019, and each May 1 thereafter.

(8) This matter is dismissed.

CASE NO. PUR-2018-00058
MAY 2, 2018

APPLICATION OF
TALK AMERICA SERVICES, LLC

For authority to partially discontinue local exchange services

ORDER PERMITTING PARTIAL DISCONTINUANCE OF SERVICES

On April 18, 2018, Talk America Services, LLC ("Talk America" or "Company"), filed an application with the State Corporation Commission ("Commission") pursuant to 20 VAC 5-423-30 of the Commission's Rules Governing the Discontinuance of Local Exchange Telecommunications Services Provided by Competitive Local Exchange Carriers, 20 VAC 5-423-10 *et seq*., for authority to discontinue providing local exchange services to certain residential customers within the Commonwealth ("Application").

In support of its Application, Talk America states that local exchange services are being discontinued in the affected areas because the Company's wholesale service provider intends to decommission the telecommunications equipment that is used to serve the affected customers, and that as a reseller of telecommunications services, Talk America has no ability to provide substitute services to the impacted customers. The Company states that approximately 56 residential local exchange customers are affected by the proposed discontinuance, and that all existing customers were notified of the discontinuance at least 30 days prior to the proposed June 1, 2018, effective date via notices that were mailed on April 6, 2018. A copy of the customer notice was filed with the Application, which Talk America represents includes the information required under 20 VAC 5-423-30 C.

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that Talk America's Application should be granted. The Commission's primary concern with authorizing discontinuance of any telecommunications services is providing adequate notice to affected customers. We have reviewed the notice provided by the Company and find that it provides customers with sufficient notice.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2018-00058.

(2) Talk America is authorized to discontinue providing local exchange services to certain customers in Virginia as described in the Application.

(3) This case is dismissed.

CASE NO. PUR-2018-00059
NOVEMBER 26, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION CASE NO. PUR-2018-00059

Ex Parte: In the matter concerning the implementation by Appalachian Power Company d/b/a American Electric Power-Virginia of a pilot program for the deployment of electric power storage batteries pursuant to Enactment Clause Nos. 9 and 10 of Senate Bill 966

and

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION CASE NO. PUR-2018-00060

Ex Parte: In the matter concerning the implementation by Virginia Electric and Power Company d/b/a Dominion Energy Virginia of a pilot program for the deployment of electric power storage batteries pursuant to Enactment Clause Nos. 9 and 10 of Senate Bill 966

ORDER ESTABLISHING GUIDELINES

Pursuant to provisions within Chapter 296 of the 2018 Acts of Assembly ("Act"),[1] the State Corporation Commission ("Commission") docketed these proceedings to implement electric power storage pilot programs for Appalachian Power Company ("APCo") and Dominion Energy Virginia ("DEV"). The Act directs the Commission to adopt such rules or establish such guidelines by December 1, 2018, as may be necessary for the general administration of the pilot programs.

On April 20, 2018, the Commission issued its Order Directing Comments ("Order Directing Comments") herein for the purpose of receiving comments from APCo, DEV and any other interested party regarding the implementation of these pilot programs. The Order Directing Comments further required DEV and APCo to submit comments (and permitted interested parties to submit comments) concerning any rules or guidelines such utilities or interested parties believed necessary for the general administration of these programs.

On June 19, 2018, DEV and APCo jointly filed comments in these dockets suggesting that the Commission adopt guidelines for the administration of these pilot programs (in lieu of a formal rulemaking). The utilities attached to their joint comments, a set of draft guidelines proposed as the basis for Commission guidelines concerning these programs.[2] Comments were also received from Cliona Mary Robb, in her capacity as Chair of the Virginia Solar Energy Development and Energy Storage Authority. No additional comments were received in response to the Order Directing Comments.

The Commission Staff's ("Staff") Action Brief filed in these dockets thereafter stated that the guidelines jointly proposed by DEV and APCo were generally compliant with the requirements outlined in Enactment Clauses 9 and 10 of the Act. The Staff suggested revisions to the draft and further recommended that the Commission issue an Order providing notice of these draft guidelines, as revised by the Staff, allowing DEV and APCo, and other interested parties to submit comments thereon.

On August 28, 2018, the Commission issued its Order for Comments on Draft Guidelines ("August 28, 2018 Order") soliciting comments on the revised draft guidelines. Comments were to be filed on or before October 1, 2018.[3] Thereafter, on September 28, 2018, the Commission issued its Order Extending Comment Period herein, extending the deadline for submitting comments on the draft guidelines to October 19, 2018.

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[1] The Act, signed into law by the Governor of Virginia on March 9, 2018, became effective July 1, 2018. At the direction of the Virginia Code Commission, Enactment Clauses 9 and 10 of the Act establishing this pilot program were codified as § 56-585.1:6 of the Code of Virginia.

[2] The draft guidelines, inter alia, defined the scope of "battery energy storage systems" ("BESS"); outlined information to be furnished to the Commission regarding each proposal to deploy such storage systems in conjunction with these pilot programs; and contained utility reporting requirements including (i) written notice by these electric utilities to the Commission prior to placing a BESS into service as part of a pilot program, and (ii) annual reports by these electric utilities to the Commission concerning the status of each pilot program.

[3] The Commission also directed the Commission's Division of Public Utility Regulation to provide copies of this Order and the draft guidelines by electronic transmission, or when electronic transmission was not possible, by mail, to individuals, organizations, and companies identified by Staff as potentially having an interest in these proceedings.

Comments concerning the revised draft guidelines were jointly submitted by APCo and DEV on October 19, 2018 ("Joint Comments"). The Joint Comments principally propose that the Commission incorporate in these guidelines certain provisions previously proposed by APCo and DEV in their joint submission on June 19, 2018 (but not incorporated in the revised draft guidelines attached to the Commission's August 28, 2018 Order). These provisions relate to the "repurposing" of battery energy storage systems during a pilot program subject to these guidelines. [4] The Joint Comments also propose that utility annual reporting requirements in the guidelines be modified to address circumstances in which information for an annual report is not available or applicable.[5] No additional comments were received concerning the revised draft guidelines made available for comment by the August 28, 2018 Order.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds as follows: The Act states that the Commission shall adopt rules or establish such guidelines by December 1, 2018, as may be necessary for the general administration of the pilot programs to deploy electric power storage batteries. We have considered all comments and submissions in these dockets, and find it reasonable to establish the Guidelines Regarding Electric Power Storage Battery Pilot Programs attached to this Order. We have substantially incorporated therein the modifications proposed by DEV and APCo in their Joint Comments, together with other clarifying changes. The guidelines attached to this Order show the additions and deletions associated with such modifications.

Accordingly, IT IS ORDERED THAT:

(1) The Guidelines Regarding Electric Power Storage Battery Pilot Programs as set forth in the Attachment to this Order are hereby established pursuant to the Act; and

(2) There being nothing further to come before the Commission in this proceeding, the case is hereby dismissed.

NOTE: A copy of the Guidelines Regarding Electric Power Storage Battery Pilot Programs is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

[4] APCo and DEV propose that the guidelines permit a utility to utilize a BESS for some period other than the expected five-year period established under the draft guidelines if the BESS is "repurposed" by the utility. Related language establishing procedures by which a utility would notify the Commission that a BESS is to be repurposed is also proposed in the Joint Comment. The Joint Comments further propose that "repurpose" be defined in the guidelines, and that this term be defined to mean "chang[ing] the application(s) or location of the BESS from what was in the initial project." The Staff's Action Brief had identified the absence of such a definition in the June 19, 2018 joint submission of APCo and DEV as one basis for not recommending the inclusion of "repurposing" provisions in the guidelines; Staff had also questioned the necessity of these provisions. The Joint Comments, however, noted that unforeseen events or changes in technology could result in the utilization of an installed BESS in a different or more economical way than originally approved. To allow for flexibility and to account for these possibilities, the Joint Comments advocated the inclusion of these provisions in the Commission's guidelines. The Commission is advised by the Staff that it has no objection to the inclusion of the "repurposing" language proposed in the Joint Comments.

[5] Language proposed in the Joint Comments would permit a utility to note and explain any information requested in the guidelines that is not available or applicable at the time of each annual report. The Commissions is advised by the Staff that it does not object to this proposed modification.

CASE NO. PUR-2018-00060
NOVEMBER 26, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION — CASE NO. PUR-2018-00059

Ex Parte: In the matter concerning the implementation by Appalachian Power Company d/b/a American Electric Power-Virginia of a pilot program for the deployment of electric power storage batteries pursuant to Enactment Clause Nos. 9 and 10 of Senate Bill 966

and

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION — CASE NO. PUR-2018-00060

Ex Parte: In the matter concerning the implementation by Virginia Electric and Power Company d/b/a Dominion Energy Virginia of a pilot program for the deployment of electric power storage batteries pursuant to Enactment Clause Nos. 9 and 10 of Senate Bill 966

ORDER ESTABLISHING GUIDELINES

Pursuant to provisions within Chapter 296 of the 2018 Acts of Assembly ("Act"),[1] the State Corporation Commission ("Commission") docketed these proceedings to implement electric power storage pilot programs for Appalachian Power Company ("APCo") and Dominion Energy Virginia ("DEV"). The Act directs the Commission to adopt such rules or establish such guidelines by December 1, 2018, as may be necessary for the general administration of the pilot programs.

[1] The Act, signed into law by the Governor of Virginia on March 9, 2018, became effective July 1, 2018. At the direction of the Virginia Code Commission, Enactment Clauses 9 and 10 of the Act establishing this pilot program were codified as § 56-585.1:6 of the Code of Virginia.

On April 20, 2018, the Commission issued its Order Directing Comments ("Order Directing Comments") herein for the purpose of receiving comments from APCo, DEV and any other interested party regarding the implementation of these pilot programs. The Order Directing Comments further required DEV and APCo to submit comments (and permitted interested parties to submit comments) concerning any rules or guidelines such utilities or interested parties believed necessary for the general administration of these programs.

On June 19, 2018, DEV and APCo jointly filed comments in these dockets suggesting that the Commission adopt guidelines for the administration of these pilot programs (in lieu of a formal rulemaking). The utilities attached to their joint comments, a set of draft guidelines proposed as the basis for Commission guidelines concerning these programs.[2] Comments were also received from Cliona Mary Robb, in her capacity as Chair of the Virginia Solar Energy Development and Energy Storage Authority. No additional comments were received in response to the Order Directing Comments.

The Commission Staff's ("Staff") Action Brief filed in these dockets thereafter stated that the guidelines jointly proposed by DEV and APCo were generally compliant with the requirements outlined in Enactment Clauses 9 and 10 of the Act. The Staff suggested revisions to the draft and further recommended that the Commission issue an Order providing notice of these draft guidelines, as revised by the Staff, allowing DEV and APCo, and other interested parties to submit comments thereon.

On August 28, 2018, the Commission issued its Order for Comments on Draft Guidelines ("August 28, 2018 Order") soliciting comments on the revised draft guidelines. Comments were to be filed on or before October 1, 2018.[3] Thereafter, on September 28, 2018, the Commission issued its Order Extending Comment Period herein, extending the deadline for submitting comments on the draft guidelines to October 19, 2018.

Comments concerning the revised draft guidelines were jointly submitted by APCo and DEV on October 19, 2018 ("Joint Comments"). The Joint Comments principally propose that the Commission incorporate in these guidelines certain provisions previously proposed by APCo and DEV in their joint submission on June 19, 2018 (but not incorporated in the revised draft guidelines attached to the Commission's August 28, 2018 Order). These provisions relate to the "repurposing" of battery energy storage systems during a pilot program subject to these guidelines. [4] The Joint Comments also propose that utility annual reporting requirements in the guidelines be modified to address circumstances in which information for an annual report is not available or applicable.[5] No additional comments were received concerning the revised draft guidelines made available for comment by the August 28, 2018 Order.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds as follows: The Act states that the Commission shall adopt rules or establish such guidelines by December 1, 2018, as may be necessary for the general administration of the pilot programs to deploy electric power storage batteries. We have considered all comments and submissions in these dockets, and find it reasonable to establish the Guidelines Regarding Electric Power Storage Battery Pilot Programs attached to this Order. We have substantially incorporated therein the modifications proposed by DEV and APCo in their Joint Comments, together with other clarifying changes. The guidelines attached to this Order show the additions and deletions associated with such modifications.

Accordingly, IT IS ORDERED THAT:

(1) The Guidelines Regarding Electric Power Storage Battery Pilot Programs as set forth in the Attachment to this Order are hereby established pursuant to the Act; and

(2) There being nothing further to come before the Commission in this proceeding, the case is hereby dismissed.

NOTE: A copy of the Guidelines Regarding Electric Power Storage Battery Pilot Programs is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

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[2] The draft guidelines, inter alia, defined the scope of "battery energy storage systems" ("BESS"); outlined information to be furnished to the Commission regarding each proposal to deploy such storage systems in conjunction with these pilot programs; and contained utility reporting requirements including (i) written notice by these electric utilities to the Commission prior to placing a BESS into service as part of a pilot program, and (ii) annual reports by these electric utilities to the Commission concerning the status of each pilot program.

[3] The Commission also directed the Commission's Division of Public Utility Regulation to provide copies of this Order and the draft guidelines by electronic transmission, or when electronic transmission was not possible, by mail, to individuals, organizations, and companies identified by Staff as potentially having an interest in these proceedings.

[4] APCo and DEV propose that the guidelines permit a utility to utilize a BESS for some period other than the expected five-year period established under the draft guidelines if the BESS is "repurposed" by the utility. Related language establishing procedures by which a utility would notify the Commission that a BESS is to be repurposed is also proposed in the Joint Comment. The Joint Comments further propose that "repurpose" be defined in the guidelines, and that this term be defined to mean "chang[ing] the application(s) or location of the BESS from what was in the initial project." The Staff's Action Brief had identified the absence of such a definition in the June 19, 2018 joint submission of APCo and DEV as one basis for not recommending the inclusion of "repurposing" provisions in the guidelines; Staff had also questioned the necessity of these provisions. The Joint Comments, however, noted that unforeseen events or changes in technology could result in the utilization of an installed BESS in a different or more economical way than originally approved. To allow for flexibility and to account for these possibilities, the Joint Comments advocated the inclusion of these provisions in the Commission's guidelines. The Commission is advised by the Staff that it has no objection to the inclusion of the "repurposing" language proposed in the Joint Comments.

[5] Language proposed in the Joint Comments would permit a utility to note and explain any information requested in the guidelines that is not available or applicable at the time of each annual report. The Commissions is advised by the Staff that it does not object to this proposed modification.

CASE NO. PUR-2018-00061
NOVEMBER 26, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

Ex Parte: In the matter concerning the implementation by Virginia Electric and Power Company d/b/a Dominion Energy Virginia of a pilot aggregation program pursuant to House Bill 1451

ORDER ESTABLISHING GUIDELINES

Pursuant to the Chapter 415 of the 2018 Acts of Assembly ("Act"),[1] on April 20, 2018, the State Corporation Commission ("Commission") issued its Order Directing Comments ("Order Directing Comments") herein for the purpose of receiving comments from Dominion Energy Virginia ("DEV" or "Company") and any other interested party regarding a pilot program established pursuant to the Act.[2]

Thereafter, on June 19, 2018, DEV submitted comments and draft guidelines in response to the Order Directing Comments. The draft guidelines addressed, *inter alia*, the applicability of the Commission's net metering rules to this pilot, various charges that participating schools will continue to pay, as well as metering requirements, the treatment of renewable energy certificates, and liability insurance requirements. Comments in this docket were also filed on June 19, 2018, by WGL Energy Systems, Inc. ("WGL Energy").[3] No other comments were received.

The Commission Staff's ("Staff") Action Brief filed in this docket on August 28, 2018, stated that the Staff was in general agreement with the draft guidelines submitted by DEV as well as further revisions made by the Company addressing questions raised by the Staff. The Staff then recommended that the Commission issue an order providing notice of the draft guidelines as revised ("Draft Guidelines") and allow an opportunity for interested parties to submit comments thereon.

On August 28, 2018, the Commission issued an Order for Comments on Draft Guidelines.[4] Comments on the Draft Guidelines were to be filed in this docket on or before October 1, 2018. Thereafter, on September 28, 2018, the Commission issued an Order Extending Comment Period in this docket, extending the comment submission deadline from October 1, 2018, to October 19, 2018.

Joint comments and proposed modifications to the Draft Guidelines ("Joint Comments") were filed by DEV and Arlington Public Schools ("APS") on October 19, 2018. The Joint Comments, *inter alia,* sought to clarify the costs included in the VEPGA_RATE used in the guidelines' formula for crediting excess electricity generation to schools participating in the pilot program. Specifically, APS and DEV propose that the formula include the full cost of generation, including certain generation-related rate adjustment clauses, in calculating the VEPGA_RATE while excluding certain distribution- and transmission-related riders in that rate's calculation. No other comments concerning the Draft Guidelines were filed in this proceeding.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds as follows. The Act states that by December 1, 2018, the Commission shall adopt rules or establish guidelines "as may be necessary for the general administration of the pilot program."
We have considered all comments and submissions in this docket, and find it reasonable to establish the guidelines attached to this Order. In particular, we have incorporated therein the modifications proposed by DEV and Arlington Public Schools in their Joint Comments concerning the formula for crediting excess electricity generation to schools participating in the pilot program. The guidelines attached to this Order show the additions and deletions associated with such modifications.

Accordingly, IT IS ORDERED THAT:

(1) The guidelines as set forth in the Attachment to this Order are hereby established pursuant to the Act; and

(2) There being nothing further to come before the Commission in this proceeding, this case is hereby dismissed.

NOTE: A copy of the Guidelines for Public School Excess Wind or Solar Renewable Generation Pilot Program is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

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[1] The Act, introduced as House Bill 1451 and signed into law by the Governor of Virginia on March 23, 2018, became effective July 1, 2018. At the direction of the Virginia Code Commission, the Act was codified as § 56-585.1:7 of the Code of Virginia.

[2] The Act directs DEV to submit a proposal to the Commission to establish a pilot program that would allow "any school in a public school division . . . that generates electricity from a wind-powered or solar powered renewable energy facility located at the school" certain enumerated options with regard to any amounts of generated electricity that exceed the school's consumption. The Act also directed the Commission, by December 1, 2018, to adopt rules or establish guidelines "as may be necessary for the general administration of the pilot program . . . ."

[3] WGL Energy offered comments in support of the pilot and advocated that the pilot program operate in the form of a feed-in tariff that would enable third party suppliers to participate in the development and operation of solar facilities utilized in the pilot program.

[4] In the Order for Comments on Draft Guidelines, the Commission also directed its Division of Public Utility Regulation to provide copies of that Order and the Draft Guidelines by electronic transmission, or when electronic transmission is not possible, by mail, to individuals, organizations, and companies identified by Staff as potentially having an interest in this proceeding.

CASE NO. PUR-2018-00063
SEPTEMBER 7, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of an extension and modifications to special rates, terms and conditions pursuant to Virginia Code § 56-235.2

FINAL ORDER

On April 27, 2018, Virginia Electric and Power Company ("Dominion" or "Company") filed an application ("Application") in both public and confidential versions with the State Corporation Commission ("Commission") pursuant to § 56-235.2 of the Code of Virginia ("Code") and the Commission's Rules for Filing an Application to Provide Electric and Gas Service Under a Special Rate, Contract or Incentive.[1] The Application requests the Commission to approve a modification and extension of the Special Rates, Terms and Conditions ("Agreement") for the Company's provision of electric service to Chaparral (Virginia) Inc. ("Chaparral"), originally approved in 2004, and extended in 2010, and 2013, for use through May 31, 2018.[2]

Through its current Application, Dominion seeks a four-year extension of the Agreement, through and until May 31, 2022.[3] Dominion represents that during the 2018 regular session, the Virginia General Assembly passed Senate Bill No. 966 ("SB 966"), which provides, in part, for a review of Dominion's rates, terms, and conditions for generation and distribution services to be held in 2021.[4] Dominion asserts that the proposed extension of the Agreement with Chaparral will provide a level of stability and predictability that is important to Chaparral's economic viability, while its base and rider-related rates for service are determined in accordance with the Commission's orders in Dominion's intervening rate reviews and rider proceedings.[5] Dominion asserts that the proposed extension of the Agreement will protect the public interest, will not unreasonably prejudice or disadvantage any customer or class of customers, and will not jeopardize the continuation of reliable utility service.[6] Dominion further asserts that its proposed extension is consistent with the Commission's approval of the Agreement extensions granted in prior cases and supportive of Chaparral's significant direct and indirect economic contributions to the Commonwealth.[7]

Concurrent with its Application, Dominion filed its Motion for Interim Authority to Extend Existing Special Rates Contract ("Motion"). Therein Dominion requested that the Commission grant interim authorization for Dominion to operate under the Agreement until the Commission has an opportunity to act on the Application.[8]

On May 16, 2018, the Commission entered an Order for Notice and Comment that, among other things, docketed the Application; directed the Company to provide public notice of its Application; established a procedural schedule for the filing of comments, notices of participation and requests for hearing; directed the Commission Staff ("Staff") to investigate the Application and provided the Staff the opportunity to file a report; and permitted the Company to respond to any written comments and requests for hearing. The Order for Notice and Comment also granted Dominion's Motion.

On June 11, 2018, Dominion filed a letter confirming that the Special Rates, Terms and Conditions applicable to Chaparral would be modified in accordance with SB 966, which, among other things, requires Dominion to provide certain bill credits as well as base rate adjustments that reflect annual reductions in the corporate income taxes paid pursuant to the provisions of the Federal Tax Cuts and Jobs Act of 2017.[9]

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[1] 20 VAC 5-310-10 *et seq.*

[2] Application at 1, 8. *See also Application of Virginia Electric and Power Company, For approval of special rates and terms and conditions for electric service pursuant to Virginia Code § 56-235.2 and for expedited consideration of the application*, Case No. PUE-2004-00083, 2004 S.C.C. Ann. Rept. 491, Final Order (Oct. 8, 2004); *Application of Virginia Electric and Power Company, For approval of an extension and modifications to special rates, terms and conditions pursuant to Virginia Code § 56-235.2*, Case No. PUE-2010-00072, 2010 S.C.C. Ann. Rept. 568, Final Order (Oct. 20, 2010); and *Application of Virginia Electric and Power Company, For approval of an extension to special rates, terms and conditions pursuant to Virginia Code § 56-235.2*, Case No. PUE-2013-00053, 2013 S.C.C. Ann. Rept. 411, Final Order (Oct. 3, 2013).

[3] Application at 6.

[4] *Id*. *See* 2018 Va. Acts Chapter 296, specifically changes made therein to Code § 56-585.1:1.

[5] Application at 7.

[6] *Id.*

[7] *Id.* (citing *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. PUE-1998-00333, 1999 S.C.C. Ann. Rept. 419, Final Order (Jan. 26, 1999); *Application of Virginia Electric and Power Company, For approval of special rates and terms and conditions for electric service pursuant to Virginia Code § 56-235.2 and for expedited consideration of the application*, Case No. PUE-2004-00083, 2004 S.C.C. Ann. Rept. 491, Final Order (Oct. 8, 2004); and *Application of Virginia Electric and Power Company, For approval of an extension to special rates, terms and conditions pursuant to Virginia Code § 56-235.2*, Case No. PUE-2013-00053, 2013 S.C.C. Ann. Rept. 411, Final Order (Oct. 3, 2013)).

[8] Motion at 1-2.

[9] Tax Cut and Jobs Act, Pub. L. No. 115-97, 131 Stat. 2054 (2017). The Company notes that on May 16, 2018, it filed revised tariff provisions, effective for use on and after July 1, 2018, for Chaparral as required by Commission Order in Case No. PUR-2018-00055. *Ex parte: In the matter concerning the implementation by Virginia Electric and Power Company d/b/a Dominion Energy Virginia of reduction in rates for generation and distribution services pursuant to Enactment Clause Nos. 6 and 7 of Senate Bill 966,* Case No. PUR-2018-00055, Order Directing Compliance Filings, at 2 (April. 16, 2018).

No notices of participation, comments or requests for hearing were filed in this matter.[10] On August 7, 2018, the Staff filed a letter with the Clerk of the Commission indicating that it had investigated the Application, but would not be filing a report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Company's proposed extension of the Agreement, including the revised tariff provisions filed by Dominion on May 16, 2018, for use on and after July 1, 2018, should be approved. The Commission agrees with the Company that the extension will not unreasonably prejudice or disadvantage any customer or class of customers and will not jeopardize the continuation of reliable electric service.

Accordingly, IT IS ORDERED THAT:

(1) Dominion may continue to offer Chaparral the Special Rates, Terms and Conditions set out in the current Agreement between the parties through May 31, 2022.

(2) This case is dismissed.

[10] On July 9, 2018, the Company provided proof of notice as required by the Commission's May 16, 2018 Order for Notice and Comment.

CASE NO. PUR-2018-00065
DECEMBER 7, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 *et seq*.

ORDER

On May 1, 2018, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") the Company's 2018 Integrated Resource Plan ("IRP") pursuant to § 56-597 *et seq.* of the Code of Virginia ("Code"). Dominion's 2018 IRP encompasses the planning period from 2019 to 2033.

On May 7, 2018, the Commission issued an Order for Notice and Hearing in this proceeding that, among other things, established a procedural schedule; set an evidentiary hearing date; directed Dominion to provide public notice of its IRP; and provided any interested person an opportunity to file comments on the Company's IRP, or to participate in the case as a respondent by filing a notice of participation. Notices of participation were filed by Appalachian Voices ("Environmental Respondents"); the Virginia Chapter of the Sierra Club ("Sierra Club"); the Board of Supervisors of Culpeper County, Virginia ("Culpeper County"); the Mid-Atlantic Renewable Energy Coalition ("MAREC"); the Solar Energy Industries Association ("SEIA"); the Virginia Committee for Fair Utility Rates ("Committee"); Sandra L. Meyer, Trustee of the Meyer Family Trust ("Meyer Trust"); and the Virginia Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel").

The Commission's Order for Notice and Hearing also provided for the pre-filing of testimony and exhibits by Dominion, respondents and the Commission's Staff ("Staff"). The Company, Environmental Respondents, Sierra Club, MAREC, and Staff pre-filed testimony in this proceeding.

On September 7, 2018, Dominion filed a Motion *in Limine* ("Motion"). On September 21, 2018, the Environmental Respondents filed a response in opposition to Dominion's Motion. On October 5, 2018, Dominion filed its reply.

Beginning on September 24, 2018, the Commission convened a hearing on the Company's 2018 IRP.[1] During the hearing, the Commission received the testimony of public witnesses.[2] The Commission also received testimony and exhibits from Dominion, the respondents, and Staff.[3] The hearing concluded, after closing arguments, on September 27, 2018.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

Pursuant to § 56-599 C of the Code, the Commission must, after giving notice and an opportunity to be heard, determine whether Dominion's IRP is reasonable and in the public interest. For the reasons discussed below, the Commission finds, based on the record of this proceeding and applicable statutes, that the Company has failed to establish that its 2018 IRP, as currently filed, is reasonable and in the public interest. The Commission further finds that the Company shall correct and refile its 2018 IRP subject to the provisions of this Order.

[1] Staff and all parties except Culpeper County, the Committee, and the Meyer Trust participated in the hearing.

[2] Tr. 12-50. The Commission also received public comments filed pursuant to the Order for Notice and Hearing.

[3] At the hearing, the Commission noted that it would rule on the Motion in its Final Order in this proceeding. Tr. 9. We deny any objections we took under advisement and admit the testimony of Environmental Respondents witness Lander (Ex. 22). As noted during the hearing, admission of an exhibit is not tantamount to a finding of fact. Findings of fact are contained in orders as such. Tr. 10-11. The Motion is denied.

Compliance with Prior Commission Order

In its Order on Dominion's 2017 IRP,[4] the Commission took judicial notice of Senate Bill 966,[5] recognizing that the new legislation would impact subsequent IRPs. The Commission directed "that Dominion's future IRPs, beginning with the IRP due to be filed on May 1, 2018, shall include detailed plans to implement the mandates contained in that legislation, as well as plans that comply with all other legal requirements."[6] The Commission noted "[t]his includes, for example, the utility's least-cost plan along with plans compliant with proposed federal carbon-control regulations . . . ."[7]

The record in the instant proceeding reflects that the Company's least-cost plan includes resources, such as the Coastal Virginia Offshore Wind ("CVOW") demonstration project, that were not selected by the Company's modeling on a least-cost basis, but rather were forced into each of the Company's alternative plans.[8] The record also reflects that the Company's modeling was not permitted to select certain highly-efficient natural gas-fired combined-cycle facilities for purposes of developing a least-cost plan.[9] Forcing in higher-cost resources and excluding other lower-cost resources results in a more expensive least-cost plan. While there may be appropriate or defensible reasons, including review of various potential state and federal carbon restrictions, for Dominion to include the scenarios it chose for the IRP, omitting a true least-cost plan does not provide the analysis needed to assess the incremental cost of various options, for Commission analysis, and for statutorily required reporting to the General Assembly. Based on the foregoing, the Commission finds that the Company did not comply with the Commission's directive to include a least-cost plan in its 2018 IRP.

With respect to the requirement to address the mandates contained in Senate Bill 966, the record reflects that the Company included some, but not all, of those mandates in its 2018 IRP. For example, the Company's plans include CVOW as well as solar photovoltaic ("PV") resources ranging in amounts up to 6,640 megawatts ("MW").[10] The Company did not, however, model $870 million in energy efficiency programs, nor did it model a battery storage pilot required by Senate Bill 966.[11] The 2018 IRP also did not include costs associated with the Company's Strategic Undergrounding Program ("SUP"), Grid Transformation Plan, or Transmission Line Undergrounding Pilot, each of which was contained in, or modified by, Senate Bill 966.[12] Again, by omitting certain mandates the IRP as filed does not provide the analysis and back-up data needed to assess the cost of these mandates, for Commission review, and for statutorily required reporting to the General Assembly. Based on the foregoing, the Commission further finds that the Company's 2018 IRP did not fully comply with the Commission's prior directive to include detailed plans to implement the mandates contained in Senate Bill 966.[13]

Corrected 2018 IRP

The Commission finds that the Company shall re-run and re-file the corrected results of its 2018 IRP within 90 days from the date of this Order, subject to the requirements of this Order.

In its corrected 2018 IRP, for purposes of its least-cost plan, the Company shall not force the modeling to select any resource, nor exclude any reasonable resource.[14] This requirement does not reflect any finding that the Company should pursue any specific resource included in the least-cost plan; rather, as the Commission has repeatedly recognized, the IRP is a planning document, and it is reasonable, for planning purposes, to identify the least-cost plan to provide a benchmark against which to measure the costs of other alternative plans.

As previously ordered, the Company shall also calculate the incremental cost impacts of the mandates contained in Senate Bill 966, including a comparison to the identified least-cost plan. This includes CVOW; 5,000 MW of nameplate wind and solar, including at least 25 percent of such resources from non-utility generators; $870 million in spending on energy efficiency programs; the 30 MW battery storage pilot; the SUP;[15] the Grid Transformation Plan; and the Transmission Line Undergrounding Pilot.

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[4] *Commonwealth of Virginia, ex rel. State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUR-2017-00051, Doc. Con. Cen. No. 180320095, Order (Mar. 12, 2018) ("2017 IRP Order").

[5] 2018 Acts ch. 296.

[6] 2017 IRP Order at 3-4.

[7] *Id.* at 4 n.8. The Commission also explicitly required the Company to include a least-cost plan as part of its 2017 IRP. *See Commonwealth of Virginia, ex rel. State Corporation Commission, In re: Virginia Electric and Power Company's Integrated Resource Plan filing pursuant to Va. Code § 56-597 et seq.*, Case No. PUE-2016-00049, 2016 S.C.C. Ann. Rept. 405, 407 (Dec. 14, 2016).

[8] *See, e.g.,* Ex. 37 (Abbott) at 7 n.3; Tr. 601.

[9] *See, e.g.,* Ex. 31 (Samuel) at 17; Ex. 37 (Abbott) at 7.

[10] *See, e.g.,* Ex. 37 (Abbott) at 5.

[11] *See, e.g., id.*; Ex. 24 (Hausman) at 20, 22-23; Tr. 139-140, 164.

[12] *See, e.g.,* Ex. 37 (Abbott) at 6.

[13] The Commission accepts the Company's explanation that it misunderstood the requirements set forth in the Commission's prior order, *see* Tr. 1003-1005, and the Commission does not find bad faith on the part of the Company.

[14] The record reflects that the Company did not include fuel transportation costs in the modeled costs of certain natural gas generation facilities. Tr. 610. For purposes of the corrected 2018 IRP, the Company should include a reasonable estimate of fuel transportation costs, including interruptible transportation, if applicable, associated with all natural gas generation facilities in addition to the fuel commodity costs.

[15] With respect to the SUP, the Company shall calculate the incremental cost impacts associated with those SUP conversions after September 1, 2016, that were not approved for recovery prior to the effective date of Senate Bill 966.

In sum, while an IRP is a planning document and does not approve any specific expenditure, legally-mandated costs are likely to be borne by customers in one form or another, so it is essential that an IRP provide the public and policymakers with projected costs for such mandates that are as accurate as possible.

Load Forecast

The reasonableness of the Company's load forecast was a significant issue in this proceeding and the Commission received considerable evidence and argument related to the Company's load forecast. Several alternative load forecasts were presented by Staff and respondents for the Commission's consideration, each of which supported, to varying degrees, lower peak load and energy sales forecasts compared to the Company.[16] Notably, the Company's peak load and sales forecasts are higher than those of PJM,[17] the regional transmission entity of which the Company is a member, and the entity that sets the Company's capacity obligation within the PJM capacity market.[18] For example, the evidence showed that PJM's 2018 Load Forecast projects a peak demand 15-year compound annual growth rate ("CAGR") of 0.8% for the Dominion Zone of PJM, compared to the Company's internal forecast of 1.4%.[19] For energy, PJM projects a 15-year CAGR of 0.9% for the Dominion Zone, compared to the Company's internal forecast of 1.4%.[20] The record further reflects that, since 2016, Dominion's forecast has begun to diverge significantly from PJM's forecast.[21]

The record further reflects that the load forecasts contained in the Company's past IRPs have been consistently overstated, particularly in years since 2012, with high growth expectations despite generally flat actual results each year.[22] For example, the evidence showed that the Company's 2012 IRP projected peak load of approximately 21,500 MW in 2017 whereas the actual peak was approximately 19,500 MW.[23] Moreover, for the past several years, the Company has generally lowered its expected base year forecast with each subsequent IRP, while maintaining a similar slope for its long term forecast.[24]

The Commission recognizes that every forecast has strengths and weaknesses and that no forecast will exactly match actual results except by chance; however, weighing the evidence presented in this proceeding, the Commission has considerable doubt regarding the accuracy and reasonableness of the Company's load forecast for use to predict future energy and peak load requirements. In reaching this conclusion, the Commission has considered all evidence presented in this proceeding including the alternative forecasts presented, as well as trends in the Company's historical load forecasts.

Based on the foregoing, rather than the Company's internal load forecast, the Commission directs that, for purposes of its corrected 2018 IRP, the Company shall utilize the Dominion Zone PJM coincident peak load forecast and energy sales forecast, scaled down to the Dominion load serving entity level, consistent with the methodology presented by Staff witness White, as further modified below.[25] The coincident peak is appropriate because, as Dominion acknowledges, PJM establishes the Company's capacity obligation based on Dominion's contribution to PJM's coincident peak.[26] Moreover, as acknowledged by the Company, one of the benefits of PJM membership is the capacity available to the Company for purchase from the PJM market during times of Dominion's non-coincident peak.[27]

As acknowledged by the Company, one of the primary purposes of energy efficiency measures is to reduce load.[28] In order to assess more fully the impact of the requirement of Senate Bill 966 that the Company propose $870 million in spending on new energy efficiency programs by 2028, the Company shall also model the impact of that requirement on the load forecast in all plans other than the least cost plan.[29] Specifically, this should be modeled separately as (1) an impact on the PJM peak load and energy sales forecast, and (2) a supply-side resource as currently presented. The Company should model the impact on forecasted peak load and energy sales using reasonable assumptions based on actual Virginia-specific data.

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[16] *See, e.g.,* Ex. 20 (Wilson) at 10; Ex. 28 (McBride) Drilling Info Report at 29-34; Ex. 35 (White) at 14-15.

[17] PJM Interconnection, L.L.C.

[18] Tr. 737-38.

[19] Ex. 4 (IRP) at 17, 22.

[20] *Id.*

[21] Ex. 35 (White) at 13-14; Tr. 514.

[22] Ex. 20 (Wilson) at 4-5; Ex. 23 (Shobe) at 3-6; Ex. 28 (Drilling Info Report) at 36.

[23] *See, e.g.,* Ex. 54; Ex. 50 (Thomas Rebuttal) at 26. The evidence also showed, as another example, that the Company's 2015 IRP projected a 2018 peak that was 2,500 MW higher than the actual 2018 peak. Tr. 516.

[24] Ex. 35 (White) at 13.

[25] *Id.* at 14-15; Tr. 537-542. Consumer Counsel supported this recommendation. Tr. 976.

[26] Ex. 35 (White) at 14; Tr. 880-881. The Company's original analysis using its projected load forecast remains part of this record.

[27] Tr. 880-881.

[28] Tr. 867.

[29] *See* Senate Bill 966, Enactment cl. 15.

Solar Capacity Factor

The solar capacity factor modeled by the Company was also a significant issue in this proceeding. The record reflects that the Company's existing solar PV resources, which include both fixed tilt and solar tracking resources, have experienced lower-than-modeled capacity factors. While the Company models an approximately 26 percent capacity factor for future solar PV resources, the Company's resources have experienced actual capacity factors of approximately 20 percent on average over the past five years.[30] Several explanations for the lower-than-expected capacity factors were offered. In particular, evidence was offered that suggested wetter than normal weather, technical difficulties including outages, and differences between fixed and solar tracking technologies, which caused the actual capacity factor to be lower than the 26 percent modeled in the 2018 IRP.[31]

For purposes of the Company's corrected 2018 IRP, the Commission finds that the Company should model a 23 percent capacity factor for solar PV resources. In reaching this decision, the Commission carefully considered and weighed all of the evidence regarding the causes of the actual solar capacity factors and evidence supporting technological efficiency improvements of solar resources over time.[32]

Further in this regard, the Commission finds the Company's methodology for forecasting solar renewable energy certificate ("REC") prices to be unreasonable. The record shows that the Company's REC price methodology does not consider actual market prices of RECs, but instead the REC price forecast is directly tied to and dependent upon the Company's forecasts of energy and capacity.[33] Specifically, the REC price forecast is the residual level necessary to make the renewable resource investment economic given the utility's forecasts of market prices for energy and capacity.[34] For purposes of the corrected 2018 IRP filing, the Company shall present an alternative methodology for forecasting REC prices that incorporates actual observable market prices for RECs.

Accordingly, IT IS SO ORDERED, and this matter IS CONTINUED.

[30] *See, e.g.,* Ex. 37 (Abbott) at 7; Tr. 561-62; Ex. 38; Ex. 41.

[31] *See, e.g.,* Tr. 401-403, 567-571; Ex. 39; Ex. 48.

[32] *See, e.g.,* Ex. 37 (Abbott) at 7; Tr. 561; Ex. 38; Ex. 41; Ex. 42; Ex. 48.

[33] *See, e.g.,* Ex. 35 (White) at 18-21; Ex. 43 (Scheller Rebuttal) at 14-15.

[34] *See, e.g.,* Ex. 35 (White) at 19-20; Tr. 512.

CASE NO. PUR-2018-00066
AUGUST 2, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of a rate adjustment clause pursuant to § 56-585.1 A 4 of the Code of Virginia

FINAL ORDER

On May 4, 2018, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company"), pursuant to Code § 56-585.1 A 4 ("Subsection A 4"), filed an application ("Application") with the State Corporation Commission ("Commission") for approval of a rate adjustment clause designated as Rider T1.

Subsection A 4 states as follows:

> 4. The following costs incurred by the utility shall be deemed reasonable and prudent: (i) costs for transmission services provided to the utility by the regional transmission entity of which the utility is a member, as determined under applicable rates, terms and conditions approved by the Federal Energy Regulatory Commission [("FERC")], and (ii) costs charged to the utility that are associated with demand response programs approved by the Federal Energy Regulatory Commission and administered by the regional transmission entity of which the utility is a member. Upon petition of a utility at any time after the expiration or termination of capped rates, but not more than once in any 12-month period, the Commission shall approve a rate adjustment clause under which such costs, including, without limitation, costs for transmission service, charges for new and existing transmission facilities, administrative charges, and ancillary service charges designed to recover transmission costs, shall be recovered on a timely and current basis from customers. Retail rates to recover these costs shall be designed using the appropriate billing determinants in the retail rate schedules.

In this proceeding, Dominion seeks approval of a revenue requirement for the rate year September 1, 2018, through August 31, 2019 ("Rate Year").[1] This revenue requirement, if approved, would be recovered through a combination of base rates and a revised increment/decrement Rider T1. Rider T1 is designed to recover the increment/decrement between the revenues produced from the transmission component of base rates and the new revenue requirement developed from the Company's total transmission costs for the Rate Year.[2]

[1] Exhibit ("Ex.") 2 (Application) at 1.

[2] *Id.* at 6. References herein to "transmission component of base rates" and "total transmission costs" are inclusive of demand response costs applicable under Subsection A 4.

The total revenue requirement proposed to be recovered over the Rate Year is $755,467,647, comprising an increment Rider T1 of $286,983,645 and forecast collections of $468,484,002 through the transmission component of base rates.[3] This total revenue requirement represents an increase of $145,534,342 compared to the revenues projected to be produced during the Rate Year by the combination of the base rate component of Subsection A 4 (the Company's former Rider T) and the Rider T1 rates currently in effect.[4] Implementation of the proposed Rider T1 on September 1, 2018, would increase the average weighted monthly bill of a residential customer using 1,000 kilowatt-hours per month by $4.18.[5]

On May 11, 2018, the Commission issued an Order for Notice and Hearing that, among other things, established a procedural schedule for this case, directed the Company to provide public notice of its Application, provided interested persons an opportunity to file comments on the Application or to participate as respondents in this proceeding, scheduled a public evidentiary hearing, and directed the Commission's Staff ("Staff") to investigate the Application. The Commission also assigned a Hearing Examiner to conduct further proceedings in this matter on behalf of the Commission, including filing a final report containing the Hearing Examiner's findings and recommendations.

The following parties filed notices of participation in this proceeding: the Office of Attorney General's Division of Consumer Counsel ("Consumer Counsel"); the Virginia Committee for Fair Utility Rates ("Committee"); and the Board of Supervisors of Culpeper County, Virginia.

On June 13, 2018, Staff filed its testimony and exhibits.[6] On June 20, 2018, the Company filed the testimony of its rebuttal witnesses. On June 29, 2018, the Honorable Deborah V. Ellenberg, Chief Hearing Examiner, convened the evidentiary hearing in this proceeding. Dominion, the Committee, Consumer Counsel, and Staff participated in the hearing. On July 9, 2018, the Chief Hearing Examiner filed her Report ("Report"). On July 16, 2018, Dominion, the Committee, Consumer Counsel, and Staff filed comments on the Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

Tax Cuts and Jobs Act of 2017

Last December, the Congress of the United States passed, and the President signed into law, the Tax Cuts and Jobs Act of 2017 (the "Act").[7] Among other provisions, the Act cut the federal corporate income tax rate from a maximum 35% rate to a flat 21% rate, effective January 1, 2018.

On January 8, 2018, the Commission entered an order directing all Virginia utilities, which of course included Dominion, to begin accruing "regulatory liabilities reflecting the Virginia jurisdictional revenue requirement impacts of the reduced corporate income tax rate."[8] We wrote, "This regulatory accounting recognition of cost of service savings will serve to protect the interests of customers until such time as the federal tax benefits can be appropriately reflected in customers' rates."[9] In addition, the Commission immediately reflected the lower tax rate, for the benefit of Virginia customers, in pending rate adjustment clause cases.[10]

Dominion became subject to the lower corporate tax rate, capped at 21%, on January 1, 2018. On January 12, 2018, the Company filed its required Network Integration Transmission Service ("NITS") informational filing with FERC, pursuant to its Formula Rate Implementation Protocols, in which the Company stated that its federal tax rate was 35%.[11] The Company has not filed an updated informational filing with FERC to reflect its actual corporate tax rate, even though it would simply require adjusting an input in its formula rate.[12] Rather, the Company asserts that it "has followed its approved FERC formula rate process as is it has done for approximately a decade, … and FERC has not required the Company to accelerate this process."[13] Thus, Dominion states that the 35% tax rate will be corrected to 21% for the period commencing January 1, 2018, as part "of the normal true-up process" at FERC.[14]

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[3] *Id*.; Ex. 3 (Wilkinson Direct) at 5.

[4] *See* Ex. 3 (Wilkinson Direct) at 2.

[5] Ex. 11 (Haynes Direct) at 6.

[6] On June 20, 2018, Staff filed a corrected page 8 of Staff witness Dalton's testimony.

[7] Pub. L. No. 115-97 (2017).

[8] *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Regulatory Accounting related to the federal Tax Cuts and Jobs Act of 2017*, Case No. PUR-2018-00005, Doc. Con. Cen. No. 180110073, Order at 1-2 (Jan. 8, 2018) ("*Tax Cut Order*").

[9] *Id.* at 2.

[10] *See, e.g., Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider S, Virginia City Hybrid Center*, Case No. PUR-2017-00073, Doc. Con. Cen. No. 180230132, Final Order (Feb. 20, 2018); *Application of Virginia Electric and Power Company, For revision of rate adjustment clause: Rider W, Warren County Power Station*, Case No. PUR-2017-00074, Doc. Con. Cen. No. 180220188, Final Order (Feb. 14, 2018).

[11] *See, e.g.,* Ex. 15 (Wilkinson Rebuttal) at 3; Tr. 28-29, 38, 85.

[12] The Company's NITS Formula Rate includes a field for the federal corporate income tax rate, which the Company is required to populate with the currently effective income tax rate. *See* Ex. 4; Ex. 15 (Wilkinson Rebuttal) at 3.

[13] Dominion's Comments at 10.

[14] *Id.*

As a result, in the instant proceeding the Company proposes to postpone the benefit to customers of the federal corporate tax cut until future Rider T1 rate years that will begin as late as September 1, 2020, more than two years from the date the federal corporate tax cut took effect.[15] The amount of the tax cut benefit that is postponed is approximately $118 million.[16] Importantly, this is customers' money, not Dominion's, as Dominion's only basis to collect it is to pay its actual corporate taxes.

Dominion, however, asserts that the FERC Formula Rate Implementation Protocols prevent it from incorporating the correct federal tax rate in its NITS filing with FERC. We do not find this argument persuasive. As explained by Consumer Counsel, the Committee, and Staff, there is no provision in the Company's FERC formula rate protocols that prevent it from correcting an erroneous federal tax rate.[17]

In short, Dominion could have included the correct federal tax rate in its FERC formula rate, but has chosen not to. Although other utilities have made voluntary filings at FERC to reflect the new, lower corporate tax rate (including utilities such as Appalachian Power Company ("APCo"), Alabama Power Company, Georgia Power Company, Gulf Power Company, and Mississippi Power Company), Dominion has not.[18] In addition, FERC has already required other utilities to change the federal tax rate to 21%, but has not yet done so with Dominion.[19]

Dominion, however, concedes that FERC will require the federal tax rate to be corrected to 21% for the period beginning January 1, 2018, and that the Company's FERC-approved transmission costs will be corrected in a subsequent FERC true-up to reflect the prior over-collection due to using an incorrect rate of 35%.[20] Thus, reflecting the correct 21% rate in the Subsection A 4 revenue requirement will not result in any trapped costs, nor will it deny recovery of any costs permitted by FERC.

Moreover, pursuant to Subsection A 4, Rider T1 does not – nor can it – provide instantaneous recovery of federal costs. Rather, Rider T1 is comprised of costs from multiple periods. In this manner, Rider T1 is trued-up annually to ensure that Dominion gets dollar-for-dollar recovery of all FERC-approved transmission costs. Again, as a result, reflecting the correct federal income tax rate in Rider T1 (which Dominion admits will be required by FERC) will not create any unrecoverable or trapped costs. The Commission further finds that reflecting the correct 21% tax rate, in conjunction with the annual Rider T1 true-ups, satisfies the Subsection A 4 requirement that costs be "recovered on a timely and current basis from customers."

In addition, the Commission has recently implemented Subsection A 4 in this same manner. Earlier this year (and in contrast to the instant case), APCo requested the Commission to reflect the 21% federal income tax rate in its Subsection A 4 tariff [which is commonly referred to as APCo's T-RAC (*i.e.*, Transmission – Rate Adjustment Clause)]. APCo made such request, even though it had yet to update its FERC transmission rates to reflect the new 21% tax rate. The Commission approved APCo's request.[21] Accordingly, the projected transmission costs for 2018 included in APCo's Subsection A 4 T-RAC reflect the 21% rate, even though APCo's FERC NITS costs had yet to be reduced and refunded via FERC charges.[22] Like Dominion, APCo's T-RAC is subject to true-up to ensure that APCo recovers all FERC-approved transmission costs on a dollar-for-dollar basis. Thus, like the instant case, including the 21% rate in APCo's T-RAC will in no manner result in trapped costs or denial of any transmission cost recovery and, further, continues to recover transmission costs on a timely and current basis from customers.

In conclusion, the Commission finds that Dominion's Subsection A 4 revenue requirement in this proceeding shall include the correct federal income tax rate, which will ensure its customers promptly receive the benefits of the federal tax cut to which they are entitled.[23]

PJM's Open Access Transmission Tariff

As quoted above, Subsection A 4 includes "costs for transmission services provided to the utility by the regional transmission entity of which the utility is a member, as determined under applicable rates, terms and conditions approved by [FERC]." PJM Interconnection, LLC ("PJM") is the regional transmission entity of which Dominion is a member.[24] PJM's rates, terms and conditions approved by FERC are included in PJM's Open Access

[15] *See, e.g.,* Staff's Comments at 6.

[16] *See* Ex. 13 (Carr Direct) at 10; Tr. 60.

[17] *See, e.g.,* Consumer Counsel's Comments at 8 (The "Company was unable to identify any provision in its formula rate protocols that limited its ability to correct an erroneous entry" in its formula rate.); Committee's Comments at 5 ("Moreover, nothing in the protocols prohibits an informational filing to correct the erroneous insertion of a 35% [tax] rate as the currently effective [tax] rate on January 1, 2018 and thereafter."); Staff's Comments at 9 ("[N]othing in the Implementation Protocols states that the Company cannot make a corrected informational filing to reflect the current federal income tax rate.").

[18] *See, e.g.,* Report at 16, n.109.

[19] *See, e.g.,* Dominion's Comments at 9 ("[T]here is a process for stakeholders to challenge a currently-enacted FERC rate or any input thereto. No party has raised any issues since the Company filed its 2018 NITS rate on January 12, 2018, no party has requested a change to any input, and FERC has taken no action with respect to the Company's rates.") (footnote omitted). *See also AEP Appalachian Transmission Company, Inc., et al.*, 162 FERC ¶ 61,225, Order to Show Cause (Mar. 13, 2018); *Alcoa Power Generating Inc. – Long Sault Division, et al.*, 162 FERC ¶ 61,224, Order to Show Cause (Mar. 15, 2018).

[20] *See, e.g.,* Ex. 15 (Wilkinson Rebuttal) at 1-2, 4; Tr. 35, 38, 65, 87-88.

[21] *Application of Appalachian Power Company, For approval of a rate adjustment clause pursuant to § 56-585.1 A 4 of the Code of Virginia*, Case No. PUR-2017-00164, Doc. Con. Cen. No. 180310010, Final Order (Feb. 28, 2018).

[22] *See, e.g.,* Staff's Comments at 11-13; Committee's Comments at 9-10.

[23] This results in an annual reduction of $67,218,278 in projected cost of service, and $44,812,185 in the update period. Report at 17. As explained by the Chief Hearing Examiner, this conservative approach reflects the tax rate change from 35% to 21% in the instant case and allows the full tax reform impact to be addressed in subsequent Rider T1 proceedings. *Id.*

[24] Ex. 2 (Application) at 4.

Transmission Tariff ("PJM Transmission Tariff").[25] Further, Subsection A 4 directs that "the Commission shall approve a rate adjustment clause … including, *without limitation*, *costs for transmission service*, charges for new and existing transmission facilities, administrative charges, and ancillary service charges designed to recover transmission costs…" (emphasis added).

The PJM Transmission Tariff includes, among other things, charges and payments related to generation that continues to operate for the sole purpose of providing transmission system reliability. If a generation owner informs PJM that it intends to deactivate a unit, and that deactivation "would adversely affect the reliability of the *Transmission* System," the generation owner can choose to continue operating in return for payments for providing transmission reliability under the rates, terms and conditions approved by FERC in the PJM Transmission Tariff.[26] In order to make these payments to the generation owner, PJM concomitantly charges transmission users for this transmission reliability service.

Specifically, Part V, Section 120 the PJM Transmission Tariff states that the "costs incurred" to make these payments to the generator are "an additional *transmission charge* … in addition to all *other* charges for *transmission service*…."[27] Accordingly, under the plain language of the PJM Transmission Tariff, the generator that operates solely for this transmission reliability purpose is providing a "transmission service" for which PJM is assessing a "transmission charge."

Turning to the instant case, Dominion has continued to operate Yorktown Units 1 and 2 solely to maintain transmission service reliability under the terms of the PJM Transmission Tariff.[28] The Company acknowledges that "[t]he units … can only operate on a very limited basis for reliability reasons," and that the "units are a reliability 'bridge' until the completion of the Skiffes Creek Project."[29] As a result, PJM will assess transmission users "an additional transmission charge" of $12.7 million for this "transmission service," which will be paid to Dominion in accordance with the PJM Transmission Tariff.[30] Moreover, PJM will specifically assess Dominion $4.6 million of this amount, because Dominion is one of the transmission users that benefits from this transmission service.[31] Dominion, however, argues that Rider T1 should reflect the $4.6 million it is charged by PJM for *using* this transmission service, but not the $12.7 million it is paid by PJM for *providing* this same service.[32]

To support its proposal to treat the costs of transmission services differently, Dominion asserts that "the relevant inquiry is whether the [$12.7 million] is payment for *transmission* services."[33] Dominion then concludes that transmission users are not paying the $12.7 million for "transmission services." We disagree. Factually, PJM is assessing and remitting the $12.7 million for *transmission* service reliability.[34] Legally, these payments are part of the PJM *Transmission* Tariff, which explicitly states that – in this particular instance – the generator is providing a "*transmission* service" for which PJM is assessing "an additional *transmission* charge" of $12.7 million.[35] Accordingly, the Commission finds that both (1) the charges assessed, and (2) the payments made, by PJM under the PJM Transmission Tariff for this transmission service shall be reflected in the Subsection A 4 revenue requirement.

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[25] *Id.*

[26] PJM Transmission Tariff, Part V, Section 113.2 (Ex. 17 (Gaskill Rebuttal) at Rebuttal Schedule 1) (emphasis added). *See, e.g.,* Ex. 10 (Jackson Direct) at 20-21.

[27] PJM Transmission Tariff, Part V, Section 120 (Ex. 16 (Jackson Rebuttal) at Rebuttal Schedule 3) (emphasis added). *See also* Staff's Comments at 14.

[28] *See, e.g.,* Ex. 10 (Jackson Direct) at 20-22; Ex. 16 (Jackson Rebuttal) at Rebuttal Schedule 1; Ex. 17 (Gaskill Rebuttal) at 2-5, Rebuttal Schedule 1; Tr. 130-31, 203-4.

[29] Ex. 17 (Gaskill Rebuttal) at 4, n. 5, and 5.

[30] *See,* PJM Transmission Tariff, Part V, Section 120 (Ex. 16 (Jackson Rebuttal) at Rebuttal Schedule 3). *See also* Ex. 16 (Jackson Rebuttal) at 2-3, Rebuttal Schedule 1.

[31] *See, e.g.,* Ex. 13 (Carr Direct) at 7-8; Ex. 10 (Jackson Direct) at 21-22; Ex. 16 (Jackson Rebuttal) at 6.

[32] *See, e.g.,* Ex. 16 (Jackson Rebuttal) at 6-8.

[33] Dominion's Comments at 21-22 (emphasis added).

[34] *See, e.g.,* Ex. 16 (Jackson Rebuttal) at 2-4; Ex. 17 (Gaskill Rebuttal) at 2-5.

[35] PJM Transmission Tariff, Part V, Section 120 (Ex. 16 (Jackson Rebuttal) at Rebuttal Schedule 3) (emphasis added). *See also* Ex. 16 (Jackson Rebuttal) at 2-3.

Finally, the Commission finds that Dominion's other arguments do not mandate a different conclusion. For example, the instant result does not create illegal cost-shifting between functionally separate units of Dominion.[36] Subsection A 4 applies to the "utility," not any specific functional unit thereof; the "utility" is Dominion, and Dominion has been assessed the charges, and has received the payments, by PJM.[37] This result also does not impermissibly change FERC's functional revenue allocation; applying the plain meaning of "utility" in Subsection A 4 in no manner results in any trapped costs.[38] Indeed, as testified by Staff witness Carr, both the Commission and Dominion have routinely included charges and payments by PJM to Dominion's *generation* function as part of Rider T1, as long as such were for transmission services.[39] Further, the instant result clearly does not make *all* generation the same as transmission as argued by Dominion; rather, the instant question is answered by the PJM Transmission Tariff, which explicitly states that this *particular* generation is being operated for transmission services.[40]

Accordingly, IT IS ORDERED THAT:

(1) Rider T1, as approved herein, shall become effective for service rendered on and after September 1, 2018.

(2) The Company forthwith shall file, with the Clerk of the Commission and the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, the updated tariff sheets for Rider T1 as approved herein. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: http://www.scc.virginia.gov/case.

(3) This case is dismissed.

[36] *See, e.g.,* Dominion's Comments at 20.

[37] *See, e.g.,* Tr. 132-33, 194-95.

[38] *See, e.g.,* Dominion's Comments at 23-24.

[39] Tr. 133.

[40] *See, e.g.,* Dominion's Comments at 21. Also, contrary to Dominion's assertion, the Commission has considered the instant Subsection A 4 petition "on a stand-alone basis without regard to the other costs, revenues, investments, or earnings of the utility" as required by Code § 56-585.1 A 7. *Id*. at 20.

CASE NO. PUR-2018-00066
AUGUST 21, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of a rate adjustment clause pursuant to § 56-585.1 A 4 of the Code of Virginia

ORDER GRANTING RECONSIDERATION

On August 2, 2018, the State Corporation Commission ("Commission") issued a Final Order in this docket. On August 20, 2018, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion") filed a Limited Petition for Reconsideration and Rehearing ("Petition for Reconsideration").

NOW THE COMMISSION, upon consideration hereof, grants reconsideration for the purpose of continuing jurisdiction over this matter and considering the Petition for Reconsideration. The Final Order is hereby suspended pending the Commission's reconsideration.

In addition, the Commission herein schedules additional pleadings attendant to the Petition for Reconsideration.

Finally, as requested in the Petition for Reconsideration, the Commission herein extends the currently-effective Rider T1 at the existing rate of recovery pending reconsideration of this matter.[1]

Accordingly, IT IS ORDERED THAT:

(1) Reconsideration is granted for the purpose of continuing jurisdiction over this matter and considering the Petition for Reconsideration.

(2) The Final Order is suspended.

(3) On or before September 7, 2018, any participant in this case may file a response to the Petition for Reconsideration.

(4) On or before September 14, 2018, Dominion may file a reply to the above response(s).

(5) Rider T1 shall remain at the currently-effective existing rate of recovery pending reconsideration of the Final Order.

(6) This matter is continued.

[1] *See, e.g.,* Petition for Reconsideration at 16.

CASE NO. PUR-2018-00066
NOVEMBER 30, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of a rate adjustment clause pursuant to § 56-585.1 A 4 of the Code of Virginia

ORDER ON RECONSIDERATION

On May 4, 2018, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company"), pursuant to Virginia Code § 56-585.1 A 4 ("Subsection A 4"), filed an application ("Application") with the State Corporation Commission ("Commission") for approval of a rate adjustment clause designated as Rider T1.

On August 2, 2018, the Commission issued a Final Order in this case. On August 20, 2018, Dominion filed a Limited Petition for Reconsideration and Rehearing ("Petition for Reconsideration").

On August 21, 2018, the Commission issued an Order Granting Reconsideration that suspended the Final Order for the purpose of continuing jurisdiction over this matter, established a schedule for additional pleadings on the Petition for Reconsideration, and extended the currently effective Rider T1 at the existing rate of recovery pending reconsideration of the Final Order.

On September 7, 2018, the following participants filed responses to the Petition for Reconsideration: the Office of the Attorney General's Division of Consumer Counsel; the Virginia Committee for Fair Utility Rates; and the Commission's Staff. On September 14, 2018, the Company filed a reply to the responses.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

Code of Virginia

Rider T1 includes transmission services under rates, terms and conditions approved by the Federal Energy Regulatory Commission ("FERC"). Specifically, Subsection A 4 states as follows:

> 4. The following costs incurred by the utility shall be deemed reasonable and prudent: (i) costs for transmission services provided to the utility by the regional transmission entity of which the utility is a member, as determined under applicable rates, terms and conditions approved by [FERC], and (ii) costs charged to the utility that are associated with demand response programs approved by [FERC] and administered by the regional transmission entity of which the utility is a member. Upon petition of a utility at any time after the expiration or termination of capped rates, but not more than once in any 12-month period, the Commission shall approve a rate adjustment clause under which such costs, including, without limitation, costs for transmission service, charges for new and existing transmission facilities, administrative charges, and ancillary service charges designed to recover transmission costs, shall be recovered on a timely and current basis from customers. Retail rates to recover these costs shall be designed using the appropriate billing determinants in the retail rate schedules.

Tax Cuts and Jobs Act of 2017

In the Final Order, the Commission reduced the Company's proposed revenue requirement to reflect the reduced federal corporate income tax rates contained in the federal Tax Cuts and Jobs Act of 2017 ("TCJA"), which became effective January 1, 2018.[1] The Commission found "that Dominion's Subsection A 4 revenue requirement in this proceeding shall include the correct federal income tax rate, which will ensure its customers promptly receive the benefits of the federal tax cut to which they are entitled."[2] Based on the evidentiary record at that time, the Commission's finding reduced Dominion's requested revenue requirement by $112,030,463.[3] In its Petition for Reconsideration, the Company seeks leave to update the record for purposes of calculating the lower revenue requirement attributable to the TCJA.[4] None of the participants oppose this request.

We herein grant Dominion's request that the Commission "accept its information as presented in the [Petition for Reconsideration] and approve revenue requirement reductions attributable to the TCJA that aggregate to $114,248,369, rather than $112,030,463 as ordered, without the need for further evidentiary hearing."[5] We further grant the Company's "request for the Commission to *expressly* adjust its revenue requirement reduction attributable to the TCJA as summarized above so that the Company can avoid being in jeopardy of a Normalization Rules violation."[6]

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[1] Pub. L. No. 115-97 (2017).

[2] Final Order at 7 (footnote omitted).

[3] *Id*. at 7 n.23.

[4] Petition for Reconsideration at 6-11. In requesting to update the record, the Company has not waived its objection to the Commission's decision to reflect the TCJA in Rider T1. *Id*. at 16. For example, Dominion contends that: (1) the "Final Order … sets a dangerous precedent"; (2) the "Commission has granted to itself … authority and jurisdiction"; (3) the Commission's "logic essentially puts the cart before the horse"; and (4) the Commission cannot set rates based on "what it believes will happen in a future true-up." *Id*. at 15-16. The Commission again observes, as discussed in the Final Order, that the rates set herein follow the precedent established by Appalachian Power Company in a prior proceeding and, moreover, are based on what *Dominion* believes and conceded would occur. *See, e.g.,* Final Order at 5-7.

[5] Dominion's Reply at 2.

[6] *Id*. (emphasis in original).

PJM Transmission Tariff

Dominion is a member of PJM Interconnection, LLC ("PJM"), a regional transmission entity.[7] PJM's rates, terms and conditions are approved by FERC and are included in PJM's federal Open Access Transmission Tariff ("PJM Transmission Tariff").[8] Pursuant to the PJM Transmission Tariff, Dominion has continued to operate Yorktown Units 1 and 2 solely to maintain transmission service reliability.[9] For this transmission service, Dominion incurs PJM costs and receives PJM revenues. Dominion included these PJM transmission costs in Rider T1 but excluded the PJM transmission revenues.[10] Instead of Rider T1, the Company proposed to include the concomitant PJM transmission revenues in base rates.[11]

Put simply, Dominion seeks to charge customers dollar-for-dollar for these transmission *costs* through Rider T1 but opposes crediting customers in the same manner for transmission *revenues* received *for the exact same service*. In the Final Order, the Commission found that these PJM transmission costs and revenues, just like other PJM transmission costs and revenues, should be included in Rider T1. In its Petition for Reconsideration, the Company now asks the Commission to split the PJM transmission revenues and include a portion in Rider T1 and a portion in base rates.[12]

It is uncontested that these PJM revenues should be credited to Virginia retail ratepayers. It also is uncontested that rates under Subsection A 4 include both costs paid and revenues received by Dominion for transmission services under FERC-approved tariffs.[13] The Final Order found that if these PJM revenues are for FERC-approved transmission services, then they should be included in Rider T1.[14] In this regard, Dominion likewise asserts that "the relevant inquiry is whether [these PJM revenues are] payment for *transmission* services."[15] The Commission, however, need not fashion its own answer to this inquiry; it has already been answered by FERC.

The FERC-approved PJM Transmission Tariff expressly states that, in this particular instance, Dominion is providing a "transmission service" by continuing to operate Yorktown Units 1 and 2 for transmission reliability.[16] The PJM Transmission Tariff further confirms that this generation is continuing to operate in order to support "the reliability of the *Transmission* System."[17] That is why the PJM Transmission Tariff – explicitly – states that the generator is providing a "*transmission* service" for which PJM is assessing "an additional *transmission* charge."[18] Indeed, if this was not a "transmission service," Dominion would not include the PJM costs therefor in Rider T1. Accordingly, on reconsideration, the Commission continues to find that both the PJM costs and the PJM revenues, attributable to the exact same PJM *transmission* service, should be included in Rider T1.

As noted above, it is uncontested that all of these PJM revenues should be credited to retail customers. Although Dominion proposed to collect the PJM *costs* from retail ratepayers on a dollar-for-dollar basis through Rider T1, the Company does not want to credit all of the PJM *revenues* to customers in the same manner. Dominion asserts that its proposed disparate treatment is needed to avoid trapped costs and violation of the federal filed rate doctrine.[19] The facts, however, do not support this assertion.

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[7] Ex. 2 (Application) at 4.

[8] *Id.*

[9] *See, e.g.,* Ex. 10 (Jackson Direct) at 20-22; Ex. 16 (Jackson Rebuttal) at Rebuttal Schedule 1; Ex. 17 (Gaskill Rebuttal) at 2-5, Rebuttal Schedule 1; Tr. 130-31, 203-4.

[10] *See, e.g.,* Ex. 13 (Carr Direct) at 7-8.

[11] *See, e.g., id.* at 7; Ex. 16 (Jackson Rebuttal) at 2.

[12] Petition for Reconsideration at 11-13. In making this request, the Company has not waived its objection to the Commission's decision in the Final Order. *Id*. at 16. The "Company believes it was legal error for the Commission to rule that the [PJM payments] were for 'transmission service.'" *Id*. at 11.

[13] *See, e.g.,* Ex. 3 (Wilkinson Direct) at Sched. 1, pp. 1-4, 10, 15, 16; Ex. 13 (Carr Direct) at Stat. I-III, V, X, and XI.

[14] *See, e.g.,* Final Order at 10.

[15] Dominion's July 16, 2018 Comments at 21-22 (emphasis added).

[16] PJM Transmission Tariff, Part V, Section 120 (Ex. 16 (Jackson Rebuttal) at Rebuttal Schedule 3) (emphasis added).

[17] PJM Transmission Tariff, Part V, Section 113.2 (Ex. 17 (Gaskill Rebuttal) at Rebuttal Schedule 1) (emphasis added). *See also* Ex. 10 (Jackson Direct) at 20-21.

[18] PJM Transmission Tariff, Part V, Section 120 (Ex. 16 (Jackson Rebuttal) at Rebuttal Schedule 3) (emphasis added). *See also* Staff's Comments at 14.

[19] Dominion's Reply at 4 n.9, 5-6 and n.16 (citing *Entergy Louisiana, Inc. v. Louisiana Pub. Serv. Comm'n*, 539 U.S. 39, 42-49 (2003) ("*Entergy Louisiana*")).

Specifically, the *Entergy Louisiana* case cited by Dominion confirms the legality of the Commission's application of the Virginia statute herein. In *Entergy Louisiana*, a state commission disallowed retail rate recovery of FERC-approved costs incurred by the utility; thus, the United States Supreme Court reversed, explaining that the state commission's "order impermissibly 'traps' costs that have been allocated in a FERC tariff."[20] Conversely, there are no trapped costs in the instant case because all of the Company's costs and revenues attendant to this matter are accounted for in Virginia jurisdictional retail rates. Unlike *Entergy Louisiana*, the instant case does not involve allocating costs among multiple utilities but, rather, implicates functional units within a *single* utility. The Company's generation and transmission units function separately. For cost recovery purposes, however, neither the filed rate doctrine nor Subsection A 4 distinguish between functional units within a utility. Rather, as required by both the filed rate doctrine and Subsection A 4, the Commission's Final Order ensures that all of the Company's costs and revenues are included in the *utility's – i.e.*, Dominion's – retail rates.[21]

In sum, the Commission finds that both the PJM transmission *costs* and the PJM transmission *revenues* – attributable to the exact same transmission service – should be included in Rider T1. The Commission further emphasizes that this result is based on the specific, unique facts of the instant case and does not stand as precedent for future cases that are not likewise based on FERC-defined and FERC-approved transmission costs and revenues.

Accordingly, IT IS ORDERED THAT:

(1) Rider T1, as approved herein, shall become effective for service rendered on and after January 1, 2019.

(2) The Company forthwith shall file with the Clerk of the Commission and the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, the updated tariff sheets for Rider T1 as approved herein. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: http://www.scc.virginia.gov/case.

(3) The Final Order is no longer suspended.

(4) This case is dismissed.

[20] *Entergy Louisiana* at 49.

[21] *See also* Final Order at 10-11.

CASE NO. PUR-2018-00067
AUGUST 27, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To revise its fuel factor pursuant to § 56-249.6 of the Code of Virginia

ORDER ESTABLISHING 2018-2019 FUEL FACTOR

On May 4, 2018, Virginia Electric and Power Company ("Company" or "Dominion") filed with the State Corporation Commission ("Commission") its application ("Application") pursuant to Code § 56-249.6 seeking an increase in its fuel factor from 2.383 cents per kilowatt-hour ("¢/kWh") to 2.719¢/kWh, effective for usage on and after July 1, 2018.[1]

The Company's proposed fuel factor, reflected in Fuel Charge Rider A, consists of both a current and prior period factor. The Company's proposed current period factor for Fuel Charge Rider A of 2.266¢/kWh is designed to recover the Company's estimated Virginia jurisdictional fuel expenses, including purchased power expenses, of approximately $1.50 billion for the period July 1, 2018, through June 30, 2019. The Company's proposed prior period factor for Fuel Charge Rider A of 0.453¢/kWh is designed to recover approximately $299.4 million, which represents the net of two projected June 30, 2018 fuel deferral balances.[2]

In total, Dominion's proposed fuel factor represents a 0.336¢/kWh increase from the fuel factor rate presently in effect of 2.383¢/kWh, which was approved in Case No. PUR-2017-00058.[3] According to the Company, this proposal would result in an annual fuel revenue increase of approximately $221.8 million between July 1, 2018, and June 30, 2019.[4] The total proposed fuel factor would increase the average weighted monthly bill of a typical residential customer using 1,000 kWh of electricity by $3.36, or by approximately 2.9%.[5]

[1] Application at 2.

[2] *Id*. The first balance is the projected June 30, 2018 under-recovery balance of approximately $289.5 million associated with recovery of the July 1, 2017 through June 30, 2018 current period expense. The second balance is the projected June 30, 2018 under-recovery balance of approximately $9.9 million associated with recovery of the remaining portion of the June 30, 2017 prior period expense.

[3] Application at 2. *See Application of Virginia Electric and Power Company, To revise its fuel factor pursuant to § 56-249.6 of the Code of Virginia*, Case No. PUR-2017-00058, Doc. Con. Cen. No. 170640081, Order Establishing 2017-2018 Fuel Factor (June 27, 2017).

[4] Application at 2.

[5] Ex. 9 (Merritt Direct) at 5.

On May 21, 2018, the Commission issued an Order Establishing 2018-2019 Fuel Factor Proceeding that, among other things, established a procedural schedule for this matter, required the Company to provide public notice of its Application, scheduled an evidentiary hearing, and allowed the Company's proposed fuel factor of 2.719¢/kWh to be placed into effect on an interim basis for usage on and after July 1, 2018.

The following parties filed notices of participation: Appalachian Voices ("Environmental Respondent"); Virginia Committee for Fair Utility Rates ("Committee"); and Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel").

On July 25, 2018, the Commission convened a public evidentiary hearing. Dominion, Environmental Respondent, the Committee, Consumer Counsel, and the Commission's Staff ("Staff") participated at the hearing, and the Commission received evidence from witnesses for Dominion, Environmental Respondent, and Staff. No public witnesses appeared at the hearing.

On August 1, 2018, Dominion, Environmental Respondent, Consumer Counsel, and Staff each filed an issues matrix as directed at the conclusion of the hearing.[6]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows. The Commission has considered the entire record in this proceeding, including the specific issues raised by each participant, and finds that Dominion's Application to revise its fuel factor shall be approved with the requirements set forth herein.

Code § 56-249.6 D 2 states as follows:

> The Commission shall disallow recovery of any fuel costs that it finds without just cause to be the result of failure of the utility to make every reasonable effort to minimize fuel costs or any decision of the utility resulting in unreasonable fuel costs, giving due regard to reliability of service and the need to maintain reliable sources of supply, economical generation mix, generating experience of comparable facilities, and minimization of the total cost of providing service.

The Commission finds that Dominion shall demonstrate in its next fuel factor proceeding how it monetizes the unused portion of its natural gas pipeline capacity portfolio on days when the system is not constrained.[7] This information, among other things, will further inform the Commission's analysis under the above statute. At this time, however, based on the instant record and pending the results of this new directive, the Commission does not find that the Company should be directed to implement Environmental Respondent's other requested changes.[8]

In addition, the Commission finds that Dominion should not be prevented at this time from including the FT-Seneca AMA contract as part of the projected 2018-2019 fuel factor. The evidence to date shows, among other things, that: the Company entered into this contract as part of its fueling strategy attendant to the Commission's approval of the new Greensville natural gas-fired generation facility; this contract was designed to provide both firm supply and firm pipeline capacity for this new facility; and the contract is limited to about one-third of the Greensville facility's requirements.[9] Although Environmental Respondent questioned the benefits of this contract, it asserted that "further scrutiny" and "facts" were needed in order to determine if the contract was "a good deal" and "actually will provide relief to Dominion's ratepayers."[10] Based on the instant record, the Commission does not currently find that the costs of this contract must be excluded from the 2018-2019 fuel factor under the provisions of Code § 56-249.6 D 2, quoted above.

Next, Code § 56-249.6 C states in part (emphasis added):

> Each electric utility described in subsection B shall submit annually to the Commission its estimate of *fuel costs, including the cost of purchased power*, for successive 12-month periods beginning on July 1, 2007, and each July 1 thereafter. Upon investigation of such estimates and hearings in accordance with law, the Commission shall direct each such utility to place in effect *tariff provisions designed to recover the fuel costs* determined by the Commission to be appropriate for such periods, adjusted for any over-recovery or under-recovery of *fuel costs* previously incurred….

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[6] Tr. 209.

[7] *See, e.g.,* Staff's August 1, 2018, Issues List at 1; Ex. 19 (Johnson Direct); Environmental Respondent's Aug. 1, 2018, Statement of Issues at 1.

[8] *See, e.g.,* Environmental Respondent's Aug. 1, 2018, Statement of Issues at 1-4. For example, based on the instant record (including but not limited to the testimony of Staff witness Johnson), we find that at the current time: the overall deliverability of Dominion's portfolio is reasonably sized for the size of its generation fleet; Dominion need not release all of its capacity as open, fully biddable deals; and the Company should not be directed to change its designation of "asset management" deals.

[9] *See, e.g.,* Ex. 23 (Workman rebuttal) at 11-12; Tr. 182.

[10] Tr. 53, 74.

In this regard, based on the record herein, the Commission finds that security expenses associated with interim storage of spent nuclear fuel are more appropriately recovered as base rate costs, not fuel costs. Specifically, the Commission finds that these expenses are not directly a cost of fuel but, rather, represent labor expenses that are properly recovered through base rates.[11] In addition, the Commission notes that: other security expenses associated with nuclear facilities are likewise recovered through base rates; security expenses related to other power plants or fuel are not recovered through the fuel factor; and security expenses for nuclear fuel, while in the reactor, are similarly recovered through base rates.[12] This finding reduces the fuel factor by approximately $12.7 million. [13]

Accordingly, IT IS ORDERED THAT:

(1) The Company's fuel factor shall be 2.700¢/kWh, for service rendered on and after October 1, 2018.

(2) The Company shall demonstrate in its next fuel factor proceeding how it monetizes the unused portion of its natural gas pipeline capacity portfolio on days when the system is not constrained.

(3) This case is continued generally.

[11] *See, e.g.,* Ex. 17 (Myers Direct); Ex. 18.

[12] *See, e.g.,* Ex. 17.

[13] *See, e.g.,* Ex 18. Specifically, this finding reduces projected costs for the current period factor, which is designed to recover fuel costs for the period July 1, 2018, through June 30, 2019. This finding also reduces the prior period factor to exclude these security costs for the fuel rate periods commencing January 1, 2017, through June 30, 2018. In this manner, these non-fuel security costs will not be treated as *fuel* costs but, rather, will be properly reflected as *base rate* costs in the Company's upcoming base rate review, which includes the four successive 12-month periods beginning January 1, 2017. *See* Code § 56-585.1 A 1.

CASE NO. PUR-2018-00068
SEPTEMBER 6, 2018

APPLICATION OF
WANRACK, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia

FINAL ORDER

On April 30, 2018, WANRack, LLC ("WANRack" or "Company") 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 ("Application"). 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 ("Code"). WANRack's Application was accompanied by a motion for a protective order ("Motion") filed in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*.

On May 29, 2018, the Commission issued an Order for Notice and Comment ("Scheduling Order") that, among other things, directed WANRack to provide notice to the public of its Application and directed the Staff of the Commission ("Staff") to conduct an investigation and file a report ("Staff Report"). On June 15, 2018, and July 3, 2018, respectively, WANRack filed its proof of notice and proof of service in accordance with the Scheduling Order. No one filed a comment or request for hearing on the Company's Application.

On August 9, 2018, Staff filed its Staff Report concluding that the Company's Application is in compliance with the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers ("Local Rules"), 20 VAC 5-417-10 *et seq*. Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant a local exchange certificate to WANRack subject to the following condition: WANRack should notify the Division of Public Utility Regulation no less than 30 days prior to the cancellation or lapse of its bond and should provide a replacement bond at that time. This requirement should be maintained until such time as the Commission determines it is no longer necessary. On August 13, 2018, Staff filed a supplemental Staff Report concluding that the Company's Application is in compliance with the Rules Governing the Certification of Interexchange Carriers ("Interexchange Rules"), 20 VAC 5-411-10 *et seq*. Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant an interexchange certificate to WANRack. WANRack did not file a response to the Staff Report.

NOW THE COMMISSION , having considered this matter, is of the opinion and finds that it should grant Certificates to WANRack. Having considered Code § 56-481.1, the Commission finds that WANRack may price its interexchange services competitively. Finally, the Commission finds that the Company's Motion is no longer necessary; therefore, the Motion should be denied.[1]

Accordingly, IT IS ORDERED THAT:

(1) WANRack hereby is granted Certificate No. T-760 to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, Code § 56-265.4:4, and the provisions of this Final Order.

[1] The Commission has not received a request to review the information that the Company designated confidential. Accordingly, we deny the Motion as moot but direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(2) WANRack hereby is granted Certificate No. TT-302A to provide interexchange telecommunications services subject to the provisions of the Interexchange Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(3) Pursuant to Code § 56-481.1, WANRack may price its interexchange telecommunications services competitively.

(4) Prior to providing telecommunications services pursuant to the Certificates granted by this Final Order, the Company shall provide tariffs to the Division of Public Utility Regulation that conform to all applicable Commission rules and regulations. If WANRack elects to provide retail services on a non-tariffed basis, it shall provide written notification pursuant to Local Rule 20 VAC 5-417-50 A.

(5) WANRack shall notify the Division of Public Utility Regulation no less than thirty (30) days prior to the cancellation or lapse of its bond and shall provide a replacement bond at that time. This requirement shall be maintained until such time as the Commission determines it is no longer necessary.

(6) The Company's Motion is denied; however, the Commission directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(7) This case is dismissed.

CASE NO. PUR-2018-00070
JUNE 15, 2018

JOINT PETITION OF
VERIZON COMMUNICATIONS INC., XO VIRGINIA, LLC XO COMMUNICATIONS SERVICES, LLC and
MCIMETRO ACCESS TRANSMISSION SERVICES CORP.

For approval of an intra-company transfer of control of XO Virginia, LLC

ORDER GRANTING APPROVAL

On May 15, 2018, Verizon Communications Inc. ("Verizon"), XO Virginia, LLC ("XOVA"), XO Communications Services, LLC ("XOCS"), and MCImetro Access Transmission Services Corp. ("MCImetro") (collectively, "Joint Petitioners"),[1] completed the filing of a Joint Petition with the State Corporation Commission ("Commission") pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Code")[2] requesting approval of an intra-company transfer of control of XOVA ("Proposed Transfer").[3]

XOVA is authorized to provide local and interexchange telecommunications services in Virginia pursuant to certificates of public convenience and necessity issued by the Commission.[4] In the Proposed Transfer, XOCS will distribute XOVA to its parent, XOC. XOC will then distribute XOVA to its parent, VZBNSI. VZBNSI will then contribute XOC and its remaining subsidiaries into VZBNSI's unregulated indirect subsidiary, MCICS, followed by a merger of XOC into MCICS. VZBNSI will then contribute XOVA to MCImetro, a direct subsidiary of VZBNSI and the current parent of MCImetro VA. The Proposed Transfer will transfer the effective control of XOVA from XOCS to MCImetro. After the Proposed Transfer is completed, XOVA will remain an indirect wholly owned subsidiary of Verizon.

The Joint Petitioners represent that the Proposed Transfer is expected to result in administrative efficiencies and reduce costs. The Joint Petitioners also represent that the Proposed Transfer will not change the services provided to customers or the rates, terms, and conditions of that service, and therefore will neither impair nor jeopardize adequate service to customers. The Joint Petitioners further state that the Proposed Transfer will not diminish any of the financial, managerial, or technical resources necessary to provide local exchange telecommunications services to XOVA's customers in Virginia after completion of the Proposed Transfer.

NOW THE COMMISSION, upon consideration of this matter and having been advised by its Staff through Staff's action brief, is of the opinion and finds that the Proposed Transfer should be approved.

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[1] XO Communications, LLC ("XOC"), Verizon Business Network Services Inc. ("VZBNSI"), and MCI Communications Services, Inc. ("MCICS") are also considered Petitioners in this proceeding, and have provided the statutorily required verifications.

[2] Code § 56-88 *et seq*. ("Utility Transfers Act").

[3] Verizon Virginia, LLC, Verizon South, Inc., MCImetro Access Transmission Services of Virginia, Inc. ("MCImetro VA"), and XOVA are Virginia public service corporations authorized to provide telecommunications services in Virginia and are wholly owned subsidiaries of Verizon. The only Virginia regulated company impacted by the Proposed Transfer is XOVA.

[4] Application of NEXTLINK Virginia, L.L.C., *For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia*, Case No. PUC-1998-00065, 1998 S.C.C. Ann. Rept. 269, Final Order (July 28, 1998). NEXTLINK Virginia, L.L.C. changed its name to XO Virginia, LLC. *See Application of XO Virginia, LLC, For changes in certificates of public convenience and necessity following corporate name change*, Case No. PUC-2001-00001, 2001 S.C.C. Ann. Rept. 304, Order (Feb. 5, 2001).

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-88.1 and 56-90, the Joint Petitioners hereby are granted approval of the Proposed Transfer as described herein.

(2) The Joint Petitioners shall file a report of action with the Commission's Document Control Center within thirty (30) days after the closing of the transfer, which shall note the date the transfer occurred.

(3) This case is dismissed.

CASE NO. PUR-2018-00071
JUNE 15, 2018

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.

For approval of a meter exchange agreement pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On May 2, 2018, Columbia Gas of Virginia, Inc. ("CVA" or "Applicant"), filed an application with the State Corporation Commission ("Commission") for approval of a meter exchange agreement ("Agreement") between CVA and Columbia Gas of Ohio, Inc. ("COH"), Columbia Gas of Pennsylvania, Inc. ("CPA"), Columbia Gas of Kentucky, Inc. ("CKY"), and Columbia Gas of Maryland, Inc. ("CMD") (collectively "Columbia LDCs"), pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code").[1]

NiSource Corporate Services Company operates the Columbia Meter Shop ("Meter Shop"), which is located in Columbus, Ohio. The Applicant represents that the Meter Shop purchases new large rotary, turbine and ultrasonic meters, as well as diaphragm Meters, for the Columbia LDCs based on historical use, need, and forecasting. The Meter Shop assigns the new meters (and their associated costs) to a designated Columbia LDC's inventory after sample testing the meters. The Meter Shop also maintains, repairs, and refurbishes used meters for the Columbia LDCs. When a meter needs repair, it is taken out of service, sent to the Meter Shop for repair and refurbishment, and afterwards returned to the inventory of the LDC from which it originated. The Meter Shop maintains the new diaphragm meter inventory, and new and repaired rotary and turbine meter inventories, for the Columbia LDCs including CVA at two facilities located in Columbus, Ohio.[2]

The Applicant represents that a Columbia LDC occasionally will have an unexpected depletion in its meter inventory which, combined with an emergency or customer deadline, will result in a need to exchange meters between the Columbia LDCs. When a meter shortage occurs, the Meter Shop transfers a meter from the inventory of one Columbia LDC to another to meet the need.

The Applicant represents that the Commission previously approved meter exchanges between CVA and other Columbia LDCs in an unwritten arrangement authorized in Case No. PUA-1987-00060.[3] The arrangement permits CVA to "sell property, materials and supplies to another [Columbia] company when a particular item is deemed necessary and useful to the operation of the purchasing company."[4] The Applicant represents that the meter exchange arrangement benefits customers because it allows the Columbia LDCs to avoid excessive meter inventories.

The Applicant represents that the proposed Agreement is intended to memorialize the current unwritten arrangement. Specifically, the Applicant requests that the Commission: (1) authorize CVA to transfer meters to and receive from COH, CPA, CKY and CMD at net book value on an as-needed basis and subject to the providing parties' ability to supply such meters; (2) approve the proposed Agreement for a period of five years; and (3) grant such further relief as may be necessary and appropriate.

NOW THE COMMISSION, upon consideration of this matter and having been advised by its Staff through Staff's action brief, is of the opinion and finds that the proposed Agreement is in the public interest and should be approved subject to certain requirements listed in the Appendix attached to this Order.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code, the Agreement is approved subject to the requirements listed in the Appendix attached to this Order.

(2) This case is dismissed.

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[1] Code § 56-76 *et seq*.

[2] CVA Response to Staff Data Request No. 1-8.

[3] *Application of Columbia Gas of Virginia, Inc., for authority to participate in affiliate agreements*, Case No. PUA-1987-00060, 1988 S.C.C. Ann. Rpt. 176, Order Granting Authority (Jan. 26, 1988), Amending Order (Feb. 17, 1988).

[4] *Id.* See Paragraph 10 of Application.

APPENDIX

1) The Commission's approval shall extend for five years from the effective date of the order in this case.

2) The Commission's approval in this case shall have no accounting or ratemaking implications.

3) The Commission's approval in this case shall not preclude the Commission from exercising its authority under Va. Code § 56-76 *et seq*., hereafter.

4) The Commission's approval shall be limited to the specific Agreement identified in this case. Should CVA wish to enter into an agreement other than that approved herein, separate Commission approval shall be required.

5) The Commission's approval shall be limited to the specific transactions identified by the Agreement approved in this case. Should CVA wish to enter into transactions other than those identified specifically herein, separate Commission approval shall be required.

6) CVA shall be required to maintain records demonstrating that the approved transactions are beneficial to Virginia ratepayers. Specifically, CVA's meter exchanges to and from COH, CPA, CKY and CMD shall occur at net book value on an as-needed basis and subject to the providing parties' ability to supply such meters.

7) Separate Commission Affiliated Interests Act approval shall be required for any changes in the terms and conditions of the affiliate agreement approved in this case.

8) Separate Commission Affiliated Interests Act approval shall be required for CVA to receive any services from an affiliate through the engagement of an affiliated third-party service provider.

9) The Commission reserves the right to examine the books and records of CVA and any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

10) CVA shall file with the Commission a signed and executed copy of the Agreement approved in this case within ninety (90) days after the effective date of the order granting approval, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF").

11) CVA shall include all transactions associated with the approved Agreement in its Annual Report of Affiliate Transactions ("ARAT") submitted to the UAF Director on April 1 or May 1 of each year, subject to administrative extension by the UAF Director. The ARAT shall include:

(a) The case number in which the affiliate agreement, arrangement, or transaction was approved;
(b) The names of all direct and indirect affiliated parties to the approved agreement;
(c) Calendar year schedule(s) showing approved transactions to and from CVA by affiliate, type and number of meters, USOA account number(s), and amount.

12) In the event that any CVA rate proceeding is not based on a calendar year, CVA shall include the affiliate information contained in its ARAT for the test period in such filings.

CASE NO. PUR-2018-00073
JUNE 29, 2018

APPLICATION OF
POWER MANAGEMENT CO., LLC d/b/a PMC LIGHTSAVERS LLC

For a license to conduct business as an aggregator of natural gas and electricity

ORDER GRANTING LICENSE

On May 7, 2018, Power Management Co., LLC d/b/a PMC Lightsavers LLC ("Power Management" or "Company"), filed an application with the State Corporation Commission ("Commission") for a license to conduct business as an aggregator of electricity and natural gas ("Application"). On May 10, 2018, Power Management's Application was found to be incomplete and the Company was notified of the deficiencies. On May 18, 2018, Power Management filed supplemental information to complete its Application. The Company seeks authority to provide aggregation services for natural gas and electricity to eligible commercial and industrial customers throughout the Commonwealth of Virginia.[1] 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.[2]

[1] Retail choice exists only in the service territories of Columbia Gas of Virginia, Inc., Washington Gas Light Company, Virginia Electric and Power Company, Appalachian Power Company, and the electric cooperatives. Moreover, retail choice for electricity is only permitted pursuant to the customer classes, load parameters, and renewable energy sources as set forth in the Code of Virginia. Access to large commercial and industrial customers in all gas distribution service territories has existed under Federal Energy Regulatory Commission authority since the mid-1980s.

[2] 20 VAC 5-312-10 *et seq.* ("Retail Access Rules").

On May 25, 2018, the Commission issued an Order for Notice and Comment ("Notice Order"), which, among other things, directed Power Management to serve a copy of the Notice Order upon appropriate utilities; provided an opportunity for interested persons to file written comments on the Application; and directed the Commission's Staff ("Staff") to analyze the Application and present its findings in a report ("Staff Report").

On June 8, 2018, Kentucky Utilities Company d/b/a Old Dominion Power Company in Virginia filed comments on the Application. On June 8, 2018, Virginia Electric and Power Company filed a notice of participation and comments on the Application. On June 12, 2018, Power Management filed proof of service.

On June 15, 2018, a Staff Report was filed which summarized Power Management's Application and evaluated its financial and technical fitness. Staff recommended that a license be granted to Power Management for the provision of electricity aggregation and natural gas aggregation services to commercial and industrial customers throughout the service territories open to competition in the Commonwealth of Virginia.[3] No comments were filed to the Staff Report.

NOW THE COMMISSION, upon consideration of the Application, the Staff Report, and the applicable law, finds that Power Management's Application for a license to conduct business as an aggregator of electricity and natural gas to commercial and industrial customers throughout the Commonwealth of Virginia should be granted, subject to all conditions in this Order.

Accordingly, IT IS ORDERED THAT:

(1) Power Management hereby is granted License No. A-58 to provide competitive aggregation service for electricity and natural gas to eligible commercial and industrial customers throughout the Commonwealth of Virginia. This license to act as an aggregator is subject to the provisions of the Retail Access Rules, this Order, and other applicable law.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to the license granted herein.

[3] Staff Report at 5.

CASE NO. PUR-2018-00075
NOVEMBER 1, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of electric transmission facilities under Va. Code § 56-46.1 and the Utility Facilities Act, Va. Code § 56-265.1 *et seq*.

FINAL ORDER

On May 15, 2018, Virginia Electric and Power Company d/b/a Dominion Virginia Power ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an application for approval and for a certificate of public convenience and necessity to construct and operate electric transmission facilities in Chesterfield County, Virginia, Prince George County, Virginia, and the City of Hopewell, Virginia ("Application"). Dominion filed the Application pursuant to § 56-46.1 of the Code of Virginia ("Code") and the Utility Facilities Act, Code § 56-265.1 *et seq*.

Dominion proposes: (i) to rebuild, entirely within an existing right-of-way, an approximately 8.2-mile section of the existing 11.0-mile 230 kV transmission Lines #211 and #228, which run from the Company's existing Chesterfield Substation in Chesterfield County to the Company's existing Hopewell Substation in the City of Hopewell; (ii) to rebuild two structures on Lines #211 and #228 near the Chesterfield Substation on Company-owned property; and, (iii) to complete minor equipment replacements at both the Chesterfield Substation and Hopewell Substation (collectively, the "Rebuild Project").

On June 1, 2018, the Commission issued its Order for Notice and Hearing ("Procedural Order"), which, among other things, directed the Company to provide notice of its Application to interested persons and the public; provided interested persons the opportunity to comment on the Application or to participate as a respondent in this proceeding; directed the Commission's Staff ("Staff") to investigate the Application and to file testimony and exhibits containing Staff's findings and recommendations; scheduled hearings to receive public witness testimony and other evidence on the Application, and assigned a Hearing Examiner to conduct further proceedings in this matter.

On June 7, 2018, the Old Dominion Electric Cooperative filed a notice of participation in this proceeding.

As noted in the Procedural Order, the Staff requested the Department of Environmental Quality ("DEQ") to coordinate an environmental review of the Rebuild Project by the appropriate agencies and to provide a report on the review. On August 7, 2018, DEQ filed with the Commission its report ("DEQ Report"), which included a Wetlands Impact Consultation prepared by DEQ.[1] The DEQ Report provides general recommendations for the Commission's consideration that are in addition to any requirements of federal, state, or local law. Specifically, the DEQ Report contains the following Summary of Findings and Recommendations regarding the Rebuild Project. The Company should:

[1] Ex. 11 (DEQ Report).

- Conduct an on-site delineation of wetlands and stream crossings within the project area with verification by the U.S. Army Corps of Engineers, using accepted methods and procedures, and follow DEQ's recommendations to avoid and minimize impacts to wetlands and streams;
- Follow DEQ's recommendations regarding erosion and sediment control and stormwater management;
- Follow DEQ's recommendations regarding air quality protection;
- Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable;
- Coordinate with the Department of Conservation and Recreation's ("DCR") Division of Natural Heritage ("DNH") for updates to the Biotics Data System database if six months have passed before the project is implemented or if the scope of work changes. Additionally, coordinate with DCR DNH further if any work is proposed in the marshes at the Appomattox River near the Point of Rocks area;
- Coordinate with the Department of Game and Inland Fisheries regarding its recommendations to protect terrestrial and aquatic wildlife;
- Coordinate with the Department of Historic Resources regarding the recommended architectural and archaeological surveys;
- Coordinate with the Department of Aviation regarding the recommendation to coordinate with Richmond International Airport and the Richmond Executive-Chesterfield County Airport to mitigate potential airspace hazards or impacts that may affect future development;
- Coordinate with the Department of Health regarding its recommendations to protect public drinking water sources and water utility infrastructure;
- Coordinate with the Virginia Outdoors Foundation if the project area changes or the project does not start for 24 months;
- Follow the principles and practices of pollution prevention to the maximum extent practicable;
- Coordinate with DCR's Division of Planning and Recreational Resources regarding minimizing the visual impacts of river crossings and the utilization of the native plant material for land stabilization;
- Limit the use of pesticides and herbicides to the extent practicable.[2]

On August 17, 2018, Staff filed its testimony and an attached Staff Report summarizing the results of its investigation of Dominion's Application. Staff concluded that Dominion had reasonably demonstrated the need for the proposed Rebuild Project.[3]

On October 12, 2017, Dominion filed rebuttal testimony.

On September 11, 2018, a hearing was convened in which Dominion and Staff introduced evidence into the record.

The Report of D. Mathias Roussy, Jr., Hearing Examiner ("Report") was entered on September 26, 2018. In his Report, the Hearing Examiner found that:

1. The proposed Rebuild Project, a partial rebuild of Lines #211 and #228, is needed to address aging infrastructure and maintain transmission system reliability;

2. There is currently no need to rebuild Lines #211 and #228 in their entirety;

3. The Rebuild Project would maximize the use of existing right-of-way;

4. The Rebuild Project would reasonably minimize adverse impact on the scenic assets, historic districts, and environment of the area concerned;

5. Restricting the Company's placement of the Rebuild Project's poles within the existing right-of-way to only lots where existing structures are located would limit the Company's ability to incorporate factors such as reliability, safety, cost, engineering, or environmental considerations when placing the new poles in close proximity to the existing structure locations;

6. The unopposed recommendations in the DEQ Report should be adopted by the Commission as conditions of approval;

7. Dominion should be required to consult with DCR regarding updates to the Biotics Data System only if (a) the scope of the Rebuild Project involves material changes, or (b) 12 months from the date of the Commission's Final Order in this proceeding pass before construction of the Rebuild Project commences;

8. The Rebuild Project would support economic development; and

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[2] *Id*. at 6-7.

[3] Ex. 5 (Staff Report) at 18.

9. Dominion should be directed to provide more detailed analysis of demand-side management ("DSM") incorporated in the Company's planning studies used in support of transmission CPCN applications.[4]

On October 17, 2018, Dominion filed comments on the Hearing Examiner's Report. Dominion stated that the Company supports the findings and recommendations contained in the Report related to the Rebuild Project and requests that the Commission adopt the Report and approve the Company's Application.

NOW THE COMMISION, upon consideration of this matter, is of the opinion and finds that the public convenience and necessity require that the Company construct the Rebuild Project. The Commission finds that a certificate of public convenience and necessity authorizing the Rebuild Project should be issued subject to certain findings and conditions contained herein.

Approval

The statutory scheme governing the Company's Application is found in several chapters of Title 56 of the Code.

Section 56-265.2 A 1 of the Code 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 require the exercise of such right or privilege."

Section 56-46.1 of the Code further directs the Commission to consider several factors when reviewing the Company's Application. Subsection A of the statute 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 every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection; and if requested by any county or municipality in which the facility is proposed to be built, to local comprehensive plans that have been adopted . . . . Additionally, the Commission (a) shall consider the effect of the proposed facility on economic development within the Commonwealth, . . . and (b) shall consider any improvements in service reliability that may result from the construction of such facility.

Section 56-46.1 B of the Code further provides that "[a]s a condition to approval the Commission shall determine that the line is needed and that the corridor or route the line is to follow will reasonably minimize adverse impact on the scenic assets, historic districts and environment of the area concerned."

The Code further requires that the Commission consider existing right-of-way easements when siting transmission lines. Section 56-46.1 C of the Code provides that "[i]n any hearing the public service company shall provide adequate evidence that existing rights-of-way cannot adequately serve the needs of the company." In addition, § 56-259 C of the Code provides that "[p]rior to acquiring any easement of right-of-way, public service corporations will consider the feasibility of locating such facilities on, over, or under existing easements of rights-of-way."

Public Convenience and Necessity

The Commission finds that the Company's proposed Rebuild Project is needed. As found by the Hearing Examiner, the Rebuild Project is necessary to address reliability needs as well as to replace aging infrastructure.[5]

Economic Development

The Commission finds that the proposed Rebuild Project will maintain transmission system reliability by replacing aging infrastructure for transmission lines that the evidence in this case demonstrates are needed for system reliability, and therefore will promote economic development.

Rights-of-Way and Routing

Dominion has adequately considered existing rights-of-way. The Rebuild Project, as proposed, would be constructed on existing rights-of-way, and the Company does not expect to require new easements.[6]

Scenic Assets and Historic Districts

As noted above, the Rebuild Project will be constructed on existing rights-of-way already owned and maintained by Dominion. The Commission finds that use of the existing route will minimize adverse impacts on scenic assets and historic districts in the Commonwealth of Virginia as required by § 56-46.1 B of the Code.

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[4] Report at 18-19.

[5] Report at 14.

[6] Ex. 9 (Application Appendix) at 59.

Pole Location

The Commission finds that the Company shall consider reliability, safety, cost, engineering, and environmental impacts when locating replacement poles in close proximity to the existing tower locations. Therefore, the Commission will not restrict the replacement poles to the same lots where existing structures are located.

Demand Side Management

In Case No. PUE-2012-00029, the Commission found that evidence that planning studies may be over-relying on demand response warranted further evaluation in future transmission CPCN proceedings.[7] Accordingly, the Commission directed Dominion to provide, in future transmission CPCN applications, more detailed analysis of DSM resources incorporated in the Company's planning studies used in support of such applications.[8] In the instant case, the Company's Application does not include any analysis of the DSM incorporated in these studies. Instead, the Company included the following footnote in its Application: "[t]he Company did not consider [DSM] as part of this Application because the Rebuild Project is driven by the need to replace aging, end-of-life infrastructure."[9]

We find that additional analysis of DSM's incorporation in planning studies may be appropriate to evaluate future applications, including for reasons other than those the Commission identified in Case No. PUE-2012-00029. Legislation enacted this year requires Dominion to develop a proposed program for energy efficiency measures at an aggregate cost of no less than $870 million for the ten-year period beginning July 1, 2018.[10] To the extent such investments occur, they could, among other things, defer or eliminate the need for some transmission infrastructure projects. The benefit of deferred investment might not be realized if load forecasts used in load flow studies fail to incorporate, where appropriate, such DSM analysis. Consequently, additional detail on the extent to which DSM has been incorporated in planning studies may inform evaluations of the reliability needs presented to justify future transmission line applications, including for end-of-life projects. Therefore, the Commission again directs the Company to provide more detailed analysis of DSM incorporated in planning studies used in support of future transmission CPCN applications, including rebuild projects.

Environmental Impact

Pursuant to § 56-46.1 A and B of the Code, the Commission is required to consider the Rebuild Project's impact on the environment and to establish such conditions as may be desirable or necessary to minimize adverse environmental impacts. The statute further provides that the Commission shall receive, and give consideration to, all reports that relate to the Rebuild Project by state agencies concerned with environmental protection.

The Commission finds that there are no adverse environmental impacts that would prevent the construction or operation of the Rebuild Project. The DEQ Report supports a finding that the Company's proposed route reasonably minimizes adverse environmental impacts, provided that the Company complies with the recommendations set forth in the DEQ Report. We therefore find that as a condition of our approval herein, Dominion must comply with each of DEQ's recommendations as provided in the DEQ Report with the following exceptions. The Commission adopts the Hearing Examiner's recommendation that the Company shall consult with DCR for updates to the Biotics Data System only if: (i) the scope of the Rebuild Project involves material changes, or (ii) 12 months from the date of this Order pass before the Rebuild Project commences construction.[11]

Accordingly, IT IS ORDERED THAT:

(1) Dominion is authorized to construct and operate the Rebuild Project as proposed in its Application, subject to the findings and conditions imposed herein.

(2) Pursuant to §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Company's request for a certificate of public convenience and necessity to construct and operate the Rebuild Project is granted as provided for herein, subject to the requirements set forth herein.

(3) Pursuant to the Utility Facilities Act, § 56-265.1 *et seq.* of the Code, the Commission issues the following certificates of public convenience and necessity to Dominion:

> Certificate No. ET-73v, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Chesterfield County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2018-00075, cancels Certificate No. ET-73u, issued to Virginia Electric and Power Company in Case No. PUE-2004-00041 on September 28, 2004.

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[7] *Application of Virginia Electric and Power Company d/b/a Dominion Virginia Power, For approval and certification of electric facilities: Surry-Skiffes Creek 500 kV Transmission Line, Skiffes Creek-Whealton 230 kV Transmission Line, and Skiffes Creek 500 kV-230 kV-115 kV Switching Station*, Case No. PUE-2012-00029, 2013 S.C.C. Ann. Rep. 240, 251, Final Order (Nov. 26, 2013).

[8] *Id.* In Case No. PUE-2012-00029, the Commission recognized - before directing more detailed analysis - that the PJM load forecasts incorporated in Dominion's load flow modeling studies include DSM resources that had cleared PJM's three-year forward capacity auction. Id. In the instant case, counsel for Dominion represented at the hearing that the Company continues this practice. Tr. at 33-34 (Link).

[9] Ex. 2 (Appendix) at 5, n.8.

[10] 2018 Va. Acts chapter 296, Enactment Clause 15.

[11] Report at 11.

Certificate No. ET-104p, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Prince George County and the City of Hopewell, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2018-00075, cancels Certificate No. ET-104o issued to Virginia Electric and Power Company in Case No. PUE-2016-00135 on June 6, 2017.

(4) Within thirty (30) days from the date of this Final Order, the Company shall provide to the Commission's Division of Public Utility Regulation three copies of an appropriate map that shows the routing of the transmission line approved herein.

(5) Upon receiving the map directed in Ordering Paragraph (4), the Commission's Division of Public Utility Regulation forthwith shall provide the Company copies of the certificates of public convenience and necessity issued in Ordering Paragraph (3) with the map attached.

(6) The Rebuild Project approved herein must be constructed and in service by December 31, 2020. The Company, however, is granted leave to apply for an extension for good cause shown.

(7) This matter hereby is dismissed.

CASE NO. PUR-2018-00076
JULY 5, 2018

APPLICATION OF
KENTUCKY UTILITIES COMPANY d/b/a OLD DOMINION POWER COMPANY

For authority to issue securities under Chapters 3 and 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On May 14, 2018, Kentucky Utilities Company d/b/a Old Dominion Power Company ("KU" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") requesting authority to: (1) issue up to $17.9 million of first mortgage bonds ("Collateral Bonds") and assume obligations necessary to refinance tax-exempt revenue bonds; (2) incur debt in the form of first mortgage bonds in a principal amount not to exceed $400 million ("New Bonds"); (3) enter into one or more hedging agreements through an affiliate or directly with a bank or financial institution; and (4) enter into successive one-year extensions of KU's existing revolving credit line in 2019 and 2020.

More specifically, the Company requests the authority to issue Collateral Bonds and assume obligations necessary for the issuance of new Carroll County, Kentucky Environmental Refunding Bonds ("Refunding Bonds") to refinance outstanding Carroll County, Kentucky Environmental Facilities Revenue Bonds, 2007 Series A ("Carroll County Bonds")[1] up to the principal amount of $17.9 million.[2] Along with the Collateral Bonds, KU requests authority to issue up to an additional $400 million New Bonds through the period ending December 31, 2019.[3]

With respect to the issuance of the Refunding Bonds, Collateral Bonds, and the New Bonds, the Company requests authority to enter into hedging agreements ("Hedging Agreements") either through PPL Corporation ("PPL"), an affiliate, or directly with a third-party bank or financial institution.[4] KU states that any such Hedging Agreements obtained through PPL would be at cost, without any markup.[5]

Lastly, the Company requests authority to extend successively its revolving credit line, in 2019 and 2020, for the existing multi-year term of five years from the date of each respective extension amendment. In support of this request, the Company states that extending the current revolving credit line will allow the Company to continue to obtain favorable short-term debt costs while avoiding higher commitment fees and related transaction costs expected in the future. Moreover, the Company requests additional authority to enter into separate or individual revolving credit lines to replace any non-extended portions of the credit facility up to the maximum total aggregate sizes, dates, and terms of the existing revolving credit line. In response to the inquiry of the Staff of the Commission ("Staff"), the Company further clarified its request to permit some flexibility in the requested extensions of its revolving credit line by allowing an increase in the associated commitment fee from the existing 0.10% up to a maximum of 0.15%.[6]

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[1] See *Application of Kentucky Utilities Company d/b/a Old Dominion Power Company for Authority to issue securities under Chapter 3 of Title 56 of the Code of Virginia,* Case No. PUE-2007-00021, 2007 S.C.C. Ann. Rept. 412, Order Granting Authority (Aug. 20, 2007).

[2] The outstanding principal amount of the Carroll County Bonds to be refunded is $17,875,000. To secure and effectuate the Refunding Bonds, the Company requests authority to issue a like amount of Collateral Bonds of similar structure and terms to the Refunding Bonds, pursuant to one or more loan agreements with Carroll County, Kentucky, along with other ancillary agreements and obligations as necessary.

[3] The Company states that the New Bonds would be used to pay down short-term debt, fund construction projects, and to refund approximately $9 million of Trimble County, Kentucky Environmental Facilities Revenue Bonds, 2007 Series A.

[4] The Company asserts that the use of the Hedging Agreements would enable KU to actively manage and limit its exposure to changes in interest rates.

[5] Comparable hedging agreement authority was approved by the Commission in Case No. PUE-2014-00031. *Application of Kentucky Utilities Company d/b/a Old Dominion Power Company for Authority to Issue Securities and Assume Obligations Under Chapter 3 of Title 56 of the Code of Virginia and to Engage in an Affiliate Transaction Under Chapter 4 of Title 56 of the Code of Virginia,* Case No. PUE-2014-00031, 2014 S.C.C. Ann. Rept. 411, Order Granting Authority (May 8, 2014).

[6] The Company informed Staff that an increase in its current line of credit commitment fee from 0.10% up to a maximum of 0.15% on the $500 million facility limit would generate to an additional annual expense of $250,000.

NOW THE COMMISSION, upon consideration of the matter and having been advised by the Commission's Staff, is of the opinion and finds that the approval of the Application will not be detrimental to the public interest, subject to additional requirements as set forth in the Appendix attached to this Order.

Accordingly, IT IS ORDERED THAT:

(1) The Company is hereby authorized to issue Collateral Bonds and incur associated obligations, including guarantees and agreements as necessary, to secure and support the issuance of up to $17,875,000 of Refunding Bonds, under the terms and conditions and for the purposes set forth in the Application.

(2) The Company is authorized to issue long-term debt in the form of the New Bonds, in one or more series at one or more times during the remainder of 2018 and in 2019, in an aggregate principal amount not to exceed $400 million, under the terms and conditions and for the purposes set forth in the Application.

(3) The Company is authorized to enter into agreements and amendments as necessary to exercise extensions in 2019 and 2020, to extend the revolving credit facility maturity dates to five years from the date of the amendment for the previously authorized total aggregate amount not to exceed $500 million, or alternatively replace any credit facilities not extended with similar multi-year revolving credit facilities for the same term. To the extent necessary, the Company is authorized to renegotiate associated commitment fees up to a limit of 0.15% on a total aggregate amount not to exceed $500 million.

(4) The Company is hereby authorized to engage in the affiliate transactions with regard to the Hedging Agreements as set out in its Application.

APPENDIX

1) Pursuant to the authority granted, KU shall execute, deliver, and perform its obligations under all agreements and documents as set out in the Application.

2) The proceeds from the transactions authorized herein shall be used only for the purposes set out in the Application.

3) KU shall agree only to the terms, conditions, and prices that are consistent with the parameters set out in the Application.

4) Within sixty (60) days after the end of each calendar quarter through September 30, 2019, in which any of the bonds specified above and herein are issued, the Company shall file with the Commission a detailed Report of Action with respect to all of the bonds issued during the calendar quarter to include a copy of loan agreement in the first report and thereafter:

a. The issuance date, type of security, amount issued, interest rate, date of maturity, issuance expenses realized to date, net proceeds to the Company; and
b. A summary of specific terms and conditions of each hedging facility executed and an explanation of how it functions with respect to the underlying bonds.

5) The Company, on or before March 30, 2020, shall file a Final Report that includes: a summary of all securities issued, any associated hedges entered into; and a summary of any changes in the terms, parties, or agreements for each one year extension of the revolving line of credit.

6) The pass through and the use of master hedging agreements, through the Company's affiliate, PPL, shall be at cost.

7) The Commission's approval shall have no accounting or ratemaking implications. Specifically, it shall not guarantee the recovery of, or accounting or ratemaking treatment provided for, any revenues, costs, or reimbursements directly or indirectly related to the Application.

8) The approval granted in this case shall not preclude the Commission from exercising its authority under the provisions of Code §§ 56-78 and 56-80 hereafter.

9) The Commission shall reserve the right to examine the books and records of any affiliate in connection with the approval granted in this case whether or not such affiliate is regulated by this Commission.

10) This matter shall remain under the continued review, audit, and appropriate directive of the Commission.

CASE NO. PUR-2018-00077
JULY 19, 2018

JOINT PETITION OF
SUNSET DIGITAL COMMUNICATIONS, INC., SUNSET FIBER, LLC, SUNSET DIGITAL HOLDING, LLC,
SUNSET DIGITAL COMMUNICATIONS (DE), LLC (USED IN VA BY: SUNSET DIGITAL COMMUNICATIONS, LLC),
SUNSET FIBER (DE), LLC (USED IN VA BY: SUNSET FIBER, LLC), POINT BROADBAND, LLC, and BVU AUTHORITY

For approval of the transfer of the telecommunications assets of BVU Authority and related transactions, pursuant to Va. Code § 56-88 *et seq*.

ORDER GRANTING APPROVAL

On June 20, 2018, Sunset Digital Communications, Inc. ("Sunset Digital VA"); Sunset Fiber, LLC ("Sunset Fiber VA"); Sunset Digital Holding, LLC ("Sunset Holding"); Sunset Digital Communications (DE), LLC (USED IN VA BY: Sunset Digital Communications, LLC) ("Sunset Digital DE"); Sunset Fiber (DE), LLC (USED IN VA BY: Sunset Fiber, LLC) ("Sunset Fiber DE"); Point Broadband, LLC ("Point Broadband"); and BVU Authority ("BVUA") (collectively, "Petitioners"),[1] completed the filing of an amended Joint Petition ("Amended Petition")[2] with the State Corporation Commission ("Commission"), pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"),[3] requesting approval of (i) the transfer of the telecommunications assets of BVUA[4] to Sunset Fiber DE; (ii) the transfer of the telecommunications assets of Sunset Digital VA[5] to Sunset Digital DE; and (iii) related transactions[6] (collectively, "Transfers"). The Petitioners also filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*.

The Amended Petition corrected the names of Sunset Digital DE and Sunset Fiber DE and noted that each filed an application with the Commission for Certificates to provide local exchange and interexchange telecommunications services in Virginia[7] and for interim operating authority.[8] On June 27, 2018, the Commission granted interim operating authority for Sunset Digital DE and Sunset Fiber DE to provide local exchange and interexchange telecommunications services in Virginia pending further order of the Commission.[9]

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[1] ITC Holding Company, LLC ("ITC Holding") and ITC Capital Partners, LLC ("ITC Capital") also are considered Petitioners in this proceeding and have provided the statutorily required verifications.

[2] The Petitioners filed supplemental filings on May 29 and May 30, 2018, which completed the initial Joint Petition ("Petition"). On June 20, 2018, the Petitioners amended the initial Petition.

[3] Code § 56-88 *et seq*.

[4] BVUA holds certificates of public convenience and necessity ("Certificate(s)") issued by the Commission to provide telecommunications services in Virginia. *See Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: In the Matter of Implementing the BVU Authority Act, Section 15.2-7200 et seq. of the Code of Virginia*, Case No. PUC-2010-00032, 2010 S.C.C. Ann. Rept. 255, Administrative Order Reflecting Name Change (July 23, 2010). In Virginia, BVUA conducts its telecommunications business under the trade name "OptiNet." Therefore, the telecommunications assets of BVUA are referred to hereafter as the "OptiNet System."

[5] Sunset Digital VA holds a Certificate to provide interexchange telecommunications services in Virginia. *See Application of Sunset Digital Communications, Inc., For a certificate of public convenience and necessity to provide interexchange telecommunications services,* Case No. PUC-2004-00034, 2004 S.C.C. Ann. Rept. 239, Final Order (Sept. 17, 2004).

[6] This includes the transfer of the current assets of Sunset Fiber VA to Sunset Fiber DE following the acquisition of the OptiNet System. Sunset Fiber VA holds Certificates to provide telecommunications services in Virginia. *See Application of Sunset Fiber, LLC, For a certificate of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia*, Case No. PUC-2015-00013, 2015 S.C.C. Ann. Rept. 157, Final Order (June 26, 2015); *Application of Sunset Fiber, LLC, For a certificate of public convenience and necessity to provide interexchange telecommunications services in the Commonwealth of Virginia*, Case No. PUC-2016-00029, 2016 S.C.C. Ann. Rept. 176, Final Order (June 16, 2016).

[7] The Commission docketed Sunset Digital DE's application as Case No. PUR-2018-00093 and Sunset Fiber DE's application as Case No. PUR-2018-00094.

[8] Specifically, the Petitioners requested interim operating authority to allow (i) Sunset Digital DE to operate the regulated telecommunications assets of Sunset Digital VA, and (ii) Sunset Fiber DE to operate the regulated telecommunications assets of the OptiNet System, upon the Commission's approval of the Transfers.

[9] *See Application of Sunset Digital Communications (DE), LLC (USED IN VA BY: Sunset Digital Communications, LLC), For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia*, Case No. PUR-2018-00093, Doc. Con. Cen. No. 180640193, Order for Notice and Comment and Granting Interim Operating Authority (June 27, 2018); and *Application of Sunset Fiber (DE), LLC (USED IN VA BY: Sunset Fiber, LLC), For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia*, Case No. PUR-2018-00094, Doc. Con. Cen. No. 180640192, Order for Notice and Comment and Granting Interim Operating Authority (June 27, 2018) (collectively, "Certificate Orders").

The Petitioners represented that upon completion of the proposed Transfers, (1) ITC Holding and ITC Capital (collectively, "ITC"),[10] through a subsidiary, Point Broadband,[11] will hold a majority interest in Sunset Holding which, in turn, will be the direct parent company of Sunset Digital DE and Sunset Fiber DE; and (2) Sunset Digital DE will operate the assets of Sunset Digital VA while Sunset Fiber DE will operate the OptiNet System pursuant to the interim operating authority granted by the Commission in its Certificate Orders. The Petitioners assert that Sunset Digital DE and Sunset Fiber DE have the financial, managerial, and technical resources necessary to provide telecommunications services in Virginia. In support of the Amended Petition, the Petitioners state that the Commission approved the acquisition of the OptiNet System by Sunset Fiber VA in Case No. PUR-2017-00079,[12] and that this filing requests approval of the changes in the financial arrangements and organizational structure of the Petitioners resulting from the addition of ITC to the proposed Transfers. Further, the Petitioners have provided financial statements for ITC and Sunset Digital VA in support of the proposed Transfers, and a description of the senior management and key technical personnel that will continue with Sunset Digital DE and Sunset Fiber DE after the Transfers.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows. According to Code § 56-88.1 A 2, when determining whether to grant approval of a transfer of control under the circumstances described in the Amended Petition, "the Commission shall consider only the financial, managerial, and technical resources to render local exchange telecommunications services of the person acquiring control of or all of the assets of the telephone company." Having been advised by the Commission's Staff and upon consideration of the applicable law and representations of the Petitioners, the Commission finds that the above-described Transfers should be approved, conditioned upon Sunset Digital DE and Sunset Fiber DE obtaining the requested Certificates in Case Nos. PUR-2018-00093 and PUR-2018-00094, respectively.[13] Finally, we find that the Petitioners' Motion is no longer necessary and, therefore, should be denied.[14]

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-88.1 and 56-90, the Petitioners hereby are granted approval of the Transfers, as described herein, conditioned upon Sunset Digital DE and Sunset Fiber DE obtaining the requested Certificates in Case Nos. PUR-2018-00093 and PUR-2018-00094, respectively. Upon satisfaction of this condition, no further action is required by the Commission for approval of the Transfers.

(2) The Petitioners shall file a report of action with the Commission's Document Control Center within thirty (30) days after closing of the Transfers, which shall note the date(s) the Transfers occurred.

(3) The Petitioners' Motion is denied; however, we direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(4) This case is dismissed.

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[10] The Petitioners represent that ITC, though uncertificated holding companies, has experience through affiliated companies providing communications services and building, owning, and operating telecommunications networks dating back to 1896.

[11] Point Broadband is not authorized to provide telecommunications services in any jurisdiction but represents that it offers Internet and wireless broadband service to rural areas.

[12] *Joint Petition of Sunset Digital Communications, Inc., Sunset Fiber, LLC, Sunset Digital Holdings, Inc., and BVU Authority, For approval of the transfer of the telecommunications assets of BVU Authority, and the transfer of control of Sunset Digital Communications, Inc., and Sunset Fiber, LLC, pursuant to the Utility Transfers Act, Va. Code § 56-88 et seq.*, Case No. PUR-2017-00079, Doc. Con. Cen. No. 171040217, Order Granting Approval (Oct. 25, 2017).

[13] Petitioners may make the Transfers proposed herein as we have granted Sunset Fiber DE and Sunset Digital DE interim authority to provide telecommunications services in the Certificate Orders. This conditional approval will be considered satisfied when each company completes the application process and is ultimately issued Certificates.

[14] The Commission held the Petitioners' Motion in abeyance and has not received a request for leave to review the confidential information submitted in this proceeding. Accordingly, the Commission denies the Motion as moot but directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

CASE NO. PUR-2018-00078
AUGUST 8, 2018

JOINT APPLICATION OF
MLN TOPCO LTD., MITEL NETWORKS CORPORATION, and MITEL CLOUD SERVICES OF VIRGINIA, INC.

For approval to transfer control of Mitel Cloud Services of Virginia, Inc.

ORDER GRANTING APPROVAL

On June 14, 2018, MLN TopCo Ltd. ("TopCo"), Mitel Networks Corporation ("Mitel"), Mitel Cloud Services of Virginia, Inc. ("MCSI") (collectively, "Applicants"),[1] completed the filing of a Joint Application with the State Corporation Commission ("Commission") pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Code")[2] requesting approval of the transfer of control of MCSI ("Proposed Transfer"). The Applicants also filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*.

MCSI is authorized to provide local exchange telecommunications services in Virginia pursuant to its certificate of public convenience and necessity issued by the Commission.[3] Pursuant to an Arrangement Agreement dated April 23, 2018, a subsidiary of TopCo will acquire all common shares of Mitel, currently the ultimate parent company of MCSI. As a result, at the closing of the Proposed Transfer, MCSI will become a wholly owned indirect subsidiary of TopCo, which is owned and controlled by Searchlight.

The Applicants assert that MCSI will continue to have the financial, managerial, and technical resources to provide telecommunications services in Virginia under the ownership and control of TopCo and Searchlight. The Applicants state that they intend for MCSI's existing management team to remain in place and that MCSI's managerial, technical, and operational standards will be maintained. The Applicants represent that the Proposed Transfer will allow MCSI to have access to the financial and operational expertise of TopCo and Searchlight, which will enhance the ability of MCSI to provide competitive telecommunications services to customers in Virginia. Finally, the Applicants state that the Proposed Transfer will not change the current services provided to its customers, and that any future changes to the rates, terms, and conditions of service will be undertaken pursuant to the customers' contracts and applicable law.

NOW THE COMMISSION, upon consideration of this matter and having been advised by its Staff through Staff's action brief, is of the opinion and finds that the Proposed Transfer should be approved. The Commission also finds that the Applicants' Motion is no longer necessary and, therefore, should be denied.[4]

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-88.1 and 56-90, the Applicants hereby are granted approval of the Proposed Transfer as described herein.

(2) The Applicants shall file a report of action with the Commission's Document Control Center within thirty (30) days after the closing of the transfer, which shall note the date the transfer occurred.

(3) The Applicants' Motion is denied, however, the Clerk of the Commission is directed to retain the confidential information to which the Motion pertains under seal.

(4) This case is dismissed.

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[1] MLN UK HoldCo Ltd.; MLN US HoldCo LLC; MLN US TopCo Inc.; Searchlight II MLN, L.P.; Searchlight II MLN (CD), L.P; Searchlight Capital II MLN Co-Invest Partners, L.P.; Searchlight Capital II PV MLN AIV, L.P.; Searchlight Capital II, L.P.; Searchlight Capital II PV, L.P.; Searchlight II MLN Gp, Ltd.; Searchlight Capital Partners II GP, L.P.; and Searchlight Capital Partners II, GP ("Searchlight") are also considered Applicants and have provided the statutorily required verifications.

[2] Code § 56-88 *et seq*.

[3] *See Application of Mitel NetSolutions of Virginia, Inc., For an amended and reissued certificate of public convenience and necessity to provide local exchange telecommunications services to reflect company name change,* Case No. PUC-2015-00034, 2015 S.C.C. Ann. Rept. 169, Order Reissuing Certificate (July 30, 2015).

[4] The Commission held the Applicants' Motion in abeyance and has not received a request for leave to review the confidential information submitted in this proceeding. Accordingly, the Commission denies the Motion as moot, but directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

CASE NO. PUR-2018-00079
AUGUST 15, 2018

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For approval of its 2018 SAVE Rider update

ORDER APPROVING SAVE RIDER

On May 31, 2018, pursuant to § 56-604 E of the Code of Virginia ("Code"), Virginia Natural Gas, Inc. ("VNG" or "Company"), filed with the State Corporation Commission ("Commission") its annual adjustment application with respect to its Commission-approved Steps to Advance Virginia's Energy plan ("SAVE Plan"),[1] under which VNG's SAVE Rider, designated Rider E, is reconciled and adjusted ("2018 Annual Adjustment" or "Application").[2]

The Company's SAVE Plan is designed to facilitate the accelerated replacement of SAVE-eligible natural gas infrastructure.[3] Rider E is designed to recover eligible infrastructure replacement costs associated with the SAVE Plan.[4] VNG states that the calculation of the revenue requirement and rates associated with Rider E consist of two components: the SAVE Actual Cost Adjustment ("True-up Factor") and the Annual SAVE Factor ("Projected Factor"), which were approved by the Commission in its 2012 SAVE Order.[5] According to the Company, the True-up Factor is an adjustment that ensures that the SAVE Rider recovers no more or less than the actual cost of implementing the SAVE Plan projects during the prior calendar year.[6] Based on this calculation, the Company is proposing a True-up Factor for the upcoming rate period of September 1, 2018 through August 31, 2019, of $786,366.[7] The Company states that the Projected Factor establishes the rate required to recover the costs associated with the expected SAVE Plan plant investment for the period in which the rate will be effective.[8] Based on this calculation, the Projected Factor for the upcoming rate period is $5,366,975.[9] By combining the Projected Factor of $5,366,975 and the True-up Factor of $786,366, the Company calculates a SAVE Rider revenue requirement of $6,153,341 for the rate period of September 1, 2018 through August 31, 2019.[10]

The Company further states that for purposes of the 2018 Annual Adjustment, the Company is applying the same revenue allocation factors proposed in the Company's 2017 Base Rate Case,[11] with one exception.[12]

On June 12, 2018, the Commission issued an Order for Notice and Comment that, among other things, required the Company to publish notice of its Application; provided interested persons an opportunity to file comments, participate as a respondent, or request a hearing; required the Staff to investigate the Application and file a report ("Staff Report" or "Report") containing its findings and recommendations; and permitted the Company to file a response to the Staff Report ("Response").

On July 24, 2018, the Company filed its proof of notice. No comments, notices of participation, or requests for hearing were filed.

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[1] *Application of Virginia Natural Gas, Inc., For approval of a SAVE plan and rider as provided by Virginia Code § 56-604*, Case No. PUE-2012-00012, 2012 S.C.C. Ann. Rept. 393, Order Approving SAVE Plan and Rider (June 25, 2012) ("2012 SAVE Order").

[2] On July 26, 2018, VNG filed corrected versions of Schedules 1-16, which replace the prior versions filed in this proceeding. *See* New Corrected Versions of David M. Meiselman's Direct Testimony Schedules 1-16.

[3] Application at 2.

[4] *Id*. at 3.

[5] *Id.* at 4.

[6] Application at 7.

[7] Corrected Versions of David M. Meiselman's Direct Testimony, Corrected Schedule 1.

[8] Application at 7.

[9] Corrected Versions of David M. Meiselman's Direct Testimony, Corrected Schedule 1.

[10] *Id*.

[11] *Id*. *See Application of Virginia Natural Gas, Inc., For a general rate increase and for authority to revise the terms and conditions applicable to natural gas service,* Case No. PUE-2016-00143, Doc. Con. Cen. No. 170340102, Application (Mar. 31, 2017) ("2017 Base Rate Case").

[12] Application at 8. The Company states that, consistent with the Commission's Order in VNG'S 2015 SAVE update case, the Company continues to combine the two residential rate schedules (Rate Schedules 1 and 3) for a single SAVE Plan rate. *See Application of Virginia Natural Gas, Inc., For approval of its 2015 SAVE Rider update,* Case No. PUE-2015-00050, 2015 S.C.C. Ann. Rept. 334, Order Approving SAVE Rider Adjustment (July 29, 2015). Additionally, for proposed Rate Schedule 1A, which the Company proposed in its 2017 Base Rate Case, the Company proposes to use the same SAVE rate as Rate Schedule 1.

On August 1, 2018, the Staff filed its Report. In its Report, Staff recommended the Commission approve a 2018 SAVE Rider for VNG composed of a True-Up Factor and Projected Factor, effective September 1, 2018, based on a True-up Factor revenue requirement of $786,366 and a Projected Factor revenue requirement of $5,366,975, for a total 2018 SAVE revenue requirement of $6,153,341.[13] Based on the total 2018 SAVE revenue requirement, Staff calculated a monthly SAVE Rider rate for customers receiving service under Schedule 1 – Residential to be $1.46, while the monthly SAVE Rider rate for customers receiving service under Schedules 6 and 7 – Large Firm C&I would be $166.80 and $100.31, respectively.[14]

Staff further stated that it believes that there have been no significant changes associated with this proceeding that would necessitate a change in the methodology used to develop the proposed Rider E rates.[15] Additionally, Staff noted that should the Commission approve a revenue requirement that differs from the Company's requested revenue requirement, Staff recommends that the corresponding Rider E charges be adjusted proportionately.[16]

On August 8, 2018, VNG filed its Response to the Staff Report. In its Response, VNG stated that it supported Staff's recommendations and conclusions. Additionally, VNG requested the Commission approve the Company's proposed reconciliation and Rider E adjustment as proposed in the 2018 Annual Adjustment.

NOW THE COMMISSION, having considered the Application and applicable law, is of the opinion and finds that the Company's 2018 Annual Adjustment should be approved.

Accordingly, IT IS ORDERED THAT:

(1) The Company's Application is approved. Rates consistent with this Order shall become effective beginning September 1, 2018, and remain in effect until August 31, 2019.

(2) VNG shall forthwith file with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance revised tariffs for the 2018 SAVE Rider, with workpapers supporting the total revenue requirement and rates, all of which shall reflect the findings and requirements set forth in this Order. The Clerk shall retain such filing for public inspection in person and on the Commission's website: http://www.scc.virginia.gov/case.

(3) This matter is dismissed.

[13] Staff Report at 12.

[14] *Id.* at 11.

[15] *Id.* at 12.

[16] *Id.* at 12-13.

CASE NO. PUR-2018-00080
AUGUST 23, 2018

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to increase existing rates and charges and to revise the terms and conditions applicable to gas service pursuant to § 56-237 of the Code of Virginia

ORDER FOR NOTICE AND HEARING

On July 31, 2018, Washington Gas Light Company ("Washington Gas" or "Company") filed with the State Corporation Commission ("Commission") an application pursuant to Chapter 10 of Title 56 (§ 56-232 *et seq*.) of the Code of Virginia ("Code") requesting authority to increase its rates and charges, effective for usage beginning with the January 2019 billing cycle, and to revise other terms and conditions applicable to its gas service ("Application").[1]

[1] Pursuant to § 56-238 of the Code, the 150-day suspension period for the Company's proposed interim rates runs through December 28, 2018. Washington Gas's counsel represents that Washington Gas intends to place interim rates into effect for service rendered on and after January 2, 2019.

Washington Gas advises in its Application that the proposed rates and charges are designed to increase the Company's annual operating revenues by approximately $37.6 million per year, of which approximately $14.7 million relates to costs associated with investments in infrastructure made pursuant to the Company's Steps to Advance Virginia's Energy ("SAVE") plan pursuant to § 56-603 *et seq*. of the Code.[2] According to the Company, the revenue requirement reflects a $16.3 million reduction for lower tax expense due to the implementation of the Tax Cuts and Jobs Act of 2017, and does not include any costs related to the acquisition of Washington Gas by AltaGas Ltd. on July 6, 2018,[3] including any payments related to the commitments in the District of Columbia and Maryland.[4] The Company states that it is not earning sufficient annual revenues to cover its cost of service, including a reasonable return on common equity capital.[5] In its Application, Washington Gas indicates that its requested increase reflects "increases in net rate base, operation and maintenance costs, including employee-related costs, compliance and safety-related expenses, depreciation expense, and general tax increases" since its last base rate increase.[6]

According to the Company, its proposed rate increase is based on an overall rate of return of 7.94% on rate base, including a return on common equity of 10.6% (midpoint).[7] Washington Gas proposes the following annual increase in rates for its Northern Virginia customers and its Shenandoah Gas Division customers:

	Washington Gas Northern Virginia Division Customers	Washington Gas Shenandoah Division Customers
Residential	5.9%	5.9%
Commercial and Industrial		
Heating and/or cooling	6.8%	6.8%
Non-heating/non-cooling	3.2%	3.2%
Group Metered Apartments		
Heating and/or cooling	5.6%	5.9%
Non-heating/non-cooling	2.8%	2.6%
Large Commercial and Industrial	2.1%	2.4%
Large Group Metered Apartments	5.0%	n/a[8]

In Case No. PUE-2015-00015,[9] the Commission approved Washington Gas's request to defer $2,781,156 of eligible safety activity costs ("ESAC") incurred in 2014 and directed that issues related to this deferral be addressed in a subsequent proceeding.[10] Washington Gas requests that the Commission address in this proceeding: (i) the types of ESAC that may be deferred pursuant to § 56-235.10 of the Code; (ii) whether § 56-235.10 of the Code requires the establishment of a baseline cost for every individual eligible safety activity; (iii) the level of ESAC that are eligible for deferral; and (iv) whether § 56-235.10 of the Code provides for an "ESAC Recovery Factor" as proposed by the Commission's Staff ("Staff").[11]

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[2] Application at 1-2. The Company states that it correspondingly will remove this revenue requirement from the SAVE Rider.

[3] Application at 2. *See Joint Petition of Washington Gas Light Company, WGL Holdings, Inc., and AltaGas Ltd., For approval of an acquisition of control of a public utility pursuant to the Utility Transfers Act, Va. Code §56-88 et seq.,* Case No. PUR-2017-00049, 2017 S.C.C. Ann. Rept. 492 (Oct. 20, 2017). On April 4, 2018, the Maryland Public Service Commission approved the merger subject to certain conditions, which the Applicants accepted. *See In the Matter of the Merger of AltaGas Ltd. and WGL Holdings, Inc.,* Case No. 9449, Order No. 88631 (April 4, 2018) and letter from counsel for Applicants (April 5, 2018). On June 29, 2018, the Public Service Commission of the District of Columbia issued an Order approving the proposed merger and Settlement Agreement, subject to certain conditions, which the settling parties accepted. *See In the matter of the merger of AltaGas Ltd. and WGL Holdings, Inc.,* Formal Case No. 1142, Order No. 19396 (June 29, 2018) and letter from counsel on behalf of settling parties (July 2, 2018).

[4] Application at 2.

[5] *Id*. at 6.

[6] *Id*. at 4-5.

[7] *Id.* at 6.

[8] *Id.* at 8.

[9] *Application of Washington Gas Light Company, For an annual informational filing*, Case No. PUE-2015-00015, Doc. Con. Cen. No. 151210093, Order Closing Proceeding (Dec. 2, 2015).

[10] Application at 9.

[11] *Id.*

In its Application, Washington Gas also proposes three initiatives that the Company asserts will provide Virginia customers with greater access to natural gas.[12] First, through the Service Line Allowance Program, Washington Gas proposes to connect customers to the Company's distribution system if the premises are within 175 feet of a natural gas main. Next, the proposed Main Allowance Program provides that a percentage of the aggregated, positive net present value produced annually under General Service Provision ("GSP") No. 14 of the Company's Virginia tariff can be utilized to reduce the level of required contributions requested from individual customers of other potential projects. The Company also proposes a pilot program, the Targeted Conversion Program, that facilitates conversion to natural gas for neighborhoods and other target markets.[13]

Washington Gas proposes various revisions to its Virginia tariff to reflect the new rates and proposals, including revisions to GSP No. 14 to support the gas expansion proposals and GSP No. 16 to allocate energy acquisition administrative charges to sale service customers.[14] Washington Gas also proposes to implement its proposed rates, on an interim basis and subject to refund, effective for usage beginning with the January 2019 billing cycle, and to implement proposed rates, charges, and revised terms and conditions of service upon issuance of the Commission's Final Order in this proceeding.[15]

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that Washington Gas should provide notice of its Application; a public hearing should be scheduled for the purpose of receiving testimony and evidence on the Company's Application; a procedural schedule should be established to allow interested persons an opportunity to file written or electronic comments on the Company's Application or to participate in this proceeding as a respondent; and the Staff should be directed to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon. We also find that a Hearing Examiner should be appointed to conduct all further proceedings in this matter on behalf of the Commission and to file a final report.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2018-00080.

(2) As provided by § 12.1-31 of the Code and Rule 5 VAC 5-20-120, *Procedures before hearing examiners*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"),[16] a Hearing Examiner is appointed to conduct all further proceedings in this matter on behalf of the Commission and to file a final report.

(3) On or before November 14, 2018, Washington Gas shall file a bond with the Commission in the amount of $37.6 million payable to the Commission and conditioned to insure the prompt refund by the Company to those entitled thereto of all amounts the Company shall collect in excess of such rates and charges as the Commission may finally fix and determine.

(4) A public hearing on the Application shall be convened at 10 a.m. on April 30, 2019, in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive into the record the testimony of public witnesses and evidence of the Company, any respondents, and the Staff. Any person desiring to offer testimony as a public witness need only appear at the hearing location fifteen (15) minutes before the starting time of the hearing and identify himself or herself to the Commission's Bailiff.

(5) The Company shall make copies of its Application, as well as a copy of this Order for Notice and Hearing, available for public inspection during regular business hours at each of the Company's business offices in the Commonwealth of Virginia. A copy also may be obtained by submitting a written request to counsel for Washington Gas, Meera Ahamed, Esquire, Washington Gas Light Company, 1000 Maine Avenue SW, Suite 700, Washington, D.C. 20024. If acceptable to the requesting party, the Company may provide the documents by electronic means. Copies of the public version of all documents filed in this case also shall be available for interested persons to review in the Commission's Document Control Center located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays. Interested persons also may download unofficial copies from the Commission's website: http://www.scc.virginia.gov/case.

(6) On or before September 18, 2018, Washington Gas shall cause the following notice to be published as display advertising (not classified) on one (1) occasion in newspapers of general circulation throughout the Company's Virginia service territory:

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[12] *Id.* at 10.

[13] *Id*.

[14] *Id.*

[15] *Id.* at 14.

[16] 5 VAC 5-20-10 *et seq*.

NOTICE TO THE PUBLIC OF
WASHINGTON GAS LIGHT COMPANY'S
APPLICATION FOR A GENERAL INCREASE IN
RATES AND CHARGES AND TO REVISE THE TERMS
AND CONDITIONS APPLICABLE TO GAS SERVICE
CASE NO. PUR-2018-00080

- **Washington Gas Light Company ("Washington Gas") has applied for approval of a general increase in rates.**
- **Washington Gas requests a total revenue requirement increase of $37.6 million per year.**
- **A Hearing Examiner appointed by the Commission will hear the case on April 30, 2019, at 10 a.m.**
- **Further information about this case is available on the State Corporation Commission's website at: http://www.scc.virginia.gov/case.**

On July 31, 2018, Washington Gas Light Company ("Washington Gas" or "Company") filed with the State Corporation Commission ("Commission") an application pursuant to Chapter 10 of Title 56 (§ 56-232 *et seq*.) of the Code of Virginia ("Code") requesting authority to increase its rates and charges, effective for usage beginning with the January 2019 billing cycle, and to revise other terms and conditions applicable to its gas service ("Application"). Washington Gas advises in its Application that the proposed rates and charges are designed to increase the Company's annual operating revenues by approximately $37.6 million per year, of which approximately $14.7 million relates to costs associated with investments in infrastructure made pursuant to the Company's Steps to Advance Virginia's Energy plan pursuant to § 56-603 *et seq*. of the Code. According to the Company, the revenue requirement reflects a $16.3 million reduction for lower tax expense due to the implementation of the Tax Cuts and Jobs Act of 2017, and does not include any costs related to the acquisition of Washington Gas by AltaGas Ltd. on July 6, 2018, including any payments related to the commitments in the District of Columbia and Maryland. The Company states that it is not earning sufficient annual revenues to cover its cost of service, including a reasonable return on common equity capital. In its Application, Washington Gas indicates that its requested increase reflects "increases in net rate base, operation and maintenance costs, including employee-related costs, compliance and safety-related expenses, depreciation expense, and general tax increases" since its last base rate increase.

According to the Company, its proposed rate increase is based on an overall rate of return of 7.94% on rate base, including a return on common equity of 10.6% (midpoint). Washington Gas proposes the following annual increase in rates for its Northern Virginia customers and its Shenandoah Gas Division customers:

	Washington Gas Northern Virginia Division Customers	Washington Gas Shenandoah Division Customers
Residential	5.9%	5.9%
Commercial and Industrial		
Heating and/or cooling	6.8%	6.8%
Non-heating/non-cooling	3.2%	3.2%
Group Metered Apartments		
Heating and/or cooling	5.6%	5.9%
Non-heating/non-cooling	2.8%	2.6%
Large Commercial and Industrial	2.1%	2.4%
Large Group Metered Apartments	5.0%	n/a

In Case No. PUE-2015-00015, the Commission approved Washington Gas's request to defer $2,781,156 of eligible safety activity costs ("ESAC") incurred in 2014 and directed that issues related to this deferral be addressed in a subsequent proceeding. Washington Gas requests that the Commission address in this proceeding: (i) the types of ESAC that may be deferred pursuant to § 56-235.10 of the Code; (ii) whether § 56-235.10 of the Code requires the establishment of a baseline cost for every individual eligible safety activity; (iii) the level of ESAC that are eligible for deferral; and (iv) whether § 56-235.10 of the Code provides for an "ESAC Recovery Factor" as proposed by the Commission's Staff.

In its Application, Washington Gas also proposes three initiatives that the Company asserts will provide Virginia customers with greater access to natural gas. First, through the Service Line Allowance Program, Washington Gas proposes to connect customers to the Company's distribution system if the premises are within 175 feet of a natural gas main. Next, the proposed Main Allowance Program provides that a percentage of the aggregated, positive net present value produced annually under General Service Provision ("GSP") No. 14 of the Company's Virginia tariff can be utilized to reduce the level of required contributions requested from individual customers of other potential projects. The Company also proposes a pilot program, the Targeted Conversion Program, that facilitates conversion to natural gas for neighborhoods and other target markets.

Washington Gas proposes various revisions to its Virginia tariff to reflect the new rates and proposals, including revisions to GSP No. 14 to support the gas expansion proposals and GSP No. 16 to allocate energy acquisition administrative charges to sale service customers. Washington Gas also proposes to implement its proposed rates, on an interim basis and subject to refund, effective for usage beginning with the January 2019 billing cycle, and to implement proposed rates, charges, and revised terms and conditions of service upon issuance of the Commission's final order in this proceeding.

Interested persons are encouraged to review the Application and supporting documents for the details of these and other proposals. While the total revenue that may be approved by the Commission is limited to the amount produced by the Company's proposed rates, TAKE NOTICE that the Commission may approve revenues, and adopt rates, fees, charges, tariff revisions, and terms and conditions of service that differ from those appearing in the Application and supporting documents and may apportion revenues among customer classes and/or design rates in a manner differing from that shown in the Application and supporting documents.

The Commission entered an Order for Notice and Hearing that, among other things, permits the Company to place its proposed rates into effect on an interim basis, subject to refund, effective for usage beginning with the January 2019 billing cycle.

The Commission's Order for Notice and Hearing scheduled a public hearing at 10 a.m. on April 30, 2019, in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive the testimony of public witnesses and the evidence of the Company, any respondents, and the Commission's Staff. Any person desiring to testify as a public witness should appear at the hearing location fifteen (15) minutes prior to the starting time of the hearing and contact the Commission's Bailiff.

Copies of the public version of all documents filed in this case are available for interested persons to review in the Commission's Document Control Center located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays. Interested persons also may download unofficial copies from the Commission's website: http://www.scc.virginia.gov/case.

Copies of the Company's Application and the Commission's Order for Notice and Hearing also may be inspected during regular business hours at each of the Company's business offices in the Commonwealth of Virginia. Copies of these documents also may be obtained, at no charge, by submitting a written request to counsel for the Company: Meera Ahamed, Esquire, Washington Gas Light Company, 1000 Maine Avenue SW, Suite 700, Washington, D.C. 20024. If acceptable to the requesting party, the Company may provide the documents by electronic means.

On or before April 23, 2019, any interested person may file written comments on the Company's Application with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Interested persons desiring to submit comments electronically may do so on or before April 23, 2019, by following the instructions found on the Commission's website: http://www.scc.virginia.gov/case. Compact discs or any other form of electronic storage medium may not be filed with the comments. All such comments shall refer to Case No. PUR-2018-00080.

Any person or entity may participate as a respondent in this proceeding by filing a notice of participation on or before November 13, 2018. If not filed electronically, an original and fifteen (15) copies of a notice of participation shall be filed with the Clerk of the Commission at the address set forth above. A copy of the notice of participation also must be sent to counsel for Washington Gas at the address set forth above. Pursuant to Rule 5 VAC 5-20-80, *Participation as a respondent*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"), any notice of participation shall set forth: (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 organization, corporation, or government body participating as a respondent shall be represented by counsel as required by Rule 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2018-00080. For additional information about participation as a respondent, any person or entity should obtain a copy of the Commission's Order for Notice and Hearing.

On or before February 8, 2019, each respondent may file with the Clerk of the Commission, and serve on the Commission's Staff, the Company, and all other respondents, any testimony and exhibits by which the respondent expects to establish its case, and each witness's testimony shall include a summary not to exceed one page. If not filed electronically, an original and fifteen (15) copies of such testimony and exhibits shall be submitted to the Clerk of the Commission at the address above. In all filings, respondents shall comply with the Commission's Rules of Practice, including 5 VAC 5-20-140, *Filing and service,* and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2018-00080.

All documents filed with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

The Commission's Rules of Practice may be viewed at the Commission's website: http://www.virginia.scc.gov/case. A printed copy of the Commission's Rules of Practice and an official copy of the Commission's Order for Notice and Hearing in this proceeding may be obtained from the Clerk of the Commission at the address set forth above.

WASHINGTON GAS LIGHT COMPANY

(7) On or before September 18, 2018, Washington Gas shall serve a copy of this Order for Notice and Hearing on the following officials, to the extent the position exists, in each county, city, and town in which the Company provides service in the Commonwealth of Virginia: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city and town; and the county, city, or town attorney. Service shall be made by either personal delivery or first class mail to the customary place of business or residence of the person served.

(8) On or before October 30, 2018, Washington Gas shall file proof of the notice and service required by Ordering Paragraphs (6) and (7), including the name, title, and address of each official served, with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118.

(9) On or before April 23, 2019, any interested person may file written comments on the Application with the Clerk of the Commission at the address set forth in Ordering Paragraph (8). Any interested person desiring to file comments electronically may do so on or before April 23, 2019, by following the instructions found on the Commission's website: http://www.scc.virginia.gov/case. Compact discs or any other form of electronic storage medium may not be filed with the comments. All comments shall refer to Case No. PUR 2018-00080.

(10) On or before November 13, 2018, any person or entity may participate as a respondent in this proceeding by filing a notice of participation. If not filed electronically, an original and fifteen (15) copies of a notice of participation shall be filed with the Clerk of the Commission at the address in Ordering Paragraph (8), and each respondent shall serve a copy of the notice of participation on counsel to Washington Gas at the address set forth in Ordering Paragraph (5). Pursuant to Rule 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice, any notice of participation shall set forth: (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 organization, corporation, or government body participating as a respondent shall be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2018-00080.

(11) Within five (5) business days of receipt of a notice of participation as a respondent, the Company shall serve upon the respondent a copy of this Order for Notice and Hearing, a copy of the public version of the Application, and a copy of the public version of all materials filed by the Company with the Commission, unless these materials already have been provided to the respondent.

(12) On or before February 8, 2019, each respondent may file with the Clerk of the Commission at the address set forth in Ordering Paragraph (8) and serve on the Staff, the Company, and all other respondents, any testimony and exhibits by which the respondent expects to establish its case, and each witness's testimony shall include a summary not to exceed one page. If not filed electronically, an original and fifteen (15) copies of such testimony and exhibits shall be filed with the Clerk of the Commission at the address set forth in Ordering Paragraph (8). In all filings, respondents shall comply with the Commission's Rules of Practice, including, but not limited to: 5 VAC 5-20-140, *Filing and service*; and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2018-00080.

(13) The Staff shall investigate the Application. On or before March 8, 2019, the Staff shall file with the Clerk of the Commission an original and fifteen (15) copies of testimony and exhibits concerning the Application, and each Staff witness's testimony shall include a summary not to exceed one page. The Staff shall serve a copy thereof on counsel to the Company and all respondents.

(14) On or before April 8, 2019, Washington Gas shall file with the Clerk of the Commission: (a) any rebuttal testimony and exhibits that it expects to offer, and each rebuttal witness's testimony shall include a summary not to exceed one page; and (b) a summary not to exceed one page of each direct witness's testimony if not previously included therewith. The Company shall serve a copy thereof on the Staff and all respondents. It not filed electronically, an original and fifteen (15) copies of such rebuttal testimony and exhibits shall be filed with the Clerk of the Commission at the address set forth in Ordering Paragraph (8).

(15) All documents filed with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format,* of the Commission's Rules of Practice.

(16) The Commission's Rule of Practice 5 VAC 5-20-260, *Interrogatories to parties or requests for production of documents and things*, shall be modified for this proceeding as follows: responses and objections to written interrogatories and requests for production of documents shall be served within seven (7) business days after receipt of the same. In addition to the service requirements of 5 VAC 5-20-260 of the Rules of Practice, on the day that copies are filed with the Clerk of the Commission, a copy of the interrogatory or request for production shall be served electronically, or by facsimile, on the party to whom the interrogatory or request for production is directed or the assigned Staff attorney, if the interrogatory or request for production is directed to the Staff.[17] Except as modified above, discovery shall be in accordance with Part IV of the Commission's Rules of Practice, 5 VAC 5-20-240 *et seq*.

(17) Washington Gas may place its proposed rates into effect on an interim basis, subject to refund with interest, for service rendered on and after January 2, 2019.

(18) This matter is continued.

[17] The assigned Staff attorney is identified on the Commission's website, http://www.scc.virginia.gov/case, by clicking "Docket Search," then "Search Cases," and entering the case number, PUR-2018-00080, in the appropriate box.

CASE NO. PUR-2018-00081
JUNE 29, 2018

APPLICATION OF
LIGHTOWER FIBER NETWORKS II, LLC

For amended and reissued certificates of public convenience and necessity to provide local exchange telecommunications services to reflect a company name change

ORDER REISSUING CERTIFICATES

On June 22, 2018, Lightower Fiber Networks II, LLC ("Lightower" or "Company"), completed the filing of an application with the State Corporation Commission ("Commission") requesting that the certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia issued to Lightower [1] be amended to reflect a company name change ("Application"). The Company submitted proof of its name change to Crown Castle Fiber LLC.

NOW THE COMMISSION, having considered the Application and applicable law, is of the opinion and finds that the existing certificates in the name of Lightower should be cancelled and reissued in the name of Crown Castle Fiber LLC.

Accordingly IT IS ORDERED THAT:

(1) This case is docketed and assigned Case No. PUR-2018-00081.

(2) The certificate of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia, Certificate No. T-672b, heretofore issued to Lightower, hereby is cancelled and shall be reissued as Certificate No. T-672c in the name Crown Castle Fiber LLC.

(3) The certificate of public convenience and necessity to provide interexchange telecommunications services in the Commonwealth of Virginia, Certificate No. TT-237C, heretofore issued to Lightower, hereby is cancelled and shall be reissued as Certificate No. TT-237D in the name Crown Castle Fiber LLC.

(4) Any tariffs on file with the Commission's Division of Public Utility Regulation or product guide available online in the name of Lightower Fiber Networks II, LLC, shall be replaced reflecting the name change within forty-five (45) days of the date of entry of this Order.

(5) This case is dismissed.

[1] *See Application of Lightower Fiber Networks II, LLC, For amended and reissued certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services to reflect a company name change,* Case No. PUC-2015-00002, 2015 S.C.C. Ann. Rept. 153, Order Reissuing Certificates (Feb. 24, 2015).

CASE NO. PUR-2018-00082
DECEMBER 21, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of electric facilities: Chesterfield-Lakeside Line #217 230 kV transmission line rebuild

FINAL ORDER

On May 31, 2018, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an application for approval and for a certificate of public convenience and necessity ("CPCN") to construct and operate electric transmission facilities in Chesterfield County, Virginia, and Henrico County, Virginia ("Application"). Dominion filed the Application pursuant to § 56-46.1 of the Code of Virginia ("Code") and the Utility Facilities Act, Code § 56-265.1 *et seq*.

Dominion proposes:

> (i) to rebuild, entirely within an existing right-of-way or on Company-owned property, approximately 21.3 miles of existing 230 kV transmission Line #217 from the Company's existing Chesterfield Substation in Chesterfield County to the Company's existing Lakeside Substation in Henrico County; (ii) to remove or replace certain structures on Line #287 located on or near Chesterfield Power Station property, two of which share a common structure with Line #217; and, (iii) to perform minor work at the related substations (collectively, the "Rebuild Project").[1]

[1] Ex. 2 (Application) at 2.

On June 12, 2018, the Commission issued its Order for Notice and Hearing ("Procedural Order"), which, among other things, directed the Company to provide notice of its Application to interested persons and the public; provided interested persons the opportunity to comment on the Application or to participate as a respondent in this proceeding; directed the Commission's Staff ("Staff") to investigate the Application and to file testimony and exhibits containing Staff's findings and recommendations; scheduled a hearing to receive public witness testimony and other evidence on the Application; and assigned a Hearing Examiner to conduct further proceedings in this matter.

On July 6, 2018, the Old Dominion Electric Cooperative ("ODEC") filed a notice of participation in this proceeding.

As noted in the Procedural Order, the Staff requested the Department of Environmental Quality ("DEQ") to coordinate an environmental review of the Rebuild Project by the appropriate agencies and to provide a report on the review. On August 16, 2018, DEQ filed with the Commission its report ("DEQ Report"),[2] which included a Wetlands Impact Consultation prepared by DEQ. The DEQ Report provides general recommendations for the Commission's consideration that are in addition to any requirements of federal, state, or local law. Specifically, the DEQ Report contains the following Summary of Findings and Recommendations regarding the Rebuild Project. The Company should:

- Follow DEQ's recommendations to avoid and minimize impacts to wetlands and streams . . . .
- Consider DEQ recommendation to incorporate the use of dielectric fluid that does not contain polychlorinated biphenyls (PCBs) . . . .
- Follow DEQ's recommendations regarding air quality protection, ...
- Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable . . . .
- Coordinate with the Department of Conservation and Recreation's [("DCR")] Division of Natural Heritage regarding its recommendations to minimize adverse impacts to the aquatic ecosystem, develop and implement an invasive species plan, and implementing right-of-way restoration and maintenance practices as well as for updates to the Biotics Data System database . . . .
- Coordinate with the [Department of Game and Inland Fisheries ("DGIF")] regarding its recommendations to protect wildlife resources . . . .
- Coordinate with the Department of Historic Resources regarding its recommendations to protect historic and archaeological resources . . . .
- Follow the principles and practices of pollution prevention to the maximum extent practicable . . . .
- Limit the use of pesticides and herbicides to the extent practicable . . . .[3]

On September 21, 2018, Staff filed its testimony and an attached Staff Report summarizing the results of its investigation of Dominion's Application. Staff concluded that Dominion had reasonably demonstrated the need for the proposed Rebuild Project.[4]

On October 5, 2018, Dominion filed rebuttal testimony.

On November 5, 2018, a hearing convened in which Dominion and Staff introduced evidence into the record. ODEC did not participate in the hearing.

The Report of Michael D. Thomas, Hearing Examiner ("Report") was entered on November 13, 2018. In his Report, the Hearing Examiner found that:

(1) The Company established the need for the Rebuild Project;

(2) No additional right-of-way would need to be acquired to construct the Rebuild Project;

(3) The Rebuild Project supports economic development in the greater Richmond Metropolitan Area;

(4) The Rebuild Project would have no material adverse impact on scenic assets and historic districts;

(5) There are no adverse environmental impacts that would prevent the construction of the Rebuild Project;

(6) The Company's proposed modifications to the language of the DCR and the DGIF recommendations are reasonable;

(7) The nine recommendations in the DEQ Report, two of which were modified, are "desirable or necessary to minimize adverse environmental impact" associated with the Rebuild Project;

(8) The Rebuild Project does not represent a hazard to public health or safety;

(9) The Company's decision not to consider alternative routes requiring new right-of-way was reasonable;

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[2] Ex. 3 (DEQ Report).

[3] *Id*. at 6.

[4] Ex. 8 (Staff Report) at 22.

(10) The Staff's recommendations regarding the Company transmission line maintenance programs and annual reporting requirements are reasonable and are supported by the evidence in this case, and the Company's responses to those recommendations were reasonable; and

(11) The Company's responses to Mr. Bergeson's written comments were reasonable, and there is no compelling reason to make any of the Company's commitments a condition of any CPCN.[5]

On October 14, 2018, Staff filed comments to the Report stating that it supports the findings and recommendations contained therein. On October 16, 2018, Dominion filed comments on the Hearing Examiner's Report. Dominion stated that the Company supports the findings and recommendations contained in the Report and requests that the Commission adopt the Report and approve the Company's Application.

NOW THE COMMISION, upon consideration of this matter, is of the opinion and finds that the public convenience and necessity require that the Company construct the Rebuild Project. The Commission finds that a CPCN authorizing the Rebuild Project should be issued subject to certain findings and conditions contained herein.

Approval

The statutory scheme governing the Company's Application is found in several chapters of Title 56 of the Code.

Section 56-265.2 A 1 of the Code 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 require the exercise of such right or privilege."

Section 56-46.1 of the Code further directs the Commission to consider several factors when reviewing the Company's Application. Subsection A of the statute 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 every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection; and if requested by any county or municipality in which the facility is proposed to be built, to local comprehensive plans that have been adopted . . . . Additionally, the Commission (a) shall consider the effect of the proposed facility on economic development within the Commonwealth, . . . and (b) shall consider any improvements in service reliability that may result from the construction of such facility.

Section 56-46.1 B of the Code further provides that "[a]s a condition to approval the Commission shall determine that the line is needed and that the corridor or route the line is to follow will reasonably minimize adverse impact on the scenic assets, historic districts and environment of the area concerned."

The Code further requires that the Commission consider existing right-of-way easements when siting transmission lines. Section 56-46.1 C of the Code provides that "[i]n any hearing the public service company shall provide adequate evidence that existing rights-of-way cannot adequately serve the needs of the company." In addition, § 56-259 C of the Code provides that "[p]rior to acquiring any easement of right-of-way, public service corporations will consider the feasibility of locating such facilities on, over, or under existing easements of rights-of-way."

Public Convenience and Necessity

The Commission finds that the Company's proposed Rebuild Project is needed. As found by the Hearing Examiner, the Rebuild Project is necessary to address reliability needs as well as to replace aging infrastructure.[6]

Economic Development

The Commission finds that the proposed Rebuild Project will improve transmission system reliability by replacing aging infrastructure for transmission lines that the evidence in this case demonstrates are needed for system reliability and, therefore, will promote economic development in the greater Richmond Metropolitan Area.

Rights-of-Way and Routing

Dominion has adequately considered existing rights-of-way. The Rebuild Project, as proposed, would be constructed on existing rights-of-way, and no additional rights-of-way will need to be acquired.

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[5] Report at 16.

[6] Report at 10.

Scenic Assets and Historic Districts

As noted above, the Rebuild Project would be constructed on existing rights-of-way already owned and maintained by Dominion. Therefore, any impacts to scenic assets or historic districts would result from materially changing the structures used to carry the line. Based on the proposed changes to structure heights and design, Dominion anticipates the Rebuild Project would have a potentially minimal incremental impact on historic properties that are within the view shed of the Rebuild Project.[7] The Company shall coordinate with the Department of Historic Resources to review the Stage I Pre-Application Analysis regarding these initial findings. The Commission finds that use of the existing route would minimize adverse impacts on scenic assets and historic districts in the Commonwealth of Virginia as required by § 56-46.1 B of the Code.

Environmental Impact

Pursuant to § 56-46.1 A and B of the Code, the Commission is required to consider the Rebuild Project's impact on the environment and to establish such conditions as may be desirable or necessary to minimize adverse environmental impacts. The statute further provides that the Commission shall receive, and give consideration to, all reports that relate to the Rebuild Project by state agencies concerned with environmental protection.

The Commission finds that there are no adverse environmental impacts that would prevent the construction or operation of the Rebuild Project. The DEQ Report supports a finding that the Company's proposed route reasonably minimizes adverse environmental impacts, provided that the Company complies with the recommendations set forth in the DEQ Report. The Company agreed to all but two of the recommendations in the DEQ Report, and in those instances where it could not agree, the Company requested the language of the recommendation be modified. First, DCR recommended that the Company "[c]ontact DCR to re-submit project information and a map for an update on this natural heritage information if the scope of the project changes and/or six months has passed before it is utilized."[8] The Company recommended a change in the language to "[c]ontact DCR to re-submit project information and a map for an update on this natural heritage information if the scope of the project *materially* changes and/or *twelve* months has passed before it is utilized."[9]

Second, DGIF recommended a time-of-year restriction if colonial nesting bird colonies are located within the project area.[10] These birds may be found near the James River in the southern portion of the Rebuild Project and near the Chickahominy River in the northern part of the Rebuild Project. The Company would survey the project area for colonial nesting bird colonies but might need to have further discussions with DGIF regarding the recommendation of no significant construction activities within a 0.5-mile buffer of a colony between February 15 and July 31. The Company believes such a restriction could severely affect project work if colonies are found because one phase of the project is expected to occur during that period. Dominion believes further discussion with DGIF would be appropriate if colonies are found to determine if the Company could adhere to the recommendation or if it needs to negotiate a different set of restrictions. The Company requested an amendment to the language of the DGIF recommendation to provide that "if colonial nesting bird colonies are found upon survey, that the Company and DGIF will work together to create appropriate construction restrictions."[11]

The Hearing Examiner found that the Company's proposed modifications to the language of the DCR and DGIF recommendations are reasonable. The Commission adopts the Hearing Examiner's findings and recommendations and finds that as a condition of the approval herein, Dominion must comply with each of DEQ's recommendations as provided in the DEQ Report and as modified by the findings and recommendations of the Hearing Examiner.

Accordingly, IT IS ORDERED THAT:

(1) Dominion is authorized to construct and operate the Rebuild Project as proposed in its Application, subject to the findings and conditions imposed herein.

(2) Pursuant to §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code, the Company's request for a CPCN to construct and operate the Rebuild Project is granted as provided for herein, subject to the requirements set forth herein.

(3) Pursuant to the Utility Facilities Act, § 56-265.1 *et seq.* of the Code, the Commission issues the following CPCNs to Dominion:

> Certificate No. ET-73w, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Chesterfield County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2018-00082, cancels Certificate No. ET-73v, issued to Virginia Electric and Power Company in Case No. PUR-2018-00075 on November 19, 2018.
>
> Certificate No. ET-86R, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in Henrico County, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2018-00082, cancels Certificate No. ET-86Q issued to Virginia Electric and Power Company in Case No. PUE-2014-00047 on December 22, 2014.

(4) Within thirty (30) days from the date of this Final Order, the Company shall provide to the Commission's Division of Public Utility Regulation three copies of an appropriate map that shows the routing of the transmission line approved herein.

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[7] Ex. 2 (Application Appendix) at 126.

[8] Ex. 3 at 18.

[9] Ex. 10 at 2-3.

[10] Ex. 3 at 19.

[11] Ex. 10 at 4.

(5) Upon receiving the map directed in Ordering Paragraph (4), the Commission's Division of Public Utility Regulation forthwith shall provide the Company copies of the CPCNs issued in Ordering Paragraph (3) with the map attached.

(6) The Rebuild Project approved herein must be constructed and in service by June 1, 2020. The Company, however, is granted leave to apply for an extension for good cause shown.

(7) On or before March 31 of each calendar year, the Company will submit an annual report to Staff consistent with the format agreed upon by the parties and admitted into the record in this case as Exhibit 11.

(8) This matter hereby is dismissed.

CASE NO. PUR-2018-00091
AUGUST 23, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval to modify an experimental tariff to facilitate customer-owned distributed solar generation pursuant to Chapter 771 of the 2011 Virginia Acts of Assembly

FINAL ORDER

During its 2011 Session, the Virginia General Assembly passed Chapter 771 of the 2011 Virginia Acts of Assembly, an uncodified enactment, directing the State Corporation Commission ("Commission") to exercise its existing authority to consider petitions filed by a utility to construct and operate distributed solar generation facilities and to offer special tariffs to facilitate customer-owned distributed solar generation as alternatives to net energy metering, with an aggregate amount of rated generating capacity of up to 0.20% of each electric utility's adjusted Virginia peak load for the calendar year 2010.

On March 22, 2013, in Case No. PUE-2012-00064, the Commission approved Virginia Electric and Power Company's ("Company") petition for a Solar Purchase Program, a demonstration program consisting of a special tariff, Rate Schedule SP – Solar Purchase (Experimental), under which the Company would purchase up to 3 megawatts ("MW") of energy output from customer-owned solar generation installations.[1]

The March 22, 2013 Order approved the Company's proposal for a five-year demonstration program, finding specifically that "[t]he actual results of this demonstration program should inform future analyses of distributed solar generation programs, which will not necessarily be limited to the requirements of the program approved herein."[2] Under its terms, Rate Schedule SP was to expire on June 30, 2018.

On June 8, 2018, the Company filed an application seeking to modify Rate Schedule SP ("Application"). Specifically, the Company proposed to close Rate Schedule SP to new participants on the earlier of June 30, 2018, or the date the Solar Purchase Program reaches the aggregated capacity limit of 3 MW. The Company proposed to allow existing customers to remain on Rate Schedule SP, subject to annual renewals, until the Company or customers terminated the agreement.

On June 22, 2018, the Commission entered an Order that, among other things, granted the Company's request to continue operating the program during the pendency of this proceeding, afforded interested persons the opportunity to comment on the Application, and directed the Commission Staff ("Staff") to investigate the Application and file a Report.

On July 31, 2018, Staff filed its Report. In its Report, Staff stated that it "does not oppose the Company's request to close Rate Schedule SP to new customers. Staff agrees, as proposed by the Company, that the customers currently enrolled on Rate Schedule SP, and those with reservations under the schedule, should be permitted to utilize the tariff until such time as they choose to terminate the agreement."[3] On August 14, 2018, the Company filed a letter indicating that it agreed with the conclusions set forth in the Staff Report. The Commission received no comments from interested persons on the Application.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Company's Application should be granted. The Company's request to close Rate Schedule SP to new participants is granted, effective as of the earlier of the date of this Final Order, or the date the Solar Purchase Program reaches the aggregated capacity limit of 3 MW. Customers currently enrolled on Rate Schedule SP, and those with reservations under the schedule, shall be permitted to utilize the tariff until they choose to terminate the agreement.

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[1] *Petition of Virginia Electric and Power Company, for approval of a special tariff to facilitate customer-owned distributed solar generation pursuant to Chapter 771 of the 2011 Virginia Acts of Assembly*, Case No. PUE-2012-00064, 2013 S.C.C. Ann. Rept. 269, Order (Mar 22, 2013) ("March 22, 2013 Order").

[2] *Id.* at 272.

[3] Staff Report at 6.

Accordingly, IT IS ORDERED THAT:

(1) The Company's Application to close Rate Schedule SP to new participants is granted, as modified herein.

(2) Existing customers enrolled on Rate Schedule SP, and those with reservations under the schedule, shall be permitted to utilize the tariff until such time as they choose to terminate the agreement.

(3) This case is dismissed.

CASE NO. PUR-2018-00091
SEPTEMBER 19, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval to modify an experimental tariff to facilitate customer-owned distributed solar generation pursuant to Chapter 771 of the 2011 Virginia Acts of Assembly

ORDER CORRECTING TARIFF

During its 2011 Session, the Virginia General Assembly passed Chapter 771 of the 2011 Virginia Acts of Assembly, an uncodified enactment, directing the State Corporation Commission ("Commission") to exercise its existing authority to consider petitions filed by a utility to construct and operate distributed solar generation facilities and to offer special tariffs to facilitate customer-owned distributed solar generation as alternatives to net energy metering, with an aggregate amount of rated generating capacity of up to 0.20% of each electric utility's adjusted Virginia peak load for the calendar year 2010.

On March 22, 2013, in Case No. PUE-2012-00064, the Commission approved Virginia Electric and Power Company's ("Company") petition for a Solar Purchase Program, a demonstration program consisting of a special tariff, Rate Schedule SP – Solar Purchase (Experimental), under which the Company would purchase up to 3 megawatts ("MW") of energy output from customer-owned solar generation installations.[1]

The March 22, 2013 Order approved the Company's proposal for a five-year demonstration program, finding specifically that "[t]he actual results of this demonstration program should inform future analyses of distributed solar generation programs, which will not necessarily be limited to the requirements of the program approved herein."[2] Under its terms, Rate Schedule SP was to expire on June 30, 2018.

On June 8, 2018, the Company filed an application seeking to modify Rate Schedule SP. Specifically, the Company proposed to close Rate Schedule SP to new participants on the earlier of June 30, 2018, or the date the Solar Purchase Program reaches the aggregated capacity limit of 3 MW. The Company proposed to allow existing customers to remain on Rate Schedule SP, subject to annual renewals, until the Company or customer terminated the agreement.

On August 23, 2018, the Commission entered an Order that, among other things, granted the Company's request to close Rate Schedule SP to new participants and the Company's request to allow existing customers to remain on Rate Schedule SP, subject to annual renewals.

NOW THE COMMISSION, having been advised by its Staff, opens this docket for the limited purpose of correcting the approved Rate Schedule SP as set forth below:

> Upon expiration of the Initial Term, the Agreement shall be considered renewed for a renewal term of one (1) year, continuing annually thereafter, until either the Solar Customer-Generator or the Company gives written notice of termination, such written notice to be provided to the other party thirty (30) days prior to the commencement of the next renewal term.

Accordingly, IT IS ORDERED THAT:

(1) Dominion's approved Rate Schedule SP is corrected as set forth above.

(2) This case is dismissed.

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[1] *Petition of Virginia Electric and Power Company, for approval of a special tariff to facilitate customer-owned distributed solar generation pursuant to Chapter 771 of the 2011 Virginia Acts of Assembly*, Case No. PUE-2012-00064, 2013 S.C.C. Ann. Rept. 269, Order (Mar 22, 2013) ("March 22, 2013 Order").

[2] *Id.* at 272.

CASE NO. PUR-2018-00092
JUNE 22, 2018

APPLICATION OF
TALK AMERICA SERVICES, LLC

For authority to partially discontinue local exchange services

ORDER PERMITTING PARTIAL DISCONTINUANCE OF SERVICES

On June 11, 2018, Talk America Services, LLC ("Talk America" or "Company") filed an application with the State Corporation Commission ("Commission") pursuant to 20 VAC 5-423-30 of the Commission's Rules Governing the Discontinuance of Local Exchange Telecommunications Services Provided by Competitive Local Exchange Carriers, 20 VAC 5-423-10 *et seq*., for authority to discontinue providing local exchange services to certain residential customers within the Commonwealth ("Application").

In support of its Application, Talk America states that local exchange services are being discontinued in the affected areas because the Company's wholesale service provider intends to decommission the telecommunications equipment that is used to serve the affected customers, and that as a reseller of telecommunications services, Talk America has no ability to provide substitute services to the impacted customers. The Company states that approximately 11 residential local exchange customers are affected by the proposed discontinuance, and that all existing customers were notified of the discontinuance at least 30 days prior to the proposed August 1, 2018 effective date via notices that were mailed on May 31, 2018. A copy of the customer notice was filed with the Application, which Talk America represents includes the information required under 20 VAC 5-423-30 C.

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that Talk America's Application should be granted. The Commission's primary concern with authorizing discontinuance of any telecommunications services is providing adequate notice to affected customers. We have reviewed the notice provided by the Company and find that it provides customers with sufficient notice.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2018-00092.

(2) Talk America is authorized to discontinue providing local exchange services to certain customers in Virginia as described in the Application.

(3) This case is dismissed.

CASE NO. PUR-2018-00093
JUNE 27, 2018

APPLICATION OF
SUNSET DIGITAL COMMUNICATIONS (DE), LLC (USED IN VA BY: SUNSET DIGITAL COMMUNICATIONS, LLC)

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia

ORDER FOR NOTICE AND COMMENT AND GRANTING INTERIM OPERATING AUTHORITY

On June 18, 2018, Sunset Digital Communications (DE), LLC (USED IN VA BY: Sunset Digital Communications, LLC) ("Sunset Digital (DE)" 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 ("Application"). 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. Furthermore, Sunset Digital (DE) requested that the Commission grant the Company interim authority to operate as a competitive local exchange carrier and interexchange carrier upon the Commission's approval of the transactions for which permission is requested in Case No. PUR-2018-00077.[1]

On June 20, 2018, in support of the Company's request for interim authority, Sunset Digital (DE) submitted the bond required under 20 VAC 5-417-20 G 1 b of the Commission's Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers to the Commission's Division of Public Utility Regulation.

NOW THE COMMISSION, upon consideration of the Application, is of the opinion and finds that it should docket the Company's Application; that Sunset Digital (DE) should give notice to the public of its Application; that interested persons should have an opportunity to comment and request a hearing on the Company's Application; that the Staff of the Commission ("Staff") should conduct an investigation into the reasonableness of the Application and present its findings in a report ("Staff Report"); and that Sunset Digital (DE) should be granted interim local exchange and interexchange operating authority.

Accordingly, IT IS ORDERED THAT:

(1) This case is docketed and assigned Case No. PUR-2018-00093.

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[1] *Joint Petition of Sunset Digital Communications, Inc., et al., For approval of the transfer of the telecommunications assets of BVU Authority and related transactions,* Case No. PUR-2018-00077, Joint Petition, Doc. Con. Cen. No. 180540033 (May 16, 2018).

(2) Sunset Digital (DE) hereby is granted interim operating authority to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia pending further order of the Commission.

(3) On or before July 13, 2018, Sunset Digital (DE) shall complete publication of the following notice to be published on one occasion, as classified advertising, in newspapers having general circulation throughout its proposed service territory:

NOTICE TO THE PUBLIC OF AN APPLICATION BY
SUNSET DIGITAL COMMUNICATIONS (DE), LLC (USED IN VA BY: SUNSET DIGITAL COMMUNICATIONS, LLC), FOR CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES IN THE COMMONWEALTH OF VIRGINIA
CASE NO. PUR-2018-00093

On June 18, 2018, Sunset Digital Communications (DE), LLC (USED IN VA BY: Sunset Digital Communications, LLC) ("Sunset Digital (DE)" or "Company"), filed an application with the State Corporation Commission ("Commission") for certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia ("Application"). 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. Furthermore, Sunset Digital (DE) requested that the Commission grant the Company interim authority to operate as a competitive local exchange carrier and interexchange carrier upon the Commission's approval of the transactions for which permission is requested in Case No. PUR-2018-00077.

Copies of the Application are available for public inspection between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays, in the Commission's Document Control Center located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219. Copies of the Application also may be downloaded from the Commission's website: http://www.scc.virginia.gov/case, or may be ordered from counsel for Sunset Digital (DE): Eric M. Page, Esquire, Eckert Seamans Cherin & Mellott, LLC, SunTrust Center, Suite 1300, 919 East Main Street, Richmond, Virginia 23219, or Charles A. Hudak, Esquire, Friend, Hudak & Harris, LLP, Three Ravinia Drive, Suite 17090, Atlanta, Georgia 30346.

On or before July 27, 2018, any person desiring to comment on Sunset Digital (DE)'s Application may do so by directing such comments in writing to the Clerk of the Commission at the address set forth below. Interested persons desiring to submit comments electronically may do so by following the instructions on the Commission's website: http://www.scc.virginia.gov/case. A hard copy of the comments, whether submitted in writing or electronically, shall be served on counsel for Sunset Digital (DE) at the addresses set forth above.

On or before July 27, 2018, any person may request a hearing on Sunset Digital (DE)'s Application. If not filed electronically, an original and fifteen (15) copies of the request for hearing shall be submitted to the Clerk of the Commission at the address set forth below. Requests shall include: (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. Persons filing a request for hearing shall serve a copy of their request upon counsel for Sunset Digital (DE) at the addresses set forth above.

All written communications to the Commission concerning Sunset Digital (DE)'s Application shall be directed to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and shall refer to Case No. PUR-2018-00093.

SUNSET DIGITAL COMMUNICATIONS (DE), LLC,
(USED IN VA BY: SUNSET DIGITAL COMMUNICATIONS, LLC)

(4) On or before July 13, 2018, Sunset Digital (DE) 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 on Sunset Digital (DE)'s Application may do so by directing such comments in writing, on or before July 27, 2018, to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Interested persons desiring to submit comments electronically may do so by following the instructions on the Commission's website: http://www.scc.virginia.gov/case. A hard copy of such comments, whether submitted in writing or electronically, shall be served on counsel for Sunset Digital (DE): Eric M. Page, Esquire, Eckert Seamans Cherin & Mellott, LLC, SunTrust Center, Suite 1300, 919 East Main Street, Richmond, Virginia 23219, and Charles A. Hudak, Esquire, Friend, Hudak & Harris, LLP, Three Ravinia Drive, Suite 17090, Atlanta, Georgia 30346.

(6) On or before July 27, 2018, any person may request a hearing on Sunset Digital (DE)'s Application. If not filed electronically, an original and fifteen (15) copies of the request for hearing shall be submitted to the Clerk of the Commission at the address in Ordering Paragraph (5). Written requests for hearing shall refer to Case No. PUR-2018-00093 and shall include: (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. A copy also shall be served on counsel for Sunset Digital (DE) at the addresses in Ordering Paragraph (5).

(7) On or before August 3, 2018, Sunset Digital (DE) shall file with the Clerk of the Commission proof of notice and proof of service as ordered herein.

(8) The Staff shall analyze the reasonableness of Sunset Digital (DE)'s Application and present its findings in a Staff Report to be filed on or before August 15, 2018.

(9) On or before August 22, 2018, Sunset Digital (DE) may file responses to the Staff Report or to any comments or requests for hearing filed with the Commission. If not filed electronically, an original and fifteen (15) copies of any responses shall be submitted to the Clerk of the Commission at the address in Ordering Paragraph (5). A copy of the response shall be delivered by overnight delivery to the Staff and Office of General Counsel and to any persons who filed comments or requests for hearing.

(10) All documents filed with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice").

(11) The Company shall respond to written interrogatories or data requests within seven (7) calendar days after the receipt of the same. Persons who filed requests for hearing shall provide to the Company, the Staff, and any other persons who filed requests for hearing, promptly upon request, any work papers or documents used in preparation of their requests for hearing. Except as so modified, discovery shall be in accordance with Part IV of the Commission's Rules of Practice, 5 VAC 5-20-240 *et seq*.

(12) The Company shall respond promptly to requests from interested persons for copies of the Application and shall provide one copy free of charge. Copies also are available for public inspection between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays, in the Commission's Document Control Center located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219. Copies of the Application also may be downloaded from the Commission's website: http://www.scc.virginia.gov/case.

(13) This matter is continued.

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

CASE NO. PUR-2018-00093
AUGUST 15, 2018

APPLICATION OF
SUNSET DIGITAL COMMUNICATIONS (DE), LLC (USED IN VA BY: SUNSET DIGITAL COMMUNICATIONS, LLC)

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia

FINAL ORDER

On June 18, 2018, Sunset Digital Communications (DE), LLC (USED IN VA BY: Sunset Digital Communications, LLC) ("Sunset Digital (DE)" or "Company"), completed 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 ("Application"). Sunset Digital (DE)'s Application was accompanied by a motion for a protective order ("Motion") filed in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.* 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 ("Code"). Furthermore, Sunset Digital (DE) requested that the Commission grant the Company interim authority to operate as a competitive local exchange carrier and interexchange carrier upon the Commission's approval of the transactions for which permission was requested in Case No. PUR-2018-00077.[1]

On June 27, 2018, the Commission issued an Order for Notice and Comment and Granting Interim Operating Authority ("Scheduling Order") that, among other things, directed Sunset Digital (DE) to provide notice to the public of its Application; directed the Staff of the Commission ("Staff") to conduct an investigation and file a report ("Staff Report"); and granted Sunset Digital (DE) interim operating authority to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia pending further order of the Commission.

On July 17, 2018, Sunset Digital (DE) filed proof of service and proof of notice in accordance with the Scheduling Order. No one filed a comment or request for hearing on the Company's Application.

On August 2, 2018, Staff filed its Staff Report concluding that the Company's Application is in compliance with the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers ("Local Rules"), 20 VAC 5-417-10 *et seq*., and the Rules Governing the Certification of Interexchange Carriers ("Interexchange Rules"), 20 VAC 5-411-10 *et seq*. Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant Certificates to Sunset Digital (DE) subject to the following condition: Sunset Digital (DE) should notify the Division of Public Utility Regulation no less than 30 days prior to the cancellation or lapse of its bond and should provide a replacement bond at that time. This requirement should be maintained until such time as the Commission determines it is no longer necessary.

Sunset Digital (DE) filed a letter on August 3, 2018, advising that it waives the opportunity to file a response to the Staff Report; supports the findings in the Staff Report; and asks that the Commission grant the relief requested in its Application.

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[1] *Joint Petition of Sunset Digital Communications, Inc., et al., For approval of the transfer of the telecommunications assets of BVU Authority and related transactions pursuant to Va. Code § 56-88.1 et seq.,* Case No. PUR-2018-00077, Doc. Con. Cen. No. 180730148, Order Granting Approval, (July 19, 2018).

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that it should grant Certificates to Sunset Digital (DE). Having considered Code § 56-481.1, the Commission finds that Sunset Digital (DE) may price its interexchange services competitively. Finally, the Commission finds that the Company's Motion is no longer necessary; therefore, the Motion should be denied.[2]

Accordingly, IT IS ORDERED THAT:

(1) Sunset Digital (DE) hereby is granted Certificate No. T- 758 to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(2) Sunset Digital (DE) hereby is granted Certificate No. TT-300A to provide interexchange telecommunications services subject to the provisions of the Interexchange Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(3) Pursuant to Code § 56-481.1, Sunset Digital (DE) may price its interexchange telecommunications services competitively.

(4) The Company shall provide tariffs to the Division of Public Utility Regulation that conform to all applicable Commission rules and regulations. If Sunset Digital (DE) elects to provide retail services on a non-tariffed basis, it shall provide written notification pursuant to Local Rule 20 VAC 5-417-50 A.

(5) Sunset Digital (DE) shall notify the Division of Public Utility Regulation no less than thirty (30) days prior to the cancellation or lapse of its bond and shall provide a replacement bond at that time. This requirement shall be maintained until such time as the Commission determines it is no longer necessary.

(6) The Company's Motion is denied; however, the Commission directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(7) This case is dismissed.

[2] The Commission has not received a request to review the information that the Company designated confidential. Accordingly, we deny the Motion as moot but direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

CASE NO. PUR-2018-00094
JUNE 27, 2018

APPLICATION OF
SUNSET FIBER (DE), LLC
(USED IN VA BY: SUNSET FIBER, LLC)

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia

ORDER FOR NOTICE AND COMMENT AND GRANTING INTERIM OPERATING AUTHORITY

On June 18, 2018, Sunset Fiber (DE), LLC (USED IN VA BY: Sunset Fiber, LLC) ("Sunset Fiber (DE)" 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 ("Application"). 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. Furthermore, Sunset Fiber (DE) requested that the Commission grant the Company interim authority to operate as a competitive local exchange carrier and interexchange carrier upon the Commission's approval of the transactions for which permission is requested in Case No. PUR-2018-00077.[1]

On June 20, 2018, in support of the Company's request for interim authority, Sunset Fiber (DE) submitted the bond required under 20 VAC 5-417-20 G 1 b of the Commission's Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers to the Commission's Division of Public Utility Regulation.

NOW THE COMMISSION, upon consideration of the Application, is of the opinion and finds that it should docket the Company's Application; that Sunset Fiber (DE) should give notice to the public of its Application; that interested persons should have an opportunity to comment and request a hearing on the Company's Application; that the Staff of the Commission ("Staff") should conduct an investigation into the reasonableness of the Application and present its findings in a report ("Staff Report"); and that Sunset Fiber (DE) should be granted interim local exchange and interexchange operating authority.

Accordingly, IT IS ORDERED THAT:

(1) This case is docketed and assigned Case No. PUR-2018-00094.

(2) Sunset Fiber (DE) hereby is granted interim operating authority to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia pending further order of the Commission.

[1] *Joint Petition of Sunset Digital Communications, Inc., et al., For approval of the transfer of the telecommunications assets of BVU Authority and related transactions,* Case No. PUR-2018-00077, Joint Petition, Doc. Con. Cen. No. 180540033 (May 16, 2018).

(3) On or before July 13, 2018, Sunset Fiber (DE) shall complete publication of the following notice to be published on one occasion, as classified advertising, in newspapers having general circulation throughout its proposed service territory:

NOTICE TO THE PUBLIC OF AN APPLICATION BY
SUNSET FIBER (DE), LLC (USED IN VA BY: SUNSET FIBER, LLC), FOR CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES IN THE COMMONWEALTH OF VIRGINIA
CASE NO. PUR-2018-00094

On June 18, 2018, Sunset Fiber (DE), LLC (USED IN VA BY: Sunset Fiber, LLC) ("Sunset Fiber (DE)" or "Company"), filed an application with the State Corporation Commission ("Commission") for certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia ("Application"). 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. Furthermore, Sunset Fiber (DE) requested that the Commission grant the Company interim authority to operate as a competitive local exchange carrier and interexchange carrier upon the Commission's approval of the transactions for which permission is requested in Case No. PUR-2018-00077.

Copies of the Application are available for public inspection between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays, in the Commission's Document Control Center located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219. Copies of the Application also may be downloaded from the Commission's website: http://www.scc.virginia.gov/case, or may be ordered from counsel for Sunset Fiber (DE): Eric M. Page, Esquire, Eckert Seamans Cherin & Mellott, LLC, SunTrust Center, Suite 1300, 919 East Main Street, Richmond, Virginia 23219, or Charles A. Hudak, Esquire, Friend, Hudak & Harris, LLP, Three Ravinia Drive, Suite 17090, Atlanta, Georgia 30346.

On or before July 27, 2018, any person desiring to comment on Sunset Fiber (DE)'s Application may do so by directing such comments in writing to the Clerk of the Commission at the address set forth below. Interested persons desiring to submit comments electronically may do so by following the instructions on the Commission's website: http://www.scc.virginia.gov/case. A hard copy of the comments, whether submitted in writing or electronically, shall be served on counsel for Sunset Fiber (DE) at the addresses set forth above.

On or before July 27, 2018, any person may request a hearing on Sunset Fiber (DE)'s Application. If not filed electronically, an original and fifteen (15) copies of the request for hearing shall be submitted to the Clerk of the Commission at the address set forth below. Requests shall include: (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. Persons filing a request for hearing shall serve a copy of their request upon counsel for Sunset Fiber (DE) at the addresses set forth above.

All written communications to the Commission concerning Sunset Fiber (DE)'s Application shall be directed to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and shall refer to Case No. PUR-2018-00094.

SUNSET FIBER (DE), LLC,
(USED IN VA BY: SUNSET FIBER, LLC)

(4) On or before July 13, 2018, Sunset Fiber (DE) 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 on Sunset Fiber (DE)'s Application may do so by directing such comments in writing, on or before July 27, 2018, to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Interested persons desiring to submit comments electronically may do so by following the instructions on the Commission's website: http://www.scc.virginia.gov/case. A hard copy of such comments, whether submitted in writing or electronically, shall be served on counsel for Sunset Fiber (DE): Eric M. Page, Esquire, Eckert Seamans Cherin & Mellott, LLC, SunTrust Center, Suite 1300, 919 East Main Street, Richmond, Virginia 23219, and Charles A. Hudak, Esquire, Friend, Hudak & Harris, LLP, Three Ravinia Drive, Suite 17090, Atlanta, Georgia 30346.

(6) On or before July 27, 2018, any person may request a hearing on Sunset Fiber (DE)'s Application. If not filed electronically, an original and fifteen (15) copies of the request for hearing shall be submitted to the Clerk of the Commission at the address in Ordering Paragraph (5). Written requests for hearing shall refer to Case No. PUR-2018-00094 and shall include: (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. A copy also shall be served on counsel for Sunset Fiber (DE) at the addresses in Ordering Paragraph (5).

(7) On or before August 3, 2018, Sunset Fiber (DE) shall file with the Clerk of the Commission proof of notice and proof of service as ordered herein.

(8) The Staff shall analyze the reasonableness of Sunset Fiber (DE)'s Application and present its findings in a Staff Report to be filed on or before August 15, 2018.

(9) On or before August 22, 2018, Sunset Fiber (DE) may file responses to the Staff Report or to any comments or requests for hearing filed with the Commission. If not filed electronically, an original and fifteen (15) copies of any responses shall be submitted to the Clerk of the Commission at the address in Ordering Paragraph (5). A copy of the response shall be delivered by overnight delivery to the Staff and Office of General Counsel and to any persons who filed comments or requests for hearing.

(10) All documents filed with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice").

(11) The Company shall respond to written interrogatories or data requests within seven (7) calendar days after the receipt of the same. Persons who filed requests for hearing shall provide to the Company, the Staff, and any other persons who filed requests for hearing, promptly upon request, any work papers or documents used in preparation of their requests for hearing. Except as so modified, discovery shall be in accordance with Part IV of the Commission's Rules of Practice, 5 VAC 5-20-240 *et seq*.

(12) The Company shall respond promptly to requests from interested persons for copies of the Application and shall provide one copy free of charge. Copies also are available for public inspection between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays, in the Commission's Document Control Center located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219. Copies of the Application also may be downloaded from the Commission's website: http://www.scc.virginia.gov/case.

(13) This matter is continued.

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

CASE NO. PUR-2018-00094
AUGUST 15, 2018

APPLICATION OF
SUNSET FIBER (DE), LLC
(USED IN VA BY: SUNSET FIBER, LLC)

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia

FINAL ORDER

On June 18, 2018, Sunset Fiber (DE), LLC (USED IN VA BY: Sunset Fiber, LLC) ("Sunset Fiber (DE)" or "Company"), completed 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 ("Application"). 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 ("Code"). Sunset Fiber (DE)'s Application was accompanied by a motion for a protective order ("Motion") filed in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, VAC 5-20-10 *et seq*. Furthermore, Sunset Fiber (DE) requested that the Commission grant the Company interim authority to operate as a competitive local exchange carrier and interexchange carrier upon the Commission's approval of the transactions for which permission was requested in Case No. PUR-2018-00077.[1]

On June 27, 2018, the Commission issued an Order for Notice and Comment and Granting Interim Operating Authority ("Scheduling Order") that, among other things, directed Sunset Fiber (DE) to provide notice to the public of its Application; directed the Staff of the Commission ("Staff") to conduct an investigation and file a report ("Staff Report"); and granted Sunset Fiber (DE) interim operating authority to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia pending further order of the Commission.

On July 17, 2018, Sunset Fiber (DE) filed proof of service and proof of notice in accordance with the Scheduling Order. No one filed a comment or request for hearing on the Company's Application.

On August 2, 2018, Staff filed its Staff Report concluding that the Company's Application is in compliance with the Rules Governing the Certification and Regulation of Competitive Local Exchange Carriers ("Local Rules"), 20 VAC 5-417-10 *et seq*., and the Rules Governing the Certification of Interexchange Carriers ("Interexchange Rules"), 20 VAC 5-411-10 *et seq*. Based upon its review of the Company's Application, Staff determined that it would be appropriate to grant Certificates to Sunset Fiber (DE) subject to the following condition: Sunset Fiber (DE) should notify the Division of Public Utility Regulation no less than 30 days prior to the cancellation or lapse of its bond and should provide a replacement bond at that time. This requirement should be maintained until such time as the Commission determines it is no longer necessary.

Sunset Fiber (DE) filed a letter on August 3, 2018, advising that it waives the opportunity to file a response to the Staff Report; supports the findings in the Staff Report; and asks that the Commission grant the relief requested in its Application.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that it should grant Certificates to Sunset Fiber (DE). Having considered Code § 56-481.1, the Commission finds that Sunset Fiber (DE) may price its interexchange services competitively. Finally, the Commission finds that the Company's Motion is no longer necessary; therefore, the Motion should be denied.[2]

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[1] *Joint Petition of Sunset Digital Communications, Inc., et al., For approval of the transfer of the telecommunications assets of BVU Authority and related transactions pursuant to Va. Code § 56-88.1 et seq.,* Case No. PUR-2018-00077, Doc. Con. Cen. No. 180730148, Order Granting Approval (July 19, 2018).

[2] The Commission has not received a request to review the information that the Company designated confidential. Accordingly, we deny the Motion as moot but direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

Accordingly, IT IS ORDERED THAT:

(1) Sunset Fiber (DE) hereby is granted Certificate No. T-759 to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(2) Sunset Fiber (DE) hereby is granted Certificate No. TT-301A to provide interexchange telecommunications services subject to the provisions of the Interexchange Rules, Code § 56-265.4:4, and the provisions of this Final Order.

(3) Pursuant to Code § 56-481.1, Sunset Fiber (DE) may price its interexchange telecommunications services competitively.

(4) The Company shall provide tariffs to the Division of Public Utility Regulation that conform to all applicable Commission rules and regulations. If Sunset Fiber (DE) elects to provide retail services on a non-tariffed basis, it shall provide written notification pursuant to Local Rule 20 VAC 5-417-50 A.

(5) Sunset Fiber (DE) shall notify the Division of Public Utility Regulation no less than thirty (30) days prior to the cancellation or lapse of its bond and shall provide a replacement bond at that time. This requirement shall be maintained until such time as the Commission determines it is no longer necessary.

(6) The Company's Motion is denied; however, the Commission directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(7) This case is dismissed.

CASE NO. PUR-2018-00095
AUGUST 16, 2018

APPLICATION OF
APPALACHIAN NATURAL GAS DISTRIBUTION COMPANY

For expedited approval of a special rate and contract pursuant to Section 56-235.2 of the Code of Virginia

ORDER

On June 15, 2018, Appalachian Natural Gas Distribution Company ("ANGD" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to § 56-235.2 of the Code of Virginia and the Commission's *Guidelines for Special Rates, Contracts, or Incentives*[1] seeking approval of a special rate applicable to transportation service provided to Aladdin Manufacturing Corporation d/b/a Mohawk Industries ("Aladdin") located within the Company's service territory ("Agreement").[2]

On August 10, 2018, ANGD filed its Motion for Interim Authority and Request to Certify Material Issue ("Motion"). In its Motion, ANGD requests that the Hearing Examiner certify the issue for resolution by the Commission and that the Commission authorize the Company to provide service to Aladdin in accordance with the Agreement effective May 1, 2018, on an interim basis.

In support of its Motion, the Company states that Aladdin's contract for a significantly reduced rate was expiring at approximately the same time Aladdin was considering expansion of its production facilities in Carroll County.[3] The Company further states that in order to "accommodate that expansion and facilitate Aladdin's additional investment in Carroll County, rather than at other potential Aladdin facilities, ANGD and Aladdin negotiated a rate that was competitive with rates available at other potential locations. . . ."[4] According to the Company, no customer will be prejudiced by the granting of the interim authority "because the Agreement will have no negative rate impact on the Company's other customers, and costs associated with serving Aladdin will not be assigned to any other class."[5]

In its Motion, the Company requested expedited consideration of the Motion and requested the Hearing Examiner to certify this issue for resolution by the Commission. In support of its request to certify this issue to the Commission, ANGD states that "implementation of this rate on an interim basis effective May 1, 2018 is a material issue with real importance for the Company and Aladdin, and possibly 'great consequences' for the Carroll County economy."[6] The Company further states that "[s]hould the Commission deny the Company's Application or its request for interim authority, it could jeopardize Aladdin's proposed investments and continuing operation in Carroll County."[7]

On August 13, 2018, the Hearing Examiner issued a ruling that, among other things, certified the issue to the Commission.

NOW THE COMMISSION, upon consideration hereof, is of the opinion and finds as follows.

[1] 20 VAC 5-310-10.

[2] Application at 1.

[3] Motion at 2.

[4] *Id.*

[5] *Id.* at 3.

[6] *Id.* at 4.

[7] *Id.*

ANGD acquired Aladdin as a special contract customer when the Commission previously approved an expansion of ANGD's certificated territory. The terms of that special contract (the tariff under which Aladdin takes service) needed to be continued, or revised, as of May 1, 2018. Based on the particular, unique circumstances of this matter, the Commission grants ANGD interim authority to operate under the proposed revised terms of that special contract pending the outcome of the instant proceeding. The Company shall remain at risk for the differences, if any, between: (1) the special contract as operated under the interim approval granted herein pending the conclusion of this matter; and (2) the special contract as ultimately approved herein.

Accordingly, IT IS SO ORDERED, and this matter shall continue before the Hearing Examiner.

CASE NO. PUR-2018-00095
DECEMBER 28, 2018

APPLICATION OF
APPALACHIAN NATURAL GAS DISTRIBUTION COMPANY

For expedited approval of a special rate and contract pursuant to Section 56-265.2 of the Code of Virginia

ORDER GRANTING APPROVAL

On June 15, 2018, Appalachian Natural Gas Distribution Company ("ANGD" or "Company") filed an application ("Application") in both public and nonpublic versions with the State Corporation Commission ("Commission"), pursuant to § 56-235.2 of the Code of Virginia ("Code") and the Commission's *Guidelines for Special Rates, Contracts, or Incentives*.[1] The Company filed a supplement to its Application on June 26, 2018. In its Application, the Company seeks approval of a special rate applicable to transportation service provided to Aladdin Manufacturing Corporation d/b/a Mohawk Industries ("Aladdin") located within the Company's service territory.[2] The Company also requests that the Commission act on its Application on an expedited basis.

The Application states that ANGD and Aladdin have executed a service agreement ("Agreement") for transportation service effective May 1, 2018, under which the Company will provide firm transportation services on the Company's system under the Company's current Rate Schedule FTS-1 to satisfy Aladdin's natural gas requirements over the next three-year period, subject to approval by the Commission.[3] ANGD asserts that the special rate provided in the Agreement will protect and enhance the public interest in a number of ways.[4] According to the Company, the special rate will encourage capital investment to expand the plant, and such expansion will benefit the area and local businesses as well as contribute to the tax base of the Commonwealth and Carroll County.[5]

The Company further states that the special rate provided in the Agreement will not unreasonably prejudice or disadvantage any customer or class of customers. According to the Company, the Agreement will have no negative rate impact on the Company's other customers, and costs associated with serving Aladdin will not be assigned to any other class.[6]

On June 29, 2018, the Commission issued an Order for Notice and Hearing ("Procedural Order") that, among other things, provided for public notice of the Application; scheduled a hearing to receive evidence and testimony on the Application; provided an opportunity for interested persons to file comments on the Application; and directed the Commission Staff ("Staff") to investigate the Application and file testimony and exhibits containing its findings and recommendations. The Procedural Order also assigned a Hearing Examiner to conduct further proceedings in the matter on behalf of the Commission, including the filing of a final report containing the Hearing Examiner's findings and recommendations.

No comments or notices of participation were filed herein.

On August 10, 2018, ANGD filed its Motion for Interim Authority and Request to Certify Material Issue ("Motion"). In its Motion, ANGD requests that the Hearing Examiner certify the issue for resolution by the Commission and that the Commission authorize the Company to provide service to Aladdin in accordance with the Agreement effective May 1, 2018, on an interim basis.[7]

On August 16, 2018, the Commission granted ANGD interim authority to operate under the proposed revised terms of the special contract pending the outcome of the instant proceeding, and also directed that the Company shall remain at risk for the differences, if any, between: (1) the special contract as operated under the interim approval granted therein pending the conclusion of this matter; and (2) the special contract as ultimately approved herein ("August 16, 2018 Order").

On October 9, 2018, Staff filed the testimony and exhibits of its witnesses.

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[1] 20 VAC 5-310-10.

[2] Application at 1.

[3] *Id.* at 3.

[4] *Id.* at 4.

[5] *Id.*

[6] *Id.*

[7] On August 13, 2018, the Hearing Examiner issued a ruling that, among other things, certified the issue to the Commission for consideration.

Staff concluded that: (1) the special contract for the transport of natural gas between ANGD and Aladdin will not unreasonably prejudice or disadvantage any customer or class of customers; (2) the special rate will provide for a return that is above the system average and that the allocations appear consistent with the Company's cost of service study filed in the revised schedules filed in the Company's current rate case;[8] (3) approval of the proposed special contract rate and contract will not jeopardize the continuation of reliable gas service by ANGD to its other customers; and (4) the special contract rate appears to be in the public interest as the continued operation of Aladdin's plant will result in the continued employment of approximately 150 people and allow for expansion of the plant.[9] Staff further recommended that: (1) in future proceedings before the Commission, the Company's existing ratepayers should not be unduly disadvantaged from any costs of the special contract;[10] (2) the Company develop and employ a separate customer code or subaccounts to track all directly assignable revenues, expenses, and capital expenditures arising from the special contract; and (3) the Company file all future applications with regard to changes in rates, six months prior to the rate expiring.[11] With these recommendations, Staff recommended the Commission approve the Application.[12]

On October 16, 2018, ANGD filed a letter in lieu of rebuttal testimony stating that the Company does not oppose Staff's recommendations summarized therein.

An evidentiary hearing was held in this docket on October 24, 2018. The Company and Staff participated at the hearing. No public witnesses appeared at the hearing. The Company's Applications, exhibits, and all supporting testimony, as well as Staff's testimony, were admitted into the record without cross-examination.

On October 31, 2018, the Report of A. Ann Berkebile, Hearing Examiner ("Report") was issued which summarized the record and made certain findings and recommendations. The Hearing Examiner concluded that the evidence presented establishes that the special rate and contract will protect the public interest, not unreasonably prejudice ANGD's customers other than Aladdin, and will not jeopardize the continuation of reliable electric service.[13] The Hearing Examiner concluded that the Commission should adopt Staff's recommendations to: (1) ensure in future proceedings that its existing ratepayers are not unduly disadvantaged by the terms of the special contract; (2) develop and employ a separate customer code or subaccounts to track revenues, expenses, and capital expenditures directly assignable to Aladdin; and (3) file all future applications concerning rate changes six months before rate expirations.[14]

No comments on the Report were filed.

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that the special rate and contract protects the public interest, will not unreasonably prejudice or disadvantage any customer or class of customers, and will not jeopardize the continuance of reliable natural gas service, as required by Code § 56-235.2.

Accordingly, IT IS ORDERED THAT:

(1) The Hearing Examiner's Report is adopted, and the Company's Application is granted subject to the conditions recommended by Staff and summarized herein.

(2) The interim authority granted by the Commission's August 16, 2018 Order is terminated.

(3) This matter is dismissed.

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[8] The revised schedules were filed on August 13, 2018, in Case No. PUR-2018-00015, *Application of Appalachian Natural Gas Distribution Company, For a general increase in rates.*

[9] Ex. 7 (Tufaro Direct) at 7-9.

[10] *See* Ex. 6 (Corrigan Direct) at 17; the cost of service results are dependent on many factors, thus there is a level of uncertainty about the level of income produced by the proposed special rate.

[11] Ex. 6 (Corrigan Direct) at 17-18.

[12] Ex. 7 (Tufaro Direct) at 9.

[13] Report at 5.

[14] *Id.* at 5.

CASE NO. PUR-2018-00096
DECEMBER 3, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval and certification of electric facilities: Landstown-Thrasher Line #231 230 kV Transmission Line Rebuild

FINAL ORDER

On June 25, 2018, Virginia Electric and Power Company ("Dominion" or "Company") pursuant to § 56-46.1 of the Code of Virginia ("Code") and the Utilities Facilities Act, Code § 56-265.1 *et seq.*, filed an application ("Application") with the Virginia State Corporation Commission ("Commission") for approval and a certificate of public convenience and necessity ("CPCN") to rebuild its 230 kilovolt ("kV") Landstown-Thrasher Line #231 in the City of Virginia Beach and the City of Chesapeake.

The Company, through its Application, seeks to: (i) rebuild, entirely within existing right-of-way or on Company-owned property, approximately 8.5 miles of the existing 230 kV overhead single circuit transmission Line #231 on double circuit structures; (2) replace 230 kV switches and perform minor conduit work at Landstown and Stumpy Lake Substations; and (3) perform minor conduit work at Thrasher Substation (collectively, the "Project").[1] Line #231 runs from the Company's existing Landstown Substation in the City of Virginia Beach to the Company's existing Thrasher Substation in the City of Chesapeake.[2]

Dominion represents that the proposed Project is necessary to maintain the structural integrity and reliability of its transmission system in compliance with North American Electric Reliability Corporation ("NERC") reliability standards.[3] Dominion also represents that the proposed Project will replace aging infrastructure that is at the end of its service life to comply with the Company's transmission planning criteria, thereby enabling the Company to maintain the overall long-term reliability of its transmission system.[4]

Dominion anticipates a December 30, 2020, in-service date for the proposed Project, subject to Commission approval and outage scheduling.[5] The Company anticipates the proposed Project will cost approximately $19 million, which includes $18.5 million for transmission-related work and $0.5 million for substation-related work.[6]

On July 20, 2018, the Commission issued an Order for Notice and Comment in this proceeding permitting interested persons an opportunity to file written or electronic comments, to participate in this proceeding as a respondent, and to request a hearing on the Application. Through its Order for Notice and Comment, the Commission also directed the Commission Staff ("Staff") to investigate the Application and file a report containing its findings and recommendations. Old Dominion Electric Cooperative filed a notice of participation.

In the Order for Notice and Comment, the Commission noted that Staff had requested the Department of Environmental Quality ("DEQ") to coordinate an environmental review of the proposed Project.[7] The DEQ filed a report ("DEQ Report") on the proposed Project on September 6, 2018. The DEQ Report summarizes the proposed Project's potential impacts, makes recommendations for minimizing those impacts, and outlines the Dominion's responsibilities for compliance with legal requirements governing environmental protection.

The DEQ Report contains the following recommendations:

- Conduct an on-site delineation of all wetlands and stream crossings within the project area with verification by the U.S. Army Corps of Engineers, using accepted methods and procedures, and follow DEQ's recommendations to avoid and minimize impacts to wetlands and streams;
- Follow DEQ's recommendations regarding air quality protection, as applicable;
- Reduce solid waste at the source, reuse it and recycle it to the maximum extent practicable;
- Coordinate with the Department of Conservation and Recreation's ("DCR") Division of Natural Heritage regarding its recommendations to minimize adverse impacts to the aquatic ecosystem, conduct an inventory for natural heritage resources as well as for updates to the Biotics Data System database;
- Coordinate with the Department of Game and Inland Fisheries ("DGIF") regarding its recommendations to protect wildlife resources;
- Coordinate with the Department of Historic Resources regarding its recommendations to protect historic and archeological resources;
- Coordinate with the Department of Health regarding recommendations to protect public water supplies;
- Follow the principles and practices of pollution prevention to the maximum extent practicable;
- Limit the use of pesticides and herbicides to the extent practicable;
- Coordinate with the Virginia Outdoors Foundation regarding its recommendation for additional consultation as necessary; and
- Coordinate with the cities of Chesapeake and Virginia Beach regarding local traffic standards and potential impacts to property and infrastructure.[8]

[1] Application at 2.

[2] *Id.* Dominion represents that the final two spans of structures entering into Thrasher Substation will not be rebuilt because they were rebuilt recently by the Company pursuant to Commission approval granted in Case No. PUE-2007-00020. Notwithstanding, the Company represents that it reviewed environmental impacts for the entire existing right-of-way between Landstown and Thrasher Substations for purposes of the Application.

[3] Application at 2.

[4] *Id.*

[5] *Id.* at 3.

[6] *Id.*

[7] Order for Notice and Comment at 2-3.

[8] DEQ Report at 6.

On October 26, 2018, Staff filed its Staff Report. After investigating Dominion's Application, Staff concluded that the Company had reasonably demonstrated the need to construct the proposed Rebuild Project. The Staff noted that the proposed Rebuild Project uses existing right-of-way and appears to minimize impact on existing residences, scenic assets, historic districts, and the environment. Staff did not oppose Dominion's request for the Commission to issue the CPCN necessary for the Rebuild Project.[9]

On November 14, 2018, Dominion filed its Rebuttal. In its Rebuttal, Dominion stated that it supports the findings and recommendations offered by the Staff. The Company took issue, however, with DCR's recommendation to make updates to the Biotics Data System database and DGIF's recommendation that the Company "conduct significant tree removal and ground clearing activities outside of the primary songbird nesting season of March 15 through August 15."[10]

Specifically, Dominion takes issue with DCR's recommendation to resubmit project information and a map for updates on identified natural heritage resources "if the scope of the [P]roject changes and/or six months has passed before [natural heritage information] is utilized." Instead, Dominion requests the Commission modify the recommendation to "The Company shall consult with DCR for updates to the Biotics Data System only if (i) the scope of the Project materially changes; or (ii) 12 months from the date of the Commission's final order in this matter pass before the Project commences construction."[11] In support of its requested change, the Company states that "the insertion of the 'material' language appropriately gives effect to DEQ's intent to capture significant changes in the scope of the [Project], while not capturing minor changes to the [Project] details otherwise consistent with its current scope."[12]

In response to DGIF's recommendation, Dominion proposes in its Rebuttal to survey the Project area for songbird nesting colonies.[13] Dominion requests that "the Commission amend the language of the DGIF Recommendation to provide that if primary songbird nesting colonies are found upon survey, the Company will coordinate with DGIF to create appropriate construction restrictions."[14]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

Approval

The statutory scheme governing the Company's Application is found in several chapters of Title 56 of the Code.

Section 56-265.2 A 1 of the Code 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 require the exercise of such right or privilege."

Section 56-46.1 of the Code further directs the Commission to consider several factors when reviewing the Company's Application. Subsection A of the statute 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 every proceeding under this subsection, the Commission shall receive and give consideration to all reports that relate to the proposed facility by state agencies concerned with environmental protection; . . . . Additionally, the Commission (a) shall consider the effect of the proposed facility on economic development within the Commonwealth . . . and (b) shall consider any improvements in service reliability that may result from the construction of such facility.

Section 56-46.1 B of the Code further provides that: "[a]s a condition to approval the Commission shall determine that the line is needed and that the corridor or route the line is to follow will reasonably minimize adverse impact on the scenic assets, historic districts, and environment of the area concerned."

The Code requires that the Commission consider existing right-of-way easements when siting transmission lines. Code § 56-46.1 C provides that "[i]n any hearing the public service company shall provide adequate evidence that existing rights-of-way cannot adequately serve the needs of the company." In addition, Code § 56-259 C provides that "[p]rior to acquiring any easement of right-of-way, public service corporations will consider the feasibility of locating such facilities on, over, or under existing easements of rights-of-way."

Need and Service Reliability

The record supports that the Project is needed to comply with NERC Reliability Standards and so that the Company can continue to provide reliable electric service to customers served in the Virginia Beach area.[15]

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[9] Staff Report at 12.

[10] Rebuttal at 3.

[11] *Id.* at 3-4.

[12] *Id.* at 4.

[13] *Id.*

[14] *Id.* at 5.

[15] Application at 2; Application Appendix at 1-38; Staff Report at 2-7.

Routing and Right-of-Way

As required by § 56-259 C of the Code, Dominion has adequately considered existing rights-of-way. Given the statutory preference to use existing rights-of-way, and because additional costs and environmental impacts would be associated with the acquisition and construction of new right-of-way, Dominion did not consider any alternate routes requiring new right-of-way for the Project.[16]

Economic Development

We find that the Project is expected to provide economic benefits to the Commonwealth by improving reliability of the electric transmission system, which is a backbone for economic activity in the Commonwealth.[17]

Scenic Assets and Historic Districts

The Project appears to minimize impact on existing residences, scenic assets, historic districts, and the environment.[18]

Environmental Impact

Pursuant to §§ 56-46.1 A and B of the Code, the Commission is required to consider the proposed Project's impact on the environment and to establish such conditions as may be desirable or necessary to minimize adverse environmental impact. The statute further provides that the Commission shall receive and give consideration to all reports that relate to the proposed Project by state agencies concerned with environmental protection.

The Commission finds that there are no adverse environmental impacts that would prevent the construction or operation of the Project. The DEQ Report supports a finding that the Company's proposed route reasonably minimizes adverse environmental impacts provided that the Company complies with the recommendations set forth in the DEQ Report.[19] We therefore find that as a condition of our approval herein, Dominion must comply with DEQ's recommendations as provided in the DEQ Report, with the exception of DCR's recommendation to re-submit project information and a map for an update on natural heritage information if "the scope of the [P]roject changes and/or six months has passed before [natural heritage information] is utilized[,]"[20] and DGIF's recommendation to "[c]onduct significant tree removal and ground clearing activities outside of the primary songbird nesting season of March 15 and August 15."[21]

Instead, Dominion shall consult with DCR for updates to the Biotics Data System only if (i) the scope of the Project materially changes or (ii) 12 months from the date of the Commission's final order in this matter pass before the Project commences construction. Further, Dominion shall survey the Project area for songbird nesting colonies and coordinate with DGIF to create appropriate construction restrictions.[22]

Accordingly, IT IS ORDERED THAT:

(1) Dominion is authorized to construct and operate the Project, subject to the findings and conditions imposed herein.

(2) Pursuant to §§ 56-46.1 and 56-265.2 of the Code, and related provisions of Title 56 of the Code, the Company's request for a certificate of public convenience and necessity to construct and operate the Project is granted, as provided for herein, and subject to the requirements set forth herein.

(3) Pursuant to the Utility Facilities Act, § 56-265.1 *et seq*. of the Code, the Commission issues the following certificate of public convenience and necessity to the Company:

> Certificate No. ET-95z, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated facilities in the Cities of Chesapeake, Norfolk, Portsmouth, Suffolk, and Virginia Beach, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2018-00096, cancels Certificate No. ET-95y, issued to Virginia Electric and Power Company in Case No. PUR-2018-00121 on November 2, 2018.

(4) Within thirty (30) days from the date of this Final Order, the Company shall provide the Commission's Division of Public Utility Regulation with three copies of an appropriate map that shows the routing of the transmission line approved herein.

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[16] *See, e.g.,* Application at 3; Application Appendix at 39, 52.

[17] Staff Report at 11.

[18] *See, e.g.,* Application Appendix at 74-122; DEQ Report; Staff Report at 12.

[19] The DEQ recommendations are set forth above and discussed in the DEQ Report.

[20] DEQ Report at 18.

[21] *Id*. at 19.

[22] Rebuttal at 3-5.

(5) Upon receiving the map directed in Ordering Paragraph (4), the Commission's Division of Public Utility Regulation forthwith shall provide the Company copies of the certificate of public convenience and necessity issued in Ordering Paragraph (3) with the map attached.

(6) The Project approved herein must be constructed and in service by January 30, 2021; however, the Company is granted leave to apply for an extension for good cause shown.

(7) This matter hereby is dismissed.

CASE NO. PUR-2018-00098
JULY 16, 2018

APPLICATION OF
MECKLENBURG ELECTRIC COOPERATIVE

For authority to incur indebtedness

ORDER GRANTING AUTHORITY

On June 22, 2018 Mecklenburg Electric Cooperative ("Mecklenburg") filed an application with the State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia for authority to borrow up to $750,000 in long-term debt. Mecklenburg completed its application on June 25, 2018, with payment of the requisite fee of $250.

Mecklenburg is seeking authority to borrow $750,000 from the United States of America under the Rural Economic Development Loan and Grant Program of the United States Department of Agriculture Rural Development Business and Cooperative Programs. Under this program, Mecklenburg will act as an intermediary to re loan the proceeds to Oran Safety Glass, Inc. ("Oran"). Mecklenburg's loan will be in the form of a zero-interest promissory note ("First Note") pursuant to a Rural Economic Development Loan Agreement with the United States. The term of the loan is ten years.

The loan between Mecklenburg and Oran will be made in the form of a zero-interest promissory note payable in monthly installments over ten years between Mecklenburg and Oran ("Second Note") under similar terms as the First Note. The Second Note will be secured by an irrevocable letter of credit.

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.

Accordingly, IT IS ORDERED THAT:

(1) Mecklenburg is authorized to incur up to $750,000 in debt obligations from the United States of America under the terms and conditions and for the purposes stated in its application.

(2) Within thirty (30) days of the date of any advance of funds to Mecklenburg under the First Note, it shall file with the Commission's Division of Utility Accounting & Finance a report of action, which shall include the amount of the advance.

(3) Within thirty (30) days of the date of any funds being advanced by Mecklenburg to Oran under the Second Note, Mecklenburg shall file with the Commission's Division of Utility Accounting & Finance a report of action, which shall include the amount of the advance.

(4) Within ten (10) days of the date of a default by Oran under the Second Note, the Cooperative shall notify the Commission's Division of Utility Accounting & Finance of said default.

(5) The authority granted herein shall have no implications for ratemaking purposes.

(6) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUR-2018-00102
SEPTEMBER 27, 2018

APPLICATION OF
ROANOKE GAS COMPANY

For approval to amend its SAVE Plan and Rider and to implement a 2019 SAVE Projected Factor Rate and True-Up Factor Rate

ORDER APPROVING SAVE AMENDMENT AND RIDER

On June 29, 2018, Roanoke Gas Company ("Roanoke Gas" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for approval to modify its SAVE Plan and Rider and to implement a 2019 SAVE Projected Factor Rate and True-Up Rate pursuant to § 56-603 *et seq*. of Title 56 of the Code of Virginia ("Code"), the Steps to Advance Virginia's Energy Plan (SAVE) Act. The Company filed this Application in accordance with the Commission's August 29, 2012 Order Approving SAVE Plan and Rider ("2012 SAVE Order") in Case No. PUE-2012-00030,[1] as modified in Case Nos. PUE-2013-00091, PUE-2014-00067, PUE-2015-00076, PUE-2016-00073, and PUR-2017-00092.[2] In its Application, the Company states that the 2019 projects were approved in the 2012 SAVE Order or in subsequent amendments to the Company's SAVE Plan.[3]

Pursuant to Code § 56-604 B, Roanoke Gas requests approval to amend its SAVE Plan to permit the Company to align its SAVE Plan year with its fiscal year.[4] Roanoke Gas indicates that its SAVE Plan year is set on a calendar year basis.[5] The Company proposes to shorten its 2019 SAVE Plan year and proposes a reduced revenue requirement based on this shortened period.[6] Roanoke Gas represents that this will allow the Company's SAVE Plan year to end simultaneously with its fiscal year and that succeeding SAVE Plan years will coincide with the Company's fiscal year, which is the twelve-month period of October 1 through September 30.[7]

The Company's total proposed SAVE Plan investment for the 2019 SAVE projects is approximately $6,125,000 during the shortened 2019 SAVE Plan year.[8] Based on the proposed SAVE investment for the shortened 2019 SAVE Plan year, Roanoke Gas requests a Projected Factor revenue requirement of $453,670,[9] effective January 1, 2019.

The Company also submitted a summary of the results of the 2017 actual investment and revenue for the SAVE qualifying projects completed during the period of January 1, 2017, through December 31, 2017. Roanoke Gas calculated a True-Up Factor revenue requirement of ($219,150) to reconcile the difference in the revenues collected through the 2017 SAVE Rider and the actual costs of implementing the 2017 SAVE projects pursuant to Code § 56-604 E.[10] The Company's total proposed 2019 SAVE Rider revenue requirement is $234,519.[11]

On July 19, 2018, the Commission issued an Order for Notice and Comment in this proceeding which, among other things, docketed the Application; required Roanoke Gas to publish notice of its Application; and gave interested persons the opportunity to participate in this proceeding and to comment or request a hearing on the Company's Application. No one filed comments or requested a hearing in this proceeding.

On September 13, 2018, the Commission's Staff ("Staff") filed a report ("Staff Report") containing Staff's analysis of the Application and providing conclusions and recommendations for the Commission's consideration. Specifically, the Staff Report states that Staff does not oppose the Company's proposed amendment to synchronize its SAVE Plan year with its fiscal year.[12] In the Staff Report, Staff also calculates a total 2019 SAVE Rider

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[1] *Application of Roanoke Gas Company, For approval of a SAVE Plan and Rider pursuant to Virginia Code §§ 56-603 et seq*., Case No. PUE-2012-00030, 2012 S.C.C. Ann. Rept. 422, Order Approving SAVE Plan and Rider (Aug. 29, 2012).

[2] *See Application of Roanoke Gas Company, For modification of its SAVE Plan and Rider,* Case No. PUE-2013-00091, 2013 S.C.C. Ann. Rept. 447, Order Approving Amended SAVE Plan and Rider (Dec. 9, 2013); *Application of Roanoke Gas Company, For modification of its SAVE Plan and Rider,* Case No. PUE-2014-00067, 2014 S.C.C. Ann. Rept. 464, Final Order (Sept. 26, 2014); *Application of Roanoke Gas Company, For modification of its SAVE Plan and Rider,* Case No. PUE-2015-00076, 2015 S.C.C. Ann. Rept. 361, Order Approving Amended Save Plan and Rider (Sept. 25, 2015); *Application of Roanoke Gas Company, For a modification of its SAVE Plan and Rider*, Case No. PUE-2016-00073, 2016 S.C.C. Ann. Rept. 435, Order Approving Amended Save Plan and Rider (Oct. 18, 2016); and *Application of Roanoke Gas Company, For approval to implement a 2018 SAVE Projected Factor Rate and True-up Factor Rate*, Case No. PUR-2017-00092, Doc. Con. Cen. No. 170920237, Order (Sept. 28, 2017).

[3] *See* Application at 2-3.

[4] *Id.* at 2.

[5] *Id.*

[6] *Id.* The Company proposes a shortened period of January 1, 2019, through September 30, 2019. *Id.*

[7] *Id.*

[8] *Id.* at 3.

[9] *Id.* at 2 and Schedules 1, 10.

[10] *Id.* at 2 and Schedules 1, 2.

[11] *Id.* at Schedule 1.

[12] Staff Report at 12.

revenue requirement of $199,566, which consists of a Reconciliation Factor revenue requirement of ($163,025) and a 2019 Projected Factor revenue requirement of $362,590.[13] Additionally, Staff notes that there have been no significant changes associated with this proceeding that would necessitate a change in the rate design methodology used to develop the proposed SAVE Rider rates.[14]

On September 17, 2018, Roanoke Gas filed its Response to Staff Report ("Response"). In its Response, the Company agrees with Staff's recommended adjustments and revenue requirement[15] and requests the Commission to approve the revenue requirements for the 2019 Projected Factor and the 2019 Reconciliation Factor as set forth in the Staff Report.[16] The Company further requests that the Commission approve its proposal to align the SAVE year with its fiscal year.[17]

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that the Company's request to modify its SAVE Plan and Rider should be granted. We further find that the Company's 2019 SAVE Projected Factor and Reconciliation Factor, as modified in the Staff Report and agreed to by the Company, should be approved.

Accordingly, IT IS ORDERED THAT:

(1) The Company's Application, as modified herein, is approved. Rates consistent with this Order shall become effective beginning January 1, 2019, and remain in effect until September 30, 2019.

(2) Roanoke Gas shall forthwith file with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance revised tariffs for the 2019 SAVE Rider, with workpapers supporting the total revenue requirement and rates, all of which shall reflect the findings and requirements set forth in this Order. The Clerk shall retain such filing for public inspection in person and on the Commission's website: http://www.scc.virginia.gov/case.

(3) This matter is dismissed.

[13] *Id.*

[14] *Id.*

[15] Response at 1.

[16] *Id.* at 2.

[17] *Id.*

CASE NO. PUR-2018-00103
JULY 19, 2018

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For approval of service agreement

ORDER GRANTING INTERIM AUTHORITY

On July 9, 2018, Washington Gas Light Company ("Washington Gas" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to § 56-76, *et seq.* ("Affiliates Act"), of the Code of Virginia, requesting approval of a proposed new service agreement between Washington Gas and Wrangler SPE LLC ("Wrangler SPE"). According to the Company, Wrangler SPE, a subsidiary of WGL Holdings, Inc. ("WGL Holdings"), took ownership of Washington Gas on July 6, 2018, after the completion of the acquisition of Washington Gas by AltaGas Ltd. ("Merger").[1] In its Application, the Company states that Wrangler SPE is the bankruptcy remote special purpose entity ("SPE") proposed as one of the ring-fencing measures relating to the Merger.[2]

Through its Application, Washington Gas proposes to provide limited general administrative shared services ("Shared Services")[3] to Wrangler SPE for its operations (which relate only to holding the common equity of Washington Gas), for a period of five years, effective upon approval by the Commission.

[1] Application at 1. *See Joint Petition of Washington Gas Light Company, WGL Holdings, Inc., and AltaGas Ltd., For approval of an acquisition of control of a public utility pursuant to the Utility Transfers Act, Va. Code §56-88 et seq.,* Case No. PUR-2017-00049, Doc. Con. Cen. No. 170440007 (Oct. 20, 2017). On April 4, 2018, the Maryland Public Service Commission approved the Merger subject to certain conditions, which the Applicants accepted. *See In the Matter of the Merger of AltaGas Ltd. and WGL Holdings, Inc.,* Case No. 9449, Order No. 88631 (April 4, 2018) and letter from counsel for Applicants (April 5, 2018). On June 29, 2018, the Public Service Commission of the District of Columbia issued an Order approving the proposed merger and Settlement Agreement, subject to certain conditions, which the settling parties accepted. *See In the matter of the merger of AltaGas Ltd. and WGL Holdings, Inc.,* Formal Case No. 1142, Order No. 19396 (June 29, 2018) and letter from counsel on behalf of settling parties (July 2, 2018).

[2] Application at 1.

[3] The proposed Shared Services include: Accounting and Tax, Office of General Counsel, Finance, Executive Officers, and Cash Receipts/Cash Disbursements. Additionally, Washington Gas employees process certain cash activities such as Automated Clearing House and wire transfers and manage relationships with the banking institutions. According to the Company, Washington Gas will assist the affiliates with these processes. *See* Application at 7-8.

The proposed new service agreement, pursuant to which Washington Gas will provide limited Share Services to Wrangler SPE, requires Commission pre-approval because Wrangler SPE is a new subsidiary of WGL Holdings, and therefore also a new affiliated interest of Washington Gas, as defined by the Affiliates Act.[4] Washington Gas requests expedited consideration of the Application. Additionally, the Company requests interim authority to engage in the limited affiliate transactions with Wrangler SPE, as described in the Application, until the Commission has an opportunity to act on the Application. According to the Company, the interim authority will enable Washington Gas to support Wrangler SPE operations, initiating the ring-fencing protections proposed in the Merger.[5]

Washington Gas states that Wrangler SPE is a Delaware limited liability company established as a subsidiary of WGL Holdings to hold the common equity of Washington Gas. Wrangler SPE does not have any employees and its only functions relate to owning the equity of Washington Gas. The purpose of the SPE is to protect Washington Gas and its customers, and to sustain Washington Gas's viability and fulfill its business and financial obligations without adverse effects relating to the potential financial distress of other entities within the related corporate group. To comply with conditions established in the Merger proceeding, Wrangler SPE has entered into the following arrangements: (1) with CT Corporation Staffing, Inc., a Delaware corporation, which provides administrative services for SPEs, to provide a management service to identify and refer an individual to serve as an independent manager or special member of Wrangler SPE; and (2) with Corporation Service Company ("CSC"), a Delaware corporation, to provide a limited liability entity, which will be a wholly owned subsidiary of CSC to serve as a "Golden Share Member" of the Company, or in such similar capacity. The Company further states that, to meet the condition that the SPE maintain adequate capital in light of its contemplated business purpose, transactions, and liabilities, Wrangler SPE will receive capital contributions from WGL Holdings to fund its expenses.

According to the Company, the primary financial transactions currently contemplated for Wrangler SPE are receiving capital contributions from WGL Holdings and making payments for Wrangler SPE's set-up costs and initial expenses.[6] The Company also states that Washington Gas has declared a dividend on its common shares with a payment date of August 1, 2018.[7] In accordance with the ring-fencing protections reflected in the post-Merger corporate structure, the dividend will need to be paid to Wrangler SPE, which will, in turn, declare and pay dividends to WGL Holdings.[8]

NOW THE COMMISSION, upon consideration of the matter, finds that the Company's request for interim authority should be granted.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2018-00103.

(2) The Company's request for interim authority hereby is granted.

(3) This matter is continued.

[4] Application at 5.

[5] *Id.* at 2.

[6] *Id.* at 9.

[7] *Id.*

[8] *Id.*

CASE NO. PUR-2018-00103
AUGUST 8, 2018

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For approval of service agreement

ORDER GRANTING APPROVAL

On July 9, 2018, Washington Gas Light Company ("WGL" or "Applicant") filed an application ("Application") with the State Corporation Commission ("Commission") requesting approval of a service agreement ("Agreement") with Wrangler SPE LLC ("Wrangler SPE"). Wrangler SPE is the bankruptcy remote special purpose entity ("SPE") established by the AltaGas Ltd. ("AltaGas")-WGL Holdings, Inc. ("Holdings") merger,[1] to hold the common equity of WGL as a ring-fencing protection measure. As WGL's new direct parent and a subsidiary of Holdings, Wrangler SPE is an affiliated interest of WGL pursuant to §56-76 of the Code of Virginia ("Code").[2] On July 19, 2018, the Commission issued an Order Granting Interim Authority for WGL to operate under the Agreement until the Commission has an opportunity to act on the Application.

Wrangler SPE requires certain shared services ("Services") from WGL in order to execute its functions related to holding WGL's common equity because the SPE does not have any employees. Specifically, WGL proposes to provide: (1) Accounting and Tax; (2) Office of the General Counsel; (3) Finance; (4) Executive Officer; and (5) Cash Receipts/Disbursements services to Wrangler SPE. The proposed Services will include providing

[1] *Application of Washington Gas Light Company, WGL Holdings, Inc., and AltaGas Ltd., for approval of an acquisition of control of a public utility pursuant to Chapter 5 of Title 56 of the Code of Virginia*, Case No. PUR-2017-00049, 2017 S.C.C. Ann. Rpt. 492, Final Order (Oct. 20, 2017).

[2] § 56-76 *et seq.*

accounting entries for the SPE's set-up costs, maintaining records to track the SPE's ongoing operating costs, and meeting certain conditions necessary to the SPE's ring-fencing function. Wrangler SPE will also require certain treasury, finance, and corporate secretary service activities related to the issuance of WGL's dividends to the SPE. In addition, WGL expects to provide executive officer and corporate governance service activities to Wrangler SPE. WGL employees will also process certain cash activities such as Automated Clearing House and wire transfers as well as manage relationships with the banking institutions on behalf of Wrangler SPE.

The Agreement states that WGL will render the Services to Wrangler SPE at cost, which WGL represents is equivalent to market and therefore complies with the Commission's higher of cost or market pricing standard.[3] Either party may terminate the Agreement upon thirty days written notice to the other. WGL requests approval of the Agreement for a term of five years effective as of the date of the Commission's approval.

NOW THE COMMISSION, upon consideration of this matter and having been advised by Staff through its action brief, is of the opinion and finds as follows. The sole purpose of Wrangler SPE is to act as a ring-fencing measure to protect WGL in the event of an AltaGas or WGL Holdings bankruptcy.[4] Therefore, it is critical that the SPE's ring-fencing protection measures remain intact throughout its operation and existence. WGL represents that WGL, Holdings, and AltaGas will comply with the ring-fencing conditions applicable to Wrangler SPE, and confirmed that the proposed Agreement will not adversely impact the integrity of Wrangler SPE's bankruptcy remote SPE ring-fencing protections for WGL.[5] A secondary concern is that WGL's provision of Services to Wrangler SPE should not impact WGL's base rate cost of service. WGL represents that the costs related to providing services to Wrangler SPE will not be included in its utility cost of service.[6] Based on the Applicant's representations, we find that the proposed Agreement is in the public interest and shall be approved subject to certain requirements listed in the Appendix attached to this Order.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-77, WGL hereby is granted approval to enter into the proposed Agreement effective as of the date of this Order, subject to the requirements set forth in the Appendix attached to this Order. Concurrent with this Order, the July 19, 2018 Order Granting Interim Authority is cancelled.

(2) This case is dismissed.

APPENDIX

1) The Commission's approval shall extend for five years from the effective date of the Order in this case. Should WGL wish to continue the Agreement beyond that period, separate Commission approval shall be required.

2) The Commission's approval shall have no accounting or ratemaking implications.

3) The Commission's approval shall not preclude the Commission from exercising its authority under Code § 56-76 et seq. hereafter.

4) The Commission's approval shall be limited to the specific Services identified in this case. Should WGL wish to provide Services other than those identified specifically herein, separate Commission approval shall be required.

5) WGL shall be required to maintain records demonstrating that the Services provided by WGL under the Agreement are beneficial to Virginia ratepayers. For all Services provided by WGL where a market may exist, WGL shall investigate whether alternative service providers are available and, if they exist, WGL shall compare the market price to the cost of the Services and charge the higher of cost or market to Wrangler SPE. Records of such investigations and comparisons shall be available for Staff review upon request. WGL shall bear the burden of proving, in any rate proceeding, that the Services provided by WGL under the Agreement are priced at the higher of cost or market where a market for the Services exists.

6) Separate Commission approval shall be required for any changes in the terms and conditions of the approved Agreement.

7) Separate Commission approval shall be required for WGL to provide the approved Services through the engagement of an affiliated third-party service provider.

8) The Commission reserves the right to examine the books and records of WGL and any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

9) WGL shall file with the Commission a signed and executed copy of the Agreement approved in this case within ninety (90) days after the effective date of the order granting approval, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director").

10) WGL shall include all transactions associated with the approved Agreement in its Annual Report of Affiliate Transactions ("ARAT") submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. The ARAT shall include:

(a) The case number in which the Agreement was approved;
(b) The names of all direct and indirect affiliated parties to the approved Agreement; and

[3] Applicant's Response to Staff Data Request No. 1-4.

[4] See attached Exhibit 4 (Conditions Applicable to SPE Holdco, LLC).

[5] Applicant's Response to Staff Data Request No. 2-7.

[6] *Id.*

(c) A calendar year annual schedule, in Excel electronic spreadsheet format with formulas intact, showing WGL's charges to Wrangler SPE by month, type of Service, and amount; and
(d) A calendar year annual schedule, in Excel electronic spreadsheet format with formulas intact, showing WGL's charges to Wrangler SPE by month, FERC account, and amount.

11) In the event that any Virginia utility rate proceedings are not based on a calendar year, WGL shall include the affiliate information contained in its ARAT for the test period in such filings.

CASE NO. PUR-2018-00104
SEPTEMBER 7, 2018

JOINT PETITION OF
AMCS NETWORKING SERVICES LLC, SUMMIT INFRASTRUCTURE GROUP, LLC, and SUMMIT INFRASTRUCTURE GROUP, INC.

For approval of the transfer of the assets of Summit Infrastructure Group, LLC

ORDER GRANTING APPROVAL

On July 18, 2018, AMCS Networking Services LLC (used in Virginia by: AMCS LLC) ("AMCS"), Summit Infrastructure Group, LLC ("Summit"), and Summit Infrastructure Group, Inc. (collectively, "Petitioners"),[1] completed the filing of a Joint Petition with the State Corporation Commission ("Commission"), pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Code"),[2] requesting approval of the transfer of assets of Summit to AMCS ("Transfer"). The Petitioners also filed a Motion for Protective Order ("Motion") under 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*.

AMCS is authorized to provide local exchange and interexchange telecommunications services in Virginia.[3] Summit is also authorized to provide local exchange and interexchange telecommunications services in Virginia.[4] Pursuant to the terms of an Asset Purchase Agreement between AMCS and Summit, AMCS will acquire all of Summit's assets, which include its telecommunications facilities and contracts related to the acquired facilities ("Summit Assets"). At the close of the Transfer, AMCS will provide telecommunications services to its customers using the Summit Assets.[5]

The Petitioners assert that following the proposed Transfer, AMCS will provide services to its affiliates over the Summit Assets in a similar manner to Summit's current provision of services. The Petitioners state that the proposed Transfer will have no practical effect on its Virginia customers. The Petitioners also assert that the Transfer will strengthen the technical resources that AMCS could use to provide local exchange telecommunications services. The Petitioners represent that AMCS has the financial, managerial, and technical resources to acquire the Summit Assets from Summit.

NOW THE COMMISSION, upon consideration of this matter and having been advised by its Staff through Staff's action brief, is of the opinion and finds that the Transfer should be approved. The Commission also finds that the Petitioners' Motion is no longer necessary and, therefore, should be denied.[6]

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-88.1 and 56-90, the Petitioners hereby are granted approval of the Transfer as described herein.

(2) The Petitioners shall file a report of action with the Commission's Document Control Center within thirty (30) days after the closing of the Transfer, which shall note the date the Transfer occurred.

(3) The Petitioners' Motion is denied; however, the Clerk of the Commission is directed to retain the confidential information to which the Motion pertains under seal.

(4) This case is dismissed.

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[1] The parent companies of AMCS, whose names were marked as confidential and filed under seal by the Petitioners, are also considered Petitioners and have provided the statutorily required verifications.

[2] Code § 56-88 *et seq*.

[3] *See Application of AMCS Networking Services LLC (used in Virginia by: AMCS LLC), For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia,* Case No. PUR-2017-00015, 2017 S.C.C. Ann. Rept. 444, Final Order (May 31, 2017).

[4] *See Application of Summit Infrastructure Group, LLC, For Certificates of Public Convenience and Necessity to Provide Local Exchange and Interexchange Telecommunications Services in the Commonwealth of Virginia,* Case No. PUC-2012-00066, 2013 S.C.C. Ann. Rept. 192, Final Order (Feb. 14, 2013).

[5] Summit currently only provides services to two affiliates of AMCS.

[6] The Commission held the Petitioners' Motion in abeyance and has not received a request for leave to review the confidential information submitted in this proceeding. Accordingly, the Commission denies the Motion as moot, but directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

CASE NO. PUR-2018-00105
SEPTEMBER 7, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY AND ATLANTIC COAST PIPELINE, LLC

For exemption from or approval to enter into retail service arrangements under Chapter 4, Title 56 of the Code of Virginia

ORDER GRANTING EXEMPTION

On July 11, 2018, Virginia Electric and Power Company ("DEV" or "Company") and Atlantic Coast Pipeline, LLC ("Atlantic") (collectively, "Applicants") filed an application ("Application") with the State Corporation Commission ("Commission") requesting an exemption from the filing and prior approval requirements of the Affiliates Act[1] for certain identified and unidentified future retail electric service arrangements between DEV and Atlantic.[2] Alternatively, the Applicants request Affiliates Act approval for certain identified future retail electric service arrangements and an exemption for the unidentified future retail service arrangements.

Specifically, the Applicants propose to enter into arrangements for DEV to provide retail electric service for: (A) two North Carolina-based Atlantic assets, the Northampton Compression Station ("Compression Station") and the Northampton Regional Office ("Regional Office"); (B) three Virginia-based Atlantic assets, the Brunswick County meter and regulator station, the Greensville County meter and regulator station, and the Elizabeth River meter and regulator station; and for (C) unidentified future Atlantic assets in either North Carolina or Virginia (collectively, "Affiliated Facilities").

The Applicants represent that the proposed exemption is merited because Atlantic would take retail service from the Company at applicable rates, terms and conditions approved by and on file with the Commission or the North Carolina Utilities Commission, as applicable.[3] In addition, the Affiliated Facilities would be direct billed based on meter readings at the applicable tariff rates, and the Affiliated Facilities will pay the same amounts as a non-affiliate.[4] The Applicants further represent that the requested exemption is consistent with the exemption granted by the Commission in Case No. PUE-2016-00138,[5] and was contemplated in connection with the Commission's approval of DEV-Atlantic's collocation agreements in Case No. PUR-2017-00103.[6]

The Applicants estimate that the Compression Station will use approximately 5.87 megawatts ("MW") and be charged approximately $243,743 for retail electric service per year while the Regional Office will use approximately 0.1 MW and be charged approximately $5,068 per year, based on current North Carolina rates.[7] The Applicants do not have billing estimates for the Virginia-based Affiliated Facilities at this time.[8]

NOW THE COMMISSION, upon consideration of this matter and having been advised through Commission Staff's action brief and the Company's comments thereto, is of the opinion and finds as follows. Based on the Applicants' representations, specifically that DEV will provide retail service to Atlantic for the Affiliated Facilities at approved (tariffed) rates, we find that the requested exemption is in the public interest and should be granted. This treatment is comparable to our treatment of certain DEV affiliated solar facilities, for which we granted an exemption from the Affiliates Act for retail electric service arrangements in Case No. PUE-2016-00138.[9] We note also that a major purpose of the Affiliates Act is to provide Commission scrutiny over transactions between contracting parties that "do not deal at arm's length" and for whom "there exists the opportunity for double profit at the ratepayers' expense."[10] Such concerns are alleviated under the specific circumstances of this case in which the Affiliated Facilities will be subject to the same rates, terms and conditions of service as all other customers receiving service under the applicable rate schedule, which is on file with and approved by this Commission or the North Carolina Utilities Commission, as applicable,[11] in conjunction with the Commission's continuing supervisory control of such contracts and arrangements under Code § 56-80.

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[1] Code § 56-76 *et seq*.

[2] Atlantic appeared specially and solely for purposes of the Commission's jurisdiction over the affiliated arrangements that are the subject of the Application. Application at 1.

[3] *Id.* at 2.

[4] *Id.* at 7-8.

[5] *Id.* at 2, 8; *Application of Virginia Electric and Power Company and Dominion Energy, Inc., For exemption from or approval to enter into retail service arrangements under Chapter 4, Title 56 of the Code of Virginia*, Case No. PUE-2016-00138, 2017 S.C.C. Ann. Rpt. 413, Order Granting Exemption (Feb. 13, 2017).

[6] Application at 8-9; *Application of Virginia Electric and Power Company and Atlantic Coast Pipeline, LLC, For approval of affiliate agreements, and requests for future exemptions, pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUR-2017-00103, 2017 S.C.C. Ann. Rpt. 550, Order (October 17, 2017).

[7] *Application* at 6-7.

[8] *Id.* at 7.

[9] *Application of Virginia Electric and Power Company and Dominion Energy, Inc., For exemption from and approval to enter into retail service arrangements under Chapter 4, Title 56 of the Code of Virginia,* Case No. PUE-2016-00138, 2017 S.C.C. Ann. Rept. 413, Order Granting Exemption (Feb. 13, 2017).

[10] *Commonwealth Gas Serv. v. Reynolds Metals Co.,* 236 Va. 362, 367, 374 S.E.2d 35, 38 (1988).

[11] Petition at 8.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-77, the Applicants hereby are granted an exemption as requested in the Application. The Applicants shall include a list (name only) of Atlantic and the Affiliated Facilities qualifying for the exemption in DEV's Annual Report of Affiliate Transactions.

(2) This case is dismissed.

CASE NO. PUR-2018-00108
DECEMBER 17, 2018

JOINT PETITION OF
AQUA VIRGINIA, INC., GREAT BAY UTILITIES, INC., KEVIN L. GOULDMAN, and NORTHERN NECK WATER, INC.

For approval of a transfer of utility assets

ORDER GRANTING APPROVAL

On July 12, 2018, Aqua Virginia, Inc. ("Aqua Virginia"), Great Bay Utilities, Inc. ("Great Bay"), Kevin L. Gouldman ("Gouldman"), and Northern Neck Water, Inc. ("NN Water") (collectively, "Joint Petitioners"), filed with the State Corporation Commission ("Commission") a joint petition ("Joint Petition") seeking authority for Aqua Virginia and Great Bay to acquire and NN Water to dispose of certain waterworks utility assets used to provide water service to customers in Northumberland County, Lancaster County, and Westmoreland County, Virginia (collectively, "Systems").[1] Aqua Virginia and Great Bay also propose to acquire thirteen water systems currently owned and operated by Gouldman, the President of NN Water, that are not currently regulated by the Commission.[2] Joint Petitioners request approval of the acquisition and disposition of the Systems pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Code"), the Utility Transfers Act. Pursuant to Code § 56-265.3 D, Joint Petitioners also seek approval to transfer NN Water's certificate of public convenience and necessity to Great Bay, along with any further or other authority necessary to serve the customers of the Systems.

According to the Joint Petitioners, Gouldman and NN Water desire to retire from the utility business.[3] As a result of the proposed transfer, the Systems will be owned and operated by Great Bay, a wholly owned subsidiary of Aqua Virginia which, in turn, is wholly owned by Aqua America, Inc. ("Aqua America"). The Joint Petitioners state that, as one of the nation's largest United States-based, publicly-traded water and wastewater holding companies, Aqua America has the expertise and the resources necessary to successfully operate the Systems. Joint Petitioners further state that the proposed transaction will result in benefits to the customers of NN Water that cannot be obtained by operating the Systems as a stand-alone company.[4]

Joint Petitioners propose no changes to the Systems' water rates or connection fees. Four of the systems are currently metered, with the remainder billed on a flat rate basis. NN Water bills metered customers bi-monthly. Great Bay proposes to begin billing such customers monthly.[5]

On August 22, 2018, the Commission issued an Order for Notice and Comment that, among other things, directed the Joint Petitioners to notify Systems customers of the Joint Petition, provided an opportunity for interested persons to comment or request a hearing on the Joint Petition, and directed the Commission's Staff ("Staff") to file a report ("Staff Report") containing its findings and recommendations. The Commission received one comment from the general public requesting that Aqua Virginia maintain the backup generator that NN Water provided for a community water well. No one requested a hearing on the Joint Petition.

On December 5, 2018, Staff filed its Staff Report in this proceeding. Staff noted that the Joint Petitioners represented that the Proposed Transfer should provide benefits to the System including efficient access to capital and administration of water and wastewater service, as well as operating efficiencies.[6] Staff concluded that, based on the Joint Petitioners' representations, the Proposed Transfer will not impair or jeopardize the provision of adequate service at just and reasonable rates, and therefore meets the standard of the Utility Transfers Act.[7] Therefore, Staff recommended (1) approval of the Proposed Transfer of the Systems into Great Bay under the Utility Transfers Act; and (2) approval of amendments to Great Bay's certificates of public convenience and necessity ("CPCNs") to include the service territories of the Systems, subject to the requirements set forth in the Appendix to the Staff Report.[8]

On December 11, 2018, the Joint Petitioners filed a letter ("Letter") with the Commission stating that they strongly support Staff's findings and recommendations and that the Joint Petitioners will file no response in rebuttal to the Staff Report.[9]

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[1] The Joint Petitioners filed certain statutorily required signed verifications on July 26, 2018, completing the Joint Petition.

[2] Joint Petition at 1-2. Hereinafter, Systems refers to NN Water's waterworks utility assets and Gouldman's thirteen privately-held water systems.

[3] *Id*. at 4.

[4] *Id*. at 5.

[5] *Id*. at 9-10.

[6] Staff Report at 5.

[7] *Id.*

[8] *Id.*

[9] Joint Petitioner's Letter at 1-2. Joint Petitioners also noted that, upon completion of the Proposed Transfer, reconnection charges will be $75 for reconnections during normal working hours and $150 for reconnections scheduled after 4 p.m. on weekdays or during nonscheduled working hours, not $50/$100 as indicated in the Staff Report. *Id.* at 1.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the above-described Proposed Transfer will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved subject to certain requirements set forth in the Appendix attached hereto.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to §§ 56-89 and 56-90 of the Code, the Joint Petitioners hereby are granted approval of the Proposed Transfer as described herein, subject to the requirements set forth in the Appendix attached hereto.

(2) This case is dismissed.

APPENDIX

(1) The Commission's approval of the Proposed Transfer shall have no accounting or ratemaking implications.

(2) NN Water and Mr. Gouldman shall provide all accounting and cost records related to the transferred Systems to Aqua Virginia and Great Bay at closing, and Aqua Virginia and Great Bay shall maintain them henceforth in accordance with the Uniform System of Accounts ("USOA"), which includes booking any difference between the purchase price and the net book value of the Systems as a Utility Plant Acquisition Adjustment ("UPAA").

(3) The quality of service in the Systems' service territories shall not deteriorate due to lack of maintenance or capital investment.

(4) The quality of service in the Systems' service territories shall not deteriorate due to a reduction in the number of employees providing water or wastewater service.

(5) Aqua Virginia and Great Bay shall continue to maintain a high degree of cooperation with the Commission Staff and shall take all actions necessary to ensure the timely response to Staff inquiries with regard to its provision of service in Virginia.

(6) Great Bay, upon completion of the Proposed Transfer, shall promptly file its proposed tariffs and terms and conditions of service, in accordance with the recommendations above, with the Division of Public Utility Regulation. Contemporaneously with the filing of Great Bay's tariffs, the Systems shall cancel all tariffs and terms and conditions of service.

(7) Aqua Virginia and Great Bay shall keep separate accounting records for each of the Systems.

(8) NN Water's CPCN W-302 shall be terminated subsequent to the completion of the Proposed Transfer.

(9) Within thirty (30) days after the closing of the Proposed Transfer, Aqua Virginia and Great Bay shall file a Report of Action that includes the date of the closing and their accounting entries recording the Proposed Transfer.

CASE NO. PUR-2018-00109
OCTOBER 4, 2018

APPLICATION OF
APPALACHIAN POWER COMPANY, *et al.*

For approval pursuant to the Act Governing Regulation of Relations with Affiliate Interests, Virginia Code Sections 56-76 *et seq*.

ORDER GRANTING APPROVAL

On July 13, 2018, Appalachian Power Company ("APCo" or "Company"), AEP Transmission Holding Company, LLC ("AEPTHCo"), and Grid Assurance LLC ("Grid Assurance") (collectively "Applicants") filed an application ("Application") with the State Corporation Commission ("Commission") under Chapter 4 of Title 56 of the Code of Virginia ("Code") for authority to enter into an agreement whereby Grid Assurance will provide emergency equipment supply services to APCo for the purpose of enhancing grid resilience. Along with the Application, the Applicants filed a Motion for Protective Ruling ("Motion").

The Application states that Grid Assurance, established in May 2016, is a Delaware limited liability company formed to address grid resiliency needs facing transmission-owning electric utilities, particularly the ability of electric utilities to ensure prompt restoration of the bulk power system in the wake of a catastrophic event such as a natural disaster or cyber-attack. The Applicants state that the initial investors in Grid Assurance are six major utility companies or their affiliates, including American Electric Power, Inc. ("AEP"), the parent company of APCo.[1]

The Application states that AEPTHCo, an affiliate company of APCo, is an investor and owner of Grid Assurance. APCo, and other AEP transmission-owning entities, will be a subscribing party of Grid Assurance and, therefore, requests Commission approval to allow APCo to become a subscriber of Grid Assurance.

[1] The five other utility companies include Berkshire Hathaway Energy U.S. Transmission, LLC, Duke Energy, Edison Transmission, LLC, Eversource Energy, and Great Plains Energy, Inc.

Pursuant to the subscription agreement ("Subscription Agreement"), Grid Assurance will provide emergency equipment supply services to APCo to enhance grid resiliency.[2] Grid Assurance will provide APCo with access to an optimized inventory of large power transformers ("LPT") and other critical long lead-time transmission equipment to assist APCo in recovering from catastrophic grid emergencies. In support of these services, Grid Assurance proposes to: (1) procure and maintain an optimized inventory of critical LPT spares, circuit breakers and related transmission equipment; (2) provide secure domestic warehousing of the inventory spares in strategic locations;[3] and (3) offer preplanned transportation and logistic support for prompt release and delivery of spare equipment to APCo as needed to respond to emergencies.[4]

The Applicants state that Grid Assurance will release inventory to its subscribers upon the occurrence of a qualifying event ("QE"). The Application defines QE as damage, destruction, or other material impairment of the safe operation of the electric transmission system of a subscriber caused by or resulting from: (a) an act of war, terrorism, rebellion, sabotage or a public enemy, or any other physical attack; (b) a cyberattack, whether or not in connection with an act of war, terrorism, or a public enemy; (c) an electromagnetic pulse or intentional electromagnetic interference; or (d) an act of God, a catastrophic event or a severe weather condition.

The Company further clarified that AEP Service Company ("AEPSC") will act as agent on behalf of APCo and other AEP affiliates to administer the Subscription Agreement. There will be no markup or pass through of incremental costs from AEPSC to APCo, and the allocation of Sparing Services costs will be based on APCo's costs relative to the total AEP costs for transformer and circuit breaker assets.

The Applicants represent that the proposed Subscription Agreement is in the public interest because Grid Assurance's pooling approach to providing emergency utility equipment and supply services will minimize APCo's costs while optimizing inventory for the collective resiliency needs of multiple utilities across the country.

NOW THE COMMISSION, upon consideration of the Application and the record herein, and having been advised by its Staff, is of the opinion and finds that the Applicants' request for the approval of the Subscription Agreements as described herein is in the public interest, subject to the requirements set forth in the Appendix attached to this Order. The Commission also finds that the Applicants' Motion is no longer necessary and, therefore, should be denied.[5]

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code, the Applicants are hereby granted approval of the Subscription Agreements as described herein, subject to the requirements set forth in the Appendix attached to this Order.

(2) The Applicants' Motion is denied; however, we direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(3) This case in dismissed.

APPENDIX

(1) The Commission shall approve the Subscription Agreement and the associated Sparing Services for five years, commencing as of the date Grid Assurance commences its services. Should the Applicants wish to extend the Subscription Agreement beyond that date, separate approval shall be required.

(2) Once Grid Assurance commences offering services, the Applicants shall file with the Commission a Report of Action informing the Commission of the commencement date.

(3) Once Grid Assurance secures its warehouses, the Applicants shall file with the Commission a Report of Action detailing the geographical location of the warehouse.

(4) The Commission's approval shall have no accounting or ratemaking implications.

(5) The Commission's approval shall not preclude the Commission from exercising its authority under Virginia Code § 56-76 *et seq*., hereafter.

(6) Separate Commission approval shall be required for any changes in the terms and conditions of the Subscription Agreement.

(7) The Commission reserves the right to examine the books and records of APCo and any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

(8) APCo shall file with the Commission a signed and executed copy of the Subscription Agreement approved in this case within ninety (90) days after the effective date of the Subscription Agreement, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director").

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[2] The Applicants anticipate that Grid Assurance's services will commence in late 2019.

[3] Applicants further clarified that Grid Assurance is currently evaluating and securing warehouses in the east and midwest.

[4] Collectively, these services are referred to as "Sparing Services."

[5] The Commission held Petitioners' Motion in abeyance and has not received a request for leave to review the confidential information submitted in this proceeding. Accordingly, the Commission denies the Motion as moot but directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(9) APCo shall include all transactions associated with the Subscription Agreement in its Annual Report of Affiliate Transactions ("ARAT") submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. The ARAT shall include:

(a) The case number in which the Subscription Agreement was approved;
(b) The names of all direct and indirect affiliated parties to the Subscription Agreement; and
(c) A calendar year annual schedule showing Sparing Service payments by month, FERC account, and amount.

CASE NO. PUR-2018-00110
DECEMBER 6, 2018

JOINT PETITION OF
SPRINT COMMUNICATIONS COMPANY OF VIRGINIA, INC., SPRINT COMMUNICATIONS COMPANY L.P., SOFTBANK GROUP CORP., DEUTSCHE TELEKOM AG, and T-MOBILE USA, INC.

For approval of an indirect transfer of control of Sprint Communications Company of Virginia, Inc., to T-Mobile USA, Inc., pursuant to Va. Code § 56-88 *et seq.*

ORDER GRANTING APPROVAL

On September 12, 2018, Sprint Communications Company of Virginia, Inc. ("Sprint"), Sprint Communications Company L.P. ("Sprint LP"), SoftBank Group Corp. ("SoftBank"),[1] Deutsche Telekom AG ("Deutsche"), and T-Mobile USA, Inc. ("T-Mobile")[2] (collectively, "Petitioners"),[3] completed the filing of a Joint Petition ("Petition") with the State Corporation Commission ("Commission"), pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"),[4] requesting approval of the indirect transfer of control of Sprint to T-Mobile ("Transfer"). The Petitioners also filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*.

Sprint is authorized to provide local exchange and interexchange telecommunications services in Virginia pursuant to its certificates of public convenience and necessity issued by the Commission in Case Nos. PUC-1996-00086 and PUC-1992-00003, respectively.[5] Pursuant to an agreement between T-Mobile Parent and Sprint Parent, among others, Sprint Parent will merge into an indirect subsidiary of T-Mobile Parent, with Sprint Parent surviving as a direct subsidiary of T-Mobile. As a result, Sprint will become an indirect subsidiary under T-Mobile and its parent companies, and will continue to operate as a subsidiary of Sprint Parent. The Petitioners state that because the Transfer will occur at the parent holding company level only, there will be no change in the operating authority held by Sprint.

The Petitioners assert that Sprint will continue to provide services to its customers in Virginia without any immediate changes to the rates, terms, or conditions of service as currently provided. The Petitioners further represent that the proposed Transfer is expected to enhance the ability of Sprint to compete in the telecommunications marketplace. Information provided with the Petition indicates that Sprint will continue to have the financial, managerial, and technical resources to provide telecommunications services in Virginia under the ownership and control of T-Mobile and its parent companies. In support of the Petition, the Petitioners provided a link to the biographies of the management leadership of T-Mobile Parent and the current financial statements for Sprint Parent and T-Mobile Parent.

Approval of the Transfer is also being sought by the Petitioners from the Federal Communications Commission ("FCC") in WC Docket No. 18-197. On July 25, 2018, the Department of Justice, with the concurrence of the Department of Defense, Department of Homeland Security, and the Federal Bureau of Investigation (collectively, "Agencies"), requested that the FCC defer any action until the Agencies have completed their review of the Transfer for national security, law enforcement and public safety issues. In 2016, the Agencies conducted a similar review of a transfer of control involving a Virginia certificated competitive local exchange carrier and a foreign-owned company. In Case No. PUC-2016-00018, the Commission conditioned its approval of such transfer of control upon the transaction receiving the approval of the FCC.[6]

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[1] Sprint is a direct subsidiary of Sprint LP, which is a direct subsidiary of Sprint Corporation ("Sprint Parent"), which, in turn, is ultimately an indirect subsidiary of SoftBank.

[2] T-Mobile is a direct subsidiary of T-Mobile US, Inc. ("T-Mobile Parent"), which is ultimately an indirect subsidiary of Deutsche.

[3] T-Mobile Parent, Deutsche Telekom Holding B.V., T-Mobile Global Holding GmbH, T-Mobile Global Zwischenholding GmbH, and Starburst I, Inc., are also considered Petitioners in this proceeding and have provided the statutorily required verifications.

[4] Code § 56-88 *et seq*.

[5] *See Application of Sprint Communications Company of Virginia, Inc., For a Certificate of Public Convenience and Necessity to Provide Local Exchange Telecommunications Services,* Case No. PUC-1996-00086, 1996 S.C.C. Ann. Rept. 218, Order (Nov. 8, 1996); and *Application of US Sprint Communications Company of Virginia, Inc., To amend certificate to reflect new corporate name,* Case No. PUC-1992-00003, 1992 S.C.C. Ann. Rept. 241, Final Order (Mar. 4, 1992).

[6] *See Joint Application of DSCI Holdings Corporation, DSCI, LLC, DSCI Corporation of Virginia, Inc., and U.S. TelePacific Corp., For approval of the indirect transfer of control of DSCI Corporation of Virginia, Inc., pursuant to Va. Code § 56-88 et seq.*, Case No. PUC-2016-00018, 2016 S.C.C. Ann. Rept. 170, Order Granting Approval (May 17, 2016). The Commission imposed similar conditions in prior cases. *See, e.g., Joint Petition of Cequel Corporation, Cebridge Telecom VA, LLC, and Altice N.V., For approval of the transfer of control of Cebridge Telecom VA, LLC, pursuant to Va. Code § 56-88 et seq.,* Case No. PUC-2015-00031, 2015 S.C.C. Ann. Rept. 166, Order Granting Approval (Oct. 6, 2015).

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Commission Staff, is of the opinion and finds that, consistent with our prior rulings, the approval granted herein should be conditioned upon approval of the proposed Transfer by the FCC. Upon satisfaction of this condition, no further action is required by the Commission for approval of the Transfer. Finally, we find that the Petitioners' Motion is no longer necessary and, therefore, should be denied.[7]

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-88.1 and 56-90, the Petitioners hereby are granted approval of the proposed Transfer, as described herein, conditioned upon approval of the Transfer by the FCC. Upon satisfaction of this condition, no further action is required by the Commission for approval of the Transfer.

(2) The Petitioners shall file with the Commission proof of such approval or denial within ten (10) days of the issuance of the FCC's determination.

(3) Should approval be granted by the FCC, the Petitioners shall file a report of action with the Commission in its Document Control Center within thirty (30) days after closing of the Transfer, which shall include the date of the completion of the Transfer.

(4) The Petitioners' Motion is denied; however, we direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(5) This case is dismissed.

[7] The Commission held the Petitioners' Motion in abeyance and has not received a request for leave to review the confidential information submitted in this proceeding. Accordingly, the Commission denies the Motion as moot but directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

CASE NO. PUR-2018-00113
OCTOBER 23, 2018

APPLICATION OF
CENTRAL VIRGINIA ELECTRIC COOPERATIVE and CENTRAL VIRGINIA SERVICES, INC.

For approval of affiliate arrangements

FINAL ORDER

On July 25, 2018, Central Virginia Electric Cooperative ("CVEC" or "Cooperative") and Central Virginia Services, Inc. ("CVSI") (collectively, "Applicants"), completed the filing of an application ("Application") with the State Corporation Commission ("Commission") requesting approval of affiliate agreements ("Agreements") pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code").[1] CVEC is a member-owned electric distribution cooperative with a certificated service territory in portions of 14 Virginia counties: Albemarle, Amherst, Appomattox, Augusta, Buckingham, Campbell, Cumberland, Fluvanna, Goochland, Greene, Louisa, Nelson, Orange, and Prince Edward.[2] CVEC owns and operates an electric distribution system of approximately 4,600 miles providing retail electric service to over 36,733 customer accounts.[3] CVSI is a wholly owned subsidiary of CVEC that was formed to engage in unregulated business activities.[4]

[1] Code § 56-76 *et seq*. ("Affiliates Act").

[2] Application at 2.

[3] *Id.*

[4] *Id.*

The Application acknowledges that CVEC and CVSI are affiliated interests pursuant to Code § 56-76 of the Affiliates Act.[5] The requested affiliate agreements consist of a Management Services Agreement, a Fiber Optic Lease Agreement, a Broadband Network Services Subscriber Agreement, and a Line of Credit Agreement.[6] According to the Application, approval of the affiliate arrangements will permit CVEC and CVSI to establish a fiber optic network to improve CVEC's ability to monitor and control its electric distribution system while also providing CVEC's members with access to high-speed broadband internet and related services in its service territory.[7] CVEC plans to construct the fiber network in phases over a five-year period. According to the Applicants, CVEC will construct and own all fiber in its service territory, which it will then lease to CVSI to provide the broadband service that the Cooperative needs to communicate throughout its electric distribution system while also offering broadband services to customers in the region.[8]

On August 20, 2018, Nelson County Cablevision Corporation ("Nelson Cable") filed (1) Notice of Participation as a Respondent ("Notice"), and (2) Motions, Comments, and Requests for Relief of Nelson County Cablevision Corporation ("Requests") (Notice and Requests filings are collectively referred to hereinafter as "Nelson Cable Filings"). Nelson Cable provides broadband internet, television, and Voice over Internet Protocol telephone services in portions of Nelson County, Virginia.[9] In its filings, Nelson Cable: (i) asserted its intention to participate in this proceeding as a respondent pursuant to 5 VAC 5-20-80 B of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*.; (ii) moved the Commission to extend the statutory review period applicable to the Application an additional 30 days; (iii) moved the Commission to shorten the response time for discovery to three business days; (iv) commented on its concerns regarding the affiliate arrangements set out in the Application; and (v) requested that the Commission grant certain relief in the form of conditions and limitations on any approval granted of the proposed affiliate arrangements.[10]

On August 24, 2018, the Commission issued a Procedural Order establishing certain filing dates. Pursuant thereto: on August 31, 2018, the Applicants filed a response to the Nelson Cable Filings; on September 7, 2018, the Commission's Staff ("Staff") filed a response to the Nelson Cable Filings and to the Applicants' response; and on September 14, 2018, Nelson Cable filed a reply.

On September 14, 2018, the Commission issued an Order Extending Time For Review, which extended the review period for this Application through October 23, 2018. On September 24, 2018, the Commission issued an Order addressing the Nelson Cable Filings, and the responses thereto ("September 24 Order"). Pursuant to the September 24 Order, the Commission rejected Nelson Cable's assertion that the Commission was required to allow Nelson Cable to participate in this Affiliates Act proceeding.[11] However, the Commission did, in its discretion based on the specific circumstances of this particular proceeding,[12] conditionally accept Nelson Cable's Notice of Participation as a Respondent, to the extent that such participation does not prevent the Commission from meeting the statutory deadline in this matter.[13] Accordingly, the Commission established a schedule for the filing of a report by the Staff ("Staff Report"); additional comments by Nelson Cable; a response by the Applicants; and assigned a Hearing Examiner to address discovery matters within an expedited schedule.

On October 5, 2018, the Staff Report was filed in which the Staff summarized the results of its investigation of the Application, including the list of CVEC's internal controls to ensure the Cooperative conforms to 20 VAC 5-203-30 and 20 VAC 5-203-40 of the Commission's Regulations Governing the Separation of Regulated and Unregulated Businesses of Utility Consumer Services Cooperatives and Utility Aggregation Cooperatives, 20 VAC 5-203-10 *et seq.* ("Commission's Regulations"). The Staff determined that the Agreements appear to be in the public interest and recommended that the Commission approve the Agreements subject to the requirements outlined in the Appendix to the Staff Report.[14] Staff's recommended requirements are as follows:

1. The duration of the Commission's approval of the Agreements should be limited to five (5) years from the date of the Order in this case. Should the Applicants wish to continue the Agreements after that date, separate Commission approval should be required.

2. The Commission's approval of the Agreements should be limited to those services specifically identified in the Agreements. Should the Applicants wish to add a service or material that is not specifically identified in the Agreements, separate Commission approval should be required.

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[5] *Id.*

[6] *Id.* at 9-10.

[7] *Id.* at 1.

[8] *Id.* at 6-7. The exceptions to this plan are (i) where the existing fiber network of Nelson Cable Broadband Authority will be transferred to CVSI instead of CVEC; and (ii) where CVSI is to provide broadband outside of CVEC's service territory pursuant to the recent award by the Federal Communications Commission, in which case CVSI will own and operate those facilities. *See id.* at 6-7; Applicants' Response at 13; Applicants' Reply at 11-13 and Ex. 1; Staff Report at 2.

[9] *See* Notice at 1; Additional Comments at 16-17; Applicants' Reply at 1-2.

[10] Nelson Cable Filings at 5-6.

[11] September 24 Order at 3.

[12] *See id.* at 5 (noting, for example, in the instant matter, that there are specific statutes and rules – that only apply to cooperatives – addressing behavior among a cooperative, its affiliates, and nonaffiliated third parties. *See, e.g.,* Code § 56-231.34:1 and 20 VAC 5-203-10 *et seq*.).

[13] *Id.* at 3-5 (stating that the Affiliates Act, among other things: (1) directs the Commission to "approve or disapprove" an application in only 60-90 days; (2) deems an application "approved" if the Commission fails to act in that timeframe; (3) gives the Commission "continuing supervisory control" over affiliate transactions; and, further, (4) allows the Commission, unilaterally and on its own motion, to "exempt" a utility from affiliate filing requirements in whole or in part. *See* Code §§ 56-77 A, 56-80, and 56-77 B, respectively).

[14] Staff Report at 7.

3. Separate Commission approval should be required for any changes in the terms and conditions of the Agreements, including changes in services provided and any successors and assigns.

4. The approval granted in this case should have no accounting or ratemaking implications.

5. The Applicants should be required to maintain records demonstrating that the services provided by CVEC to CVSI, and the services provided by CVSI to CVEC, under the Agreements are cost beneficial to the members of CVEC. Records of such investigations and comparisons should be available for Staff review upon request. CVEC should bear the burden of proving, in any rate proceeding, that it charged the higher of cost or market for all services provided to CVSI, and paid the lower of cost or market for all services received from CVSI, pursuant to the Agreements.

6. The approval granted in this case should not preclude the Commission from exercising its authority under Code § 56-76 *et seq*. hereafter.

7. The Commission should reserve the right to examine the books and records of any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

8. The Applicants should file an executed copy of the approved Agreements within ninety (90) days of their execution.

9. CVEC should be required to include all transactions associated with the Agreements in its monthly service bill and in its Annual Report of Affiliate Transactions submitted to the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director") on May 1 of each year, subject to administrative extension by the UAF Director. The ARAT should include: (a) The case number in which the Agreements were approved; (b) The names of all direct and indirect affiliated parties to the Agreements; and (c) A calendar year annual schedule showing each Agreement's transactions by month, FERC account, and amount as they are recorded in CVEC's books.

10. CVEC should file with the Commission within 90 days of the date of this order documentation showing the requirements of Code § 56-231.34:1 and 20 VAC 5-203-30 and -40 of the Commission's Regulations are being met.[15]

In recommending approval of the Agreements under the Affiliates Act, Staff noted that the benefits that will further the public interest include: (1) an improved CVEC electric system; (2) significant cost and operational savings in the form of tax abatements, grants, and other outside funding; and (3) CVSI's lease payments covering CVEC's costs of the fiber network.[16] Staff also stated that it was an additional benefit that customers will have access to broadband.[17] Staff further noted that CVEC has a responsibility to ensure compliance with the codes of conduct enumerated in 20 VAC 5-203-40 and the prohibitions set forth in 20 VAC 5-203-30.[18]

On October 5, 2018, Nelson Cable filed its additional comments ("Additional Comments") in which it requested that the Commission either deny the Application or alternatively, to condition any approval granted on such conditions or limitations to ensure:

(a) That no construction or acquisition by CVEC of any fiber facilities and internet and telecommunication business interests are beyond its authority provided by its in certificate(s) of public convenience and necessity and its private and public easements, and

(b) That no lease or transfer of CVEC's property to CVSI related to the proposed affiliate arrangements be at a price less than the higher of CVEC's cost or a fair market value of the property.

(c) That CVEC provide greater transparency to its members regarding the communications aspect of its [fiber project], including but not limited to periodic reporting, on at least an annual basis as to (a) when, if, and to what extent its transactions with CVSI, including the guarantee of any loan to CVSI, results in reductions of its members patronage capital and (b) the extent to which the communications services provided by CVSI are offered to (i) totally *unserved* areas and (ii) areas where existing providers are already providing or have announced plans to soon provide *similar services at similar pricing*.[19]

In support of these requests, Nelson Cable asserts that the Applicants did not demonstrate compliance with provisions of the Commission's Guidelines for Filing Applications under Title 56, Chapter 4 of the Code of Virginia concerning Transaction Summary—Affiliate Transactions ("Guidelines"), and therefore the Commission should find that the arrangements between CVEC and CVSI: (i) are not consistent with the public interest, in violation of Code § 56-78; (ii) have not been demonstrated to be reasonable, in violation of Code § 56-80; and (iii) are not consistent with the public interest, in violation of Code § 56-82.[20] Nelson Cable asserts that in producing the Transaction Summary filed with the Application pursuant to the Guidelines, the Applicants failed to adequately address a number of items raised in the Guidelines, particularly those relating to the Applicants' efforts in identifying alternative sources of broadband services that CVSI proposes to provide.[21]

[15] Staff Report at Appendix.

[16] *Id.* at 7.

[17] *Id.*

[18] *Id.*

[19] Additional Comments at 18-19 (emphasis in the original).

[20] *Id.* at 2,18.

[21] *See id.* at 1-17.

On October 16, 2018, the Applicants filed their Reply to the Staff Report and to the Additional Comments of Nelson County Cablevision Corporation ("Reply"). As to the Staff Report, the Applicants stated that they do not object to the requirements recommended by Staff.[22] The Applicants also described their plan to comply with the requirement for documentation showing that the requirements of Code § 56-231.34:1 and 20 VAC 5-203-30 and -40 will be met.[23] As to Nelson Cable's Additional Comments, the Applicants asserted that Nelson Cable fails to focus on the statutory requirements for approval under the Affiliates Act or the regulatory requirements applicable to cooperatives.[24] Applicants note that Nelson Cable never cites to Code § 56-231.34:1, or the associated regulations in 20 VAC 5-203-10 *et seq*.[25] Accordingly, the Applicants requested that the Commission find the Application to be in the public interest and approve the Agreements, subject to the requirements recommended by the Staff.[26]

NOW THE COMMISSION, upon consideration hereof, is of the further opinion and finds as follows.

Code § 56-231.23 provides in part that "[e]ach cooperative formed under this article shall have power to do any and all lawful acts or things including, but not limited to the power: . . . To render service and to acquire, own, operate, maintain and improve a system or systems." Code § 56-231.34:1 A states in part that:

> No cooperative that engages in a regulated utility service shall conduct any unregulated business activity, other than traditional cooperative activities, except in or through one or more affiliates of such cooperative, provided that a cooperative that provides regulated utility services shall have the right to offer and make unregulated sales of electric power to its members within its certificated service territory.

With the Application filed herein, CVEC, and its affiliate, CVSI, seek Commission approval, under the Affiliates Act, of the arrangements that will permit CVEC and CVSI to establish a fiber optic network to improve CVEC's ability to monitor and control its electric distribution system while also providing CVEC's members access to high-speed broadband internet and related services in its service territory.[27] According to the Applicants, CVEC will construct and own all fiber in its service territory, which it will then lease to CVSI to provide the broadband service that the Cooperative needs to communicate throughout its electric distribution system while also offering broadband services to customers in the region.[28]

Under the Affiliates Act, the Commission either approves or rejects the "structure" of these affiliate transactions.[29] Any specific costs or obligations stemming from that affiliate structure are approved or rejected when the question becomes ripe in separate proceedings under separate statutes, such as setting rates or reviewing proposed generating facilities.[30]

In the instant case, we find that Nelson Cable's reliance on the Transaction Summary to be insufficient to require denying this Application. The Guidelines and the Transaction Summary produced by following the Guidelines are neither statutory requirements nor Commission adopted rules. Rather, they are in essence the first level of discovery used by the Staff in the administrative process established for reviewing such applications filed with the Commission. The Applicants noted that the Commission's webpage states:

> Following the guidelines and completing the applicable portions of the Transaction Summary will provide the necessary information and should mitigate the need for additional data requests, thereby enabling your application to be processed more efficiently. As attempts have been made to cover all situations, all portions of the Guidelines and Transaction Summary may not apply in all situations.[31]

As stated in our September 24 Order, this is the administrative process – *i.e.*, without a formal hearing and without participation by interested persons – that the Commission typically uses to approve or deny applications under the Affiliates Act.[32]

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[22] Reply at 3-4.

[23] *Id.* at 4.

[24] *Id.* at 4-14.

[25] *See id.* at 4, 7, 14.

[26] *Id.* at 14.

[27] Application at 1.

[28] *Id.* at 6-7. The exceptions to this plan are (i) where existing fiber network of Nelson Cable Broadband Authority will be transferred to CVSI instead of CVEC; and (ii) where CVSI is to provide broadband outside of CVEC's service territory pursuant to the recent award by the Federal Communications Commission, in which case, CVSI will own those facilities. *See id.* at 6-7; Applicants' Response at 13; Applicants' Reply at 11-13 and Ex. 1; Staff Report at 2.

[29] *See, e.g., Commonwealth Gas Services, Inc. v. Reynolds Metals Co.*, 236 Va. 362, 368 (1988) (citing *Roanoke Gas Co. v. Commonwealth*, 217 Va. 850 (1977)).

[30] *See also Sierra Club v. Virginia Elec. and Power Co., et al.*, Case No. PUR-2017-00061, Final Order (Sept. 19, 2017), *aff'd Sierra Club v. State Corp. Comm'n*, 2018 WL 3768754 (Aug. 9, 2018) (unpublished).

[31] Applicants' Reply at 5.

[32] September 24 Order at 4 (stating that this is also why the Commission has previously explained that, unlike the procedures "for investigating proposed changes to rate schedules, . . . [a]pplications filed under [the Affiliates Act] are generally processed *administratively* by the Commission without notice or an opportunity for hearing."). *Application of Columbia Gas of Virginia, Inc.*, Case No. PUE-2007-00064, slip op. at 5, 2007 WL 2759864 at *3, Order for Notice and Comment (July 30, 2007) (emphasis added).

Furthermore, we find that the Applicants are not required to prove that alternative providers of the prospective service are unavailable before an arrangement may be approved pursuant to the Affiliates Act. Rather, Code § 56-231.34:1 specifically addresses that there shall be Commission rules and regulations to ensure effective and fair competition between an electric cooperative's affiliate that is engaged in an unregulated business activity and other persons engaged in the same or similar business.[33]

As noted above, in a proceeding such as this, the Commission either approves or rejects the "structure" of the affiliate transactions. While any specific costs or obligations stemming from that affiliate structure would be approved or rejected when the question becomes ripe in separate proceedings under separate statutes, such as setting rates or reviewing proposed generating facilities, so too would be any concerns about the Applicants' conduct in exercising any authority granted herein with regard to the Agreements. That is, the prohibitions and obligations under 20 VAC 5-203-10 *et seq.,* are continuing in nature, just like the Commission's oversight authority over arrangements approved under the Affiliates Act.[34] Accordingly, we will direct the Staff to monitor the activities of CVEC and CVSI to ensure that the codes of conduct set out in 20 VAC 5-203-40 are followed and that the prohibited practices set out in 20 VAC 5-203-30 are avoided in the course of exercising the approval granted herein.

Code § 56-231.34:1 directs that the rules prohibit cost-shifting or cross-subsidies, anticompetitive behavior or self-dealing between cooperatives and affiliates, and prohibit a cooperative from engaging in discriminatory behavior towards nonaffiliated entities. 20 VAC 5-203-30 prohibits these practices. Code § 56-231.34:1 A directs the Commission to establish codes of conduct detailing permissible relations between a cooperative and its affiliates, particularly with regard to whether and, if so, under what circumstances and conditions: (i) a cooperative may provide its affiliates with customer lists or other customer information, sales leads, procurement advice, joint promotions, and access to billing or mailing systems unless such information or services are made available to third parties under the same terms and conditions; (ii) the cooperative's name, logos or trademarks may be used in promotional, advertising or sales activities conducted by its affiliates; and (iii) the cooperative's vehicles, equipment, office space and employees may be used by its affiliates. 20 VAC 5-203-40 contains the codes of conduct adopted by the Commission to be applicable for each scenario. Cooperatives are responsible for following all of these rules, and any allegation of a violation may be addressed in a separate proceeding irrespective of any authority granted herein.

Much of Nelson Cable's comments seem to focus on whether the Commission should allow CVEC to expand its fiber network and allow its affiliate to offer broadband services over that network.[35] Nelson Cable asserts that the affiliate, CVSI, has no experience with broadband services, that other entities have failed in the past, and that the risk of loss, or the potential for subsidies, outweighs any demonstrated benefits.[36] However, whether CVEC may have an affiliate undertake to offer broadband is not a decision for the Commission, so long as all other statutory and regulatory requirements are maintained. Rather, the decision to offer broadband through the fiber deployed as part of an expansion of the Cooperative's electric distribution system is a decision for the Cooperative and its members.[37] If local and state governments, as well as federal agencies, desirous of broadband expansion in rural communities, provide low interest loans, funding grants, or in-kind contributions to electric cooperatives, among others, in order to encourage the deployment of a fiber network and the provision of broadband services,[38] such support would not be considered an impermissible subsidy under Code § 56-231.34:1. The statute only prohibits cross-subsidies between a cooperative and its affiliate. It does not pertain to governmental support directed to either a cooperative, its affiliate, or to both.

Code § 56-231.23 provides that each cooperative shall have the power to do any and all lawful acts or things, including, pursuant to subsection (5), to render service and to acquire, own, operate, maintain, and improve a system or systems. As this power is clearly provided for by statute, to the extent Nelson Cable argues that a condition regarding CVEC's certificate of public convenience and necessity and its easements is needed for approval of the Agreements herein,[39] we reject Nelson Cable's recommendation. As demonstrated by the Applicants, the fiber network to be deployed by CVEC will be within its service territory, and therefore, within the authority provided pursuant to its certificate of public convenience and necessity. Should it be alleged that this is no longer the case, that issue may be addressed in a separate proceeding.

Upon consideration of the foregoing, we find that that the Agreements proposed herein are in the public interest and should be approved for purposes of the Affiliates Act subject to certain requirements set forth in the Appendix attached hereto.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-77, the Applicants hereby are granted approval to enter into the Agreements as described herein and subject to the requirements set forth in the Appendix attached to this Order.

(2) The Staff shall monitor CVEC and CVSI to ensure that codes of conduct set out in 20 VAC 5-203-40 are followed and that the prohibited practices set out in 20 VAC 5-203-30 are avoided in the course of exercising the approval granted herein.

(3) This case hereby is dismissed.

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[33] The rules in 20 VAC 5-203-10 *et seq*. were adopted and made effective as of July 1, 2000, as directed by the General Assembly in Code § 56-231.34:1.

[34] *See* Code § 56-80.

[35] *See* Additional Comments at 1-18.

[36] *See id.* at 1-3, 8-10, 12-14, 17-18.

[37] Code § 56-231.23.

[38] *See* Applicants' Reply at Exhibit 1.

[39] *See* Additional Comments at 18-19.

APPENDIX

1. The duration of the Commission's approval of the Agreements shall be limited to five (5) years from the date of the Order in this case. Should the Applicants wish to continue the Agreements after that date, separate Commission approval shall be required.

2. The Commission's approval of the Agreements shall be limited to those services specifically identified in the Agreements. Should the Applicants wish to add a service or material that is not specifically identified in the Agreements, separate Commission approval shall be required.

3. Separate Commission approval shall be required for any changes in the terms and conditions of the Agreements, including changes in services provided and any successors and assigns.

4. The approval granted in this case shall have no accounting or ratemaking implications.

5. The Applicants shall be required to maintain records demonstrating that the services provided by CVEC to CVSI, and the services provided by CVSI to CVEC, under the Agreements are cost beneficial to the members of CVEC. Records of such investigations and comparisons shall be available for Staff review upon request. CVEC shall bear the burden of proving, in any rate proceeding, that it charged the higher of cost or market for all services provided to CVSI, and paid the lower of cost or market for all services received from CVSI, pursuant to the Agreements.

6. The approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq*. hereafter.

7. The Commission shall reserve the right to examine the books and records of any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

8. The Applicants shall file an executed copy of the approved Agreements within ninety (90) days of their execution.

9. CVEC shall be required to include all transactions associated with the Agreements in its monthly service bill and in its Annual Report of Affiliate Transactions ("ARAT") submitted to the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director") on May 1 of each year, subject to administrative extension by the UAF Director. The ARAT shall include: (a) The case number in which the Agreements were approved; (b) The names of all direct and indirect affiliated parties to the Agreements; and (c) A calendar year annual schedule showing each Agreement's transactions by month, FERC account, and amount as they are recorded in CVEC's books.

10. CVEC shall file with the Commission within 90 days of the date of this order documentation showing the requirements of Code § 56-231.34:1 and 20 VAC 5-203-30 and -40 of the Commission's Regulations are being met.

CASE NO. PUR-2018-00114
SEPTEMBER 7, 2018

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.

For approval of an Amended and Restated Service Agreement between Columbia Gas of Virginia, Inc., and Northern Indiana Public Service Company LLC, pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On July 18, 2018, Columbia Gas of Virginia, Inc. ("CVA" or "Company"), filed an Application with the State Corporation Commission ("Commission"), pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code"),[1] requesting approval of an amended and restated service agreement ("Service Agreement") between CVA and Northern Indiana Public Service Company LLC ("NIPSCO LLC"),[2] whereby CVA will provide to and receive from NIPSCO LLC certain operations support services, engineering and construction services, and training services ("Services") on an as-needed basis. The current Service Agreement was initially authorized by the Commission in Case No. PUE-2016-00075, and reauthorized in Case No. PUE-2016-00137, prior to the conversion of Northern Indiana Public Service Company ("NIPSCO") to a limited liability company ("LLC").[3] In Case No. PUR-2018-00001, the Commission reauthorized the current Service Agreement as between CVA and NIPSCO LLC.[4]

The Company states that the limited purposes of this Application are to: (i) amend the current Service Agreement to expand the scope of authorized Operations Support Services and add an Engineering and Construction category of Services;[5] (ii) restate the current Service Agreement in the name of NIPSCO LLC; and (iii) extend the authority for the provision and receipt of Services under the Service Agreement for five (5) years, through August 31, 2023.[6]

The Company represents that, other than the proposed revisions to the current Service Agreement listed above, no other terms, conditions, rates, liabilities, or obligations under the Service Agreement require modification or amendment as a result of the proposed revisions; therefore, the Company requests that the Commission approve the proposed Service Agreement between CVA and NIPSCO LLC subject to the same terms and conditions set forth in the Appendix to the Commission's February 2, 2018 Order Granting Approval in Case No. PUR-2018-00001.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Application is in the public interest and should be approved subject to certain requirements set forth in the Appendix attached hereto.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code, the Company is hereby granted approval of the Application as described herein, subject to the requirements set forth in the Appendix attached to this Order.

(2) This case is dismissed.

APPENDIX

(1) The Service Agreement's approval shall be effective as of the latter of the date of the Order in this case or the date of the filing of the Service Agreement with the Indiana Utility Regulatory Commission, and shall remain in effect through August 31, 2023. Should CVA wish to continue the Service Agreement after that period, separate Commission approval shall be required.

(2) The Commission's approval granted in this case shall have no accounting or ratemaking implications. Specifically, it shall not guarantee the recovery of any costs directly or indirectly related to the Service Agreement.

(3) The Commission's approval of the Service Agreement is limited to the specific Services identified in the Service Agreement. Should CVA wish to add a Service that is not specifically identified in the Service Agreement, separate Commission approval shall be required.

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[1] Code § 56-76 *et seq.*

[2] NIPSCO LLC, a subsidiary of NiSource, Inc., and an affiliate of CVA, is a combined electric and natural gas distribution company that serves customers in northern Indiana.

[3] *See Application of Columbia Gas of Virginia, Inc., For approval of Service Agreements between Columbia Gas of Virginia, Inc., Columbia Gas of Ohio, Inc., Columbia Gas of Pennsylvania, Inc., Columbia Gas of Kentucky, Inc., Columbia Gas of Maryland, Inc., and Northern Indiana Public Service Company*, Case No. PUE-2016-00075, 2016 S.C.C. Ann. Rept. 437, Order Granting Approval (Sept. 23, 2016); and *Application of Columbia Gas of Virginia, Inc., For approval of a Service Agreement between Columbia Gas of Virginia, Inc., and Northern Indiana Public Service Company pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2016-00137, 2017 S.C.C. Ann. Rept. 411, Order Granting Approval (Feb. 6, 2017).

[4] *See Application of Columbia Gas of Virginia, Inc., For approval of a service agreement between Columbia Gas of Virginia, Inc., and Northern Indiana Public Service Company LLC*, Case No. PUR-2018-00001, Doc. Con. Cen. No. 180210111, Order Granting Approval (Feb. 2, 2018). In the Appendix to the Order Granting Approval in Case No. PUR-2018-00001, the Commission stated, "The Service Agreement's approval shall be effective as of the latter of the date of the order in this case or the date of the conversion of NIPSCO to an LLC." According to the Application, NIPSCO converted from a corporation to an LLC pursuant to the Code of Indiana on February 16, 2018. Application at 1, n.2.

[5] According to the Application, both modifications are consistent with such services exchanged by CVA with other affiliates. Application at 3.

[6] *Id.* at 2.

(4) Separate Affiliates Act approval shall be required for the Company to provide or receive Services from NIPSCO LLC under the Service Agreement through the engagement of affiliated third parties.

(5) Any NIPSCO LLC employee that provides any construction and maintenance-related Services to CVA under the Service Agreement must be qualified in accordance with the Virginia Enhanced Operator Qualification for the Service provided.

(6) Separate Commission approval shall be required for any changes in the terms and conditions of the Service Agreement, including changes in the Services provided, allocation methodologies, Service category descriptions, and successors or assigns.

(7) All Services provided to or received from NIPSCO LLC shall be priced at fully distributed cost.

(8) The approval granted in this case shall not preclude the Commission from exercising its authority under Va. Code § 56-76 *et seq*., hereafter.

(9) The Commission reserves the right to examine the books and records of any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

(10) The Company shall file with the Commission a signed and executed copy of the Service Agreement within ninety (90) days of the effective date of the Order in this case, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director").

(11) All transactions associated with the Service Agreement shall be included in CVA's Annual Report of Affiliate Transactions ("ARAT"), submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. All CVA ARAT reporting shall include, but not be limited to, the following information:

(a) The most recent Case Number under which the agreement was approved;
(b) The name and type of activity performed by each affiliate under the agreement; and
(c) A schedule, in Excel electronic spreadsheet format with formulas intact, listing the prior year's transactions by month, type of service, FERC account, and dollar amount (as the transaction is recorded on the utility's books).

(12) In the event that CVA's annual informational filings or expedited or general rate case filings are not based on a calendar year, then CVA shall include the affiliate information contained in its ARAT for the test period in such filings.

(13) The Commission's approval granted in this case supersedes the approval granted in Case No. PUR-2018-00001.

CASE NO. PUR-2018-00115
OCTOBER 12, 2018

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to participate in Tax Sharing Policy under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On July 18, 2018, Washington Gas Light Company ("WGL" or "Washington Gas") filed an application ("Application") with the State Corporation Commission ("Commission") requesting approval to participate in a Policy for Filing Consolidated Income Tax Returns and for Allocation of Liabilities and Benefits Arising from such Consolidated Tax Returns Between AltaGas Services (U.S.) Inc. ("ASUS"), and Subsidiary Companies ("Tax Sharing Policy"), for a period of five years, pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code"). The Tax Sharing Policy replaces WGL's prior tax sharing agreement with WGL Holdings, Inc. ("Holdings"). The Application filing is a result of the completion of the acquisition of Holdings and its affiliates, including WGL, by AltaGas Ltd. ("AltaGas") on July 6, 2018 (the "Merger").[1] WGL now is an indirect subsidiary of ASUS, which is a direct wholly-owned subsidiary of AltaGas.

[1] *Joint Petition of Washington Gas Light Company, WGL Holdings, Inc., and AltaGas Ltd., For approval of an acquisition of control of a public utility pursuant to Chapter 5 of Title 56 of the Code of Virginia*, Case No. PUR-2017-00049, 2017 S.C.C. Ann. Rept. 492, Final Order (Oct. 20, 2017).

The proposed Tax Sharing Policy uses a different method than the Prior Agreement for allocating the consolidated tax liability of the ASUS tax group ("Tax Group") among its affiliated member companies ("Members"). Each Member of the ASUS Tax Group, including WGL,[2] will retain all of the tax attributes that the Member possessed on a separate return basis at the time of the close of the Merger, net of any changes to those attributes that may be caused by the Merger and any adjustments imposed by taxing authorities' effective as of the time of the close of the Merger, including adjustments imposed by the Internal Revenue Service and/or state taxing authorities. Going forward, the consolidated return tax liability (after consideration of credits allowed) of the ASUS Tax Group will be allocated to each Member using the percentage method.[3] Under the proposed Tax Sharing Policy, ASUS, the parent, will have the sole responsibility of making any required payments to the Internal Revenue Service or state taxing authority for the entire Tax Group for each fiscal year. Each Member will pay to ASUS its allocated share of consolidated federal income tax liability within 90 days after ASUS files a U.S. federal income tax return for any taxable period.[4] Washington Gas represents that the proposed Tax Sharing Policy will handle state consolidated or combined income tax liabilities in a similar manner.

Washington Gas represents that the benefits of filing a consolidated tax return include: being able to centralize the planning, reporting, and paying of federal and state income tax; offsetting the profits of one company against the losses of another; offsetting capital gains against capital losses; no tax on intercompany distributions; and deferring the recognition on intercompany transactions. In addition, WGL represents that the Tax Sharing Policy will create additional efficiencies because it expects to use existing employees and resources to provide shared services for management of the Tax Policy to other ASUS Tax Group members.

NOW THE COMMISSION, upon consideration of the Application, the Commission Staff's ("Staff") Action Brief, and WGL's Comments in response to the Staff's Action Brief, is of the opinion and finds that the proposed Tax Sharing Policy is in the public interest and should, therefore, be approved subject to certain requirements set forth in the Appendix attached to this Order.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-77 of the Code, the Applicants are hereby granted approval of the Tax Sharing Policy as described herein, subject to the requirements set forth in the Appendix attached to this Order.

(2) This case is dismissed.

APPENDIX

(1) The approved Tax Sharing Policy shall include the following separate return amendment ("Amendment"):

> Notwithstanding the above, Washington Gas represents that in no case will any affiliated Virginia public service company that is a member of the Tax Sharing Policy be allocated more of the consolidated federal income tax liability than the amount of the income tax it would incur on a standalone company basis.

(2) The Commission's approval of the Tax Sharing Policy, including the Amendment, shall extend for five years from the effective date of the order in this case. Should Washington Gas wish to continue the Tax Sharing Policy after that date, separate approval shall be required.

(3) The approval granted in this case shall have no accounting or ratemaking implications.

(4) The Commission shall reserve the right to reflect ratemaking adjustments to Washington Gas's income taxes in the course of any Commission review and analysis of Washington Gas's cost of service in the future.

(5) Separate Commission approval shall be required for any changes in the terms and conditions of the approved Tax Sharing Policy, including any successors or assigns.

(6) The approval granted in this case shall not preclude the Commission from exercising its authority under the provisions of Code § 56-76 *et seq.* hereafter.

(7) The Commission shall reserve the right to examine the books and records of any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by the Commission.

(8) Washington Gas shall prepare an annual detailed reconciliation of any differences between its actual allocation of federal income tax liabilities and what such liabilities would have been on a standalone return basis. The reconciliation shall be included in Washington Gas's Annual Report of Affiliate Transactions ("ARAT") submitted to the UAF Director by May 1 of each year, subject to administrative extension by the UAF Director.

(9) Washington Gas shall include all approved Tax Sharing Policy transactions in its ARAT, which shall include: (a) the case number in which the Tax Sharing Policy was approved; (b) The names of all current Members of the Tax Sharing Policy; and (c) a calendar year annual schedule showing its Tax Sharing Policy transactions by month, FERC account, and amount as they are recorded in Washington Gas's books.

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[2] Application, Exhibit A.

[3] The percentage method calculates the ratio of each Member's separate taxable income to the sum of the separate taxable incomes of all the Members, and multiplies each ratio against the sum of the separate taxable incomes to derive each Member's allocated share of the consolidated return tax liability.

[4] The date may be after 90 days, if agreed upon by ASUS and applicable Member.

CASE NO. PUR-2018-00116
JULY 27, 2018

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to receive cash capital contributions from an affiliate pursuant to § 56-76 *et seq.* of Title 56 of the Code of Virginia

ORDER GRANTING INTERIM AUTHORITY

On July 20, 2018, Washington Gas Light Company ("Washington Gas" or "Company") filed an application with the State Corporation Commission ("Commission"), pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code"),[1] seeking authority to receive cash contributions from its new immediate corporate parent, Wrangler SPE LLC ("Wrangler SPE") up to an aggregate principal amount of $400 million. According to the Company, Wrangler SPE took ownership of the common stock of Washington Gas on July 6, 2018, upon completion of the acquisition of Washington Gas by AltaGas Ltd. ("Merger").[2] Through the Application, Washington Gas requests authorization to engage in the proposed affiliate transactions from time to time, commencing with the effective date of the Commission's Final Order in this proceeding through December 31, 2018.[3]

Additionally, the Company requests interim authority to engage in the proposed affiliate transactions until the Commission has had the opportunity to issue a final ruling on the Application. In support of its request, the Company states that the Commission authorized Washington Gas to receive cash contributions from WGL Holdings, Inc., its parent company prior to the Merger, in the aggregate principal amount of $200 million up to September 30, 2018.[4] The Company further states that it expects that it will need a capital contribution of approximately $175 million from its new corporate parent in August 2018[5] to support Washington Gas's corporate purposes such as, its construction program; repayment of short-term and long-term debt; and the reimbursement from Wrangler SPE for customer-related payments from the merger commitments approved by the District of Columbia Public Service Commission Order No. 19396 and Maryland Public Service Commission Order No. 88631. According to the Company, the authorization requested in the Application will enable Washington Gas to meet its goal to maintain an appropriate equity ratio.[6]

NOW THE COMMISSION, upon consideration of the matter, finds that the Company's request for interim authority should be granted.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2018-00116.

(2) The Company's request for interim authority hereby is granted.

(3) This matter is continued.

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[1] Code § 56-76 *et seq*.

[2] Application at 1. *See Joint Petition of Washington Gas Light Company, WGL Holdings, Inc., and AltaGas Ltd., For approval of an acquisition of control of a public utility pursuant to the Utility Transfers Act, Va. Code §56-88 et seq.,* Case No. PUR-2017-00049, 2017 S.C.C. Ann. Rept. 492 (Oct. 20, 2017). On April 4, 2018, the Maryland Public Service Commission approved the Merger subject to certain conditions, which the Applicants accepted. *See In the Matter of the Merger of AltaGas Ltd. and WGL Holdings, Inc.,* Case No. 9449, Order No. 88631 (April 4, 2018) and letter from counsel for Applicants (April 5, 2018). On June 29, 2018, the Public Service Commission of the District of Columbia issued an Order approving the proposed merger and Settlement Agreement, subject to certain conditions, which the settling parties accepted. *See In the matter of the merger of AltaGas Ltd. and WGL Holdings, Inc.,* Formal Case No. 1142, Order No. 19396 (June 29, 2018) and letter from counsel on behalf of settling parties (July 2, 2018).

[3] Application at 1-2.

[4] *Id.* at 2. *See Application of Washington Gas Light Company, for authority to receive cash capital contributions from an affiliate pursuant to § 56-76, et seq. of Title 56 of the Code of Virginia,* Case No. PUE-2016-00002, 2016 S.C.C. Ann. Rept. 350, Order Granting Approval (Mar. 8, 2016); and *Application of Washington Gas Light Company, For authority to receive cash capital contributions from an affiliate*, Case No. PUF-2001-00011, 2001 S.C.C. Ann. Rept. 646, Order Granting Authority (June 19, 2001).

[5] Application at 2.

[6] *Id.* at 5.

CASE NO. PUR-2018-00116
AUGUST 27, 2018

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to receive cash capital contributions from an affiliate pursuant to § 56-76 *et seq.* of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On July 20, 2018, Washington Gas Light Company ("Washington Gas" or "Company") filed an application with the State Corporation Commission ("Commission"), pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code"),[1] seeking authority to receive cash contributions from its new immediate corporate parent, Wrangler SPE LLC ("Wrangler SPE") up to an aggregate principal amount of $400 million ("Application"). According to the Company, Wrangler SPE took ownership of the common stock of Washington Gas on July 6, 2018, upon completion of the acquisition of Washington Gas by AltaGas Ltd. ("Merger").[2] Through the Application, Washington Gas requests authorization to engage in the proposed affiliate transactions from time to time, commencing with the effective date of the Commission's final order in this proceeding through December 31, 2018.[3]

Additionally, the Company requested interim authority to engage in the proposed affiliate transactions until the Commission had the opportunity to issue a final ruling on the Application. By Order dated July 27, 2018, the Commission granted the Company's request for interim authority.

In support of its Application, the Company states that the Commission authorized Washington Gas to receive cash contributions from WGL Holdings, Inc. ("WGL Holdings"), its parent company prior to the Merger, in the aggregate principal amount of $200 million up to September 30, 2018.[4] The Company explains that it will not issue securities to Wrangler SPE at the time of the receipt of cash capital contributions from Wrangler SPE, but will instead reflect the actual cash contributions through an accounting entry on the corporate records of Washington Gas and Wrangler SPE.[5] According to the Company, this process is no different than the process for the cash capital contributions Washington Gas has received from WGL Holdings pursuant to authority granted in the 2016 Order.[6] The Company states that the proceeds of such cash capital contributions would be applied by Washington Gas to support its corporate purposes such as, its construction program; repayment of short-term and long-term debt; and the reimbursement from Wrangler SPE for customer-related payments from the Merger commitments approved by the District of Columbia Public Service Commission Order No. 19396 and Maryland Public Service Commission Order No. 88631.[7] According to the Company, the authorization requested in the Application will enable Washington Gas to meet its goal to maintain an appropriate equity ratio.[8]

NOW THE COMMISSION, upon consideration of the Application and the record herein, is of the opinion and finds that the Application is in the public interest and should be approved subject to certain requirements set forth in the Appendix to Commission Staff's Action Brief filed contemporaneously with this Order.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code, Washington Gas hereby is granted approval of the Application as described herein subject to the requirements set forth in the Appendix attached to this Order.

(2) This case is dismissed.

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[1] Code § 56-76 *et seq.*

[2] Application at 1. *See Joint Petition of Washington Gas Light Company, WGL Holdings, Inc., and AltaGas Ltd., For approval of an acquisition of control of a public utility pursuant to the Utility Transfers Act, Va. Code §56-88 et seq.,* Case No. PUR-2017-00049, 2017 S.C.C. Ann. Rept. 492 (Oct. 20, 2017). On April 4, 2018, the Maryland Public Service Commission approved the Merger subject to certain conditions, which the Applicants accepted. *See In the Matter of the Merger of AltaGas Ltd. and WGL Holdings, Inc.,* Case No. 9449, Order No. 88631 (April 4, 2018) and letter from counsel for Applicants (April 5, 2018). On June 29, 2018, the Public Service Commission of the District of Columbia issued an Order approving the proposed merger and Settlement Agreement, subject to certain conditions, which the settling parties accepted. *See In the matter of the merger of AltaGas Ltd. and WGL Holdings, Inc.,* Formal Case No. 1142, Order No. 19396 (June 29, 2018) and letter from counsel on behalf of settling parties (July 2, 2018).

[3] Application at 1-2.

[4] *Id.* at 2. *See Application of Washington Gas Light Company, for authority to receive cash capital contributions from an affiliate pursuant to § 56-76, et seq. of Title 56 of the Code of Virginia,* Case No. PUE-2016-00002, 2016 S.C.C. Ann. Rept. 350, Order Granting Approval (Mar. 8, 2016)("2016 Order"); and *Application of Washington Gas Light Company, For authority to receive cash capital contributions from an affiliate*, Case No. PUF-2001-00011, 2001 S.C.C. Ann. Rept. 646, Order Granting Authority (June 19, 2001).

[5] Application at 4-5.

[6] *Id.* at 5.

[7] *Id.*

[8] *Id.*

APPENDIX

(1) WGL shall file a Report of Action within thirty (30) days of the receipt of any cash capital contributions. The Report of Action shall include the date(s) and amount(s) of any capital contributions made pursuant to the Commission's Order, the use of the proceeds, and an end-of quarter capital structure reflecting the additional equity.

(2) WGL shall file a Final Report of Action on or before January 31, 2019, to include a summary of the dates and amounts of all cash capital contributions made pursuant to the Commission's Order, the use of the proceeds, and a final capital structure for the quarter ended December 31, 2018.

(3) The approval granted in this case shall have no ratemaking implications.

(4) The Commission's approval shall not preclude the Commission from exercising its authority under Code §§ 56-78 et seq. hereafter.

(5) The Commission shall reserve the right to examine the books and records of any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

(6) WGL shall be required to include all transactions associated with the cash capital contributions in its Annual Report of Affiliate Transactions submitted to the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director") on May 1 of each year, subject to administrative extension by the UAF Director.

CASE NO. PUR-2018-00117
JULY 27, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY and DOMINION ENERGY, INC.

For approval to approve and extend a lease agreement under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING INTERIM AUTHORITY

On July 23, 2018, Virginia Electric and Power Company, Inc. ("Dominion Energy Virginia") and Dominion Energy, Inc. ("DEI") (collectively, "Applicants"), filed with the State Corporation Commission ("Commission") an application ("Application") to amend and extend the lease agreement (the "Lease Agreement") between Dominion Energy Virginia and DEI for office space at One James River Plaza ("OJRP"), which was previously approved by the Commission in Case No. PUA-1985-00036.[1] Specifically, the Applicants request approval to amend the Lease Agreement to permit an extension at the current rental rate on a month-to-month basis until February 14, 2020, unless terminated earlier by either party ("Amendment").[2] In conjunction with their Application, the Applicants filed a Motion for Interim Authority to Operate Under a Proposed Amendment to a Lease Agreement, and for Expedited Consideration ("Motion").

Through their Motion, the Applicants seek interim authority to permit an extension at the current rental rate on a month-to-month basis until such time as the Commission has an opportunity to act on the Application.[3] According to the Motion, the current Lease Agreement expires on August 14, 2018. The Applicants state that without the interim authority requested, in order for Dominion Energy Virginia employees to continue to occupy the office space at OJRP, Dominion Energy Virginia would be required to enter into a new five-year term commencing on August 15, 2018, and to pay a monthly rental amount equal to the fair rental value of comparable space as defined by an appraiser.[4]

The Applicants state that under the terms of the Amendment, Dominion Energy Virginia will continue to pay the same basic rental rate it currently pays, and apart from the month-to-month term, all other terms and conditions of the Lease Agreement will remain in effect.[5]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this matter should be docketed and that the Motion should be granted.

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[1] *Application of Virginia Electric and Power Company and Dominion Resources, Inc. For approval of the lease between Dominion Resources, Inc. and Virginia Electric and Power Company of One James River Plaza pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUA-1985-00036, 1985 S.C.C. Ann. Rpt. 312, Order Granting Authority (Nov. 14, 1985).

[2] Application at 1.

[3] Motion at 1.

[4] *Id*. at 2.

[5] *Id*. at 3.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2018-00117.

(2) The Motion is hereby granted.

(3) This matter is continued.

CASE NO. PUR-2018-00117
SEPTEMBER 5, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY and DOMINION ENERGY, INC.

For approval to amend and extend a lease agreement under Chapter 4, Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On July 23, 2018, Virginia Electric and Power Company ("DEV") and Dominion Energy, Inc., ("DEI") (collectively, "Applicants"), filed an application ("Application") with the State Corporation Commission ("Commission") requesting approval under the Affiliates Act[1] to amend and extend the current lease agreement ("Lease Agreement") between DEV and DEI for office space at DEV's corporate headquarters at One James River Plaza ("OJRP"). Specifically, the Applicants request approval to amend the Lease Agreement to permit an extension at the current rental rate on a month-to-month basis until February 14, 2020, unless terminated earlier by either party ("Amendment", collectively with Lease Agreement, "Amended Agreement"). On July 27, 2018, the Commission issued an Order Granting Interim Authority for an extension of the Lease Agreement at the current rental rate until such time as the Commission has an opportunity to act on the Application.

In Case No. 19734, the Commission approved the initial sale and leaseback of OJRP by DEV from the James River Plaza Company ("James River").[2] In 1985, DEI purchased OJRP outright from James River. As part of the OJRP purchase, the Commission approved the assignment of the DEV-James River Lease Agreement to DEI.[3]

DEV currently pays $137,458.75 per month, or $1,649,505 annually, to lease OJRP from DEI. DEV books the rent expense, which is included in DEV's cost of service. DEV shares occupancy of OJRP with three affiliates, Dominion Energy Services, Inc. ("DES"), Dominion Energy Technical Solutions, Inc. ("DETS"), and Dominion Voltage, Inc. ("DVI").[4] The companies' approximate occupancy rates are: DES (57%); DEV (34%); DETS (8%); and DVI (1%). DES' Accounting department calculates and records a monthly facility charge to each affiliate to reimburse DEV for each affiliate's use of OJRP. The facilities charge to the affiliates is based on headcount. The facilities charge includes: (a) a portion of the rent paid to DEI; (b) depreciation expense; (c) operations and maintenance expense; (d) property taxes; and (e) a portion of the electric bill.[5] DEV credits its affiliates' reimbursement as other electric revenues.

DEV has twice extended the Lease Agreement for five years. However, a third five-year extension, commencing August 15, 2018, would require DEV to pay monthly rent equivalent to the market rate for comparable space as determined by an appraiser. DEV's analysis of comparable office space rates indicates that the current market rate is approximately four times the current OJRP rate.

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[1] Va. Code § 56-76 *et seq*.

[2] *Application of Virginia Electric and Power Company, for authority to sell and leaseback land and finance office building under Title 56, Chapter 3, Code of Virginia*, Case No. 19734, Order (Aug. 20, 1976), Amending Order (Oct. 1, 1976).

[3] *Application of Virginia Electric and Power Company and Dominion Resources, Inc., for approval of the lease between Dominion Resources, Inc., and Virginia Electric and Power Company of One James River Plaza pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUA-1985-00036, Order Granting Authority (Nov. 14, 1985).

[4] Applicants' Response to Staff Data Request No. 1-1.

[5] *Id.*

DEV faces several near-term decisions regarding the future housing of its corporate administrative operations in downtown Richmond. A new commercial office building is being built on DES-owned property next to OJRP at 111 S. Sixth Street. In response to Staff's data request, the Applicants represent that DES has leased the land to a Bank of America affiliate, which is constructing and will own the building.[6] Upon completion in March 2019, DES plans to lease the building from the bank for the purpose of providing office space for DES and DEV employees and contractors. The Applicants state that the specific DES and DEV employees that will move into the new building is under review and subject to change.[7] Upon taking occupancy, DEV's cost of service will be adjusted accordingly. The Application also states that DEI has indicated that it plans to either fully renovate OJRP or construct a new office building at 701 E. Cary Street. In response to Staff's data request, the Applicants represent that DEI expects to make its decision on OJRP by mid-2019.[8]

NOW THE COMMISSION, upon consideration of this matter and having been advised by Staff through its action brief, is of the opinion and finds as follows. The Applicants' proposal to extend the Amended Agreement at the current monthly rental rate through February 14, 2020 is in the public interest and, therefore, we will approve the request subject to certain requirements listed in the Appendix attached to this Order.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-77, the proposed Amended Agreement is approved subject to certain regulatory and reporting requirements listed in the Appendix attached to this Order.

(2) This case is dismissed.

APPENDIX

(1) The Commission shall approve the Amended Agreement through February 14, 2020. Should the Applicants wish to extend the Amended Agreement beyond that date, separate approval shall be required.

(2) The Commission's approval shall have no accounting or ratemaking implications.

(3) The Commission's approval shall not preclude the Commission from exercising its authority under Va. Code § 56-76 *et seq*. hereafter.

(4) DEV shall be required to maintain records demonstrating that the OJRP rent charged to DEV under the Amended Agreement is cost-beneficial to Virginia ratepayers. DEV shall investigate whether comparable office space is available and, if it exists, DEV shall compare the market price to OJRP rent and pay the lower of cost or market. Records of such investigations and comparisons shall be available for Staff review upon request. DEV shall bear the burden of proving, in any rate proceeding, that the OJRP rent charged to DEV is priced at the lower of cost or market where a market for comparable office space exists.

(5) Separate Commission approval shall be required for any changes in the terms and conditions of the Amended Agreement.

(6) The Commission reserves the right to examine the books and records of DEV and any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

(7) DEV shall file with the Commission a signed and executed copy of the Amended Agreement approved in this case within ninety (90) days after the effective date of the order granting approval, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance.

(8) DEV shall include all transactions associated with the Amended Agreement in its Annual Report of Affiliate Transactions ("ARAT") submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. The ARAT shall include:

(a) The case number in which the Amended Agreement was approved;
(b) The names of all direct and indirect affiliated parties to the Amended Agreement; and
(c) A calendar year annual schedule showing DEV's OJRP payments by month, FERC account, and amount.

[6] Applicants' Response to Staff Data Request No. 1-2.

[7] *Id*.

[8] Applicants' Response to Staff Data Request No. 1-3(a).

CASE NO. PUR-2018-00120
AUGUST 2, 2018

JOINT APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC. and VIRGINIA NATURAL GAS, INC.

For clarification of certificates under the Utility Facilities Act

ORDER FOR CLARIFICATION OF CERTIFICATES

On July 24, 2018, the Division of Public Utility Regulation of the State Corporation Commission ("Commission") received from Columbia Gas of Virginia, Inc. ("CVA"), and Virginia Natural Gas, Inc. ("VNG") (collectively, "Applicants"), a letter along with copies of detailed maps ("Joint Application") requesting amendments to Certificates G-4e (CVA) and G-18c (VNG) to update CVA's and VNG's respective service territory maps with sufficient detail to permit CVA and VNG to incorporate the clarified boundaries into their respective Geographic Information Systems.[1] The Joint Application was filed with the Clerk of the Commission on July 26, 2018, in what is now docketed as Case No. PUR-2018-00120.

In their Joint Application, CVA and VNG state that the most recent stamped Certificate Maps of the Chesapeake/Portsmouth area date back to 1966 and do not reflect subsequent development in a portion of central Chesapeake near the Elizabeth River.[2] According to the Applicants, the 1966 Certificate Maps do not provide sufficient landmarks to ascertain the specific boundary line in the southcentral area of Chesapeake.[3] Further, Applicants state that the most recent (2001) Department of Transportation road map for the Chesapeake/Portsmouth area does not include certain roadways and critical landmarks.[4] Therefore, Applicants included with the proposed joint Certificate Maps G-4f and G-18d enlarged attachments that provide greater detail of the clarified central and southcentral certificate boundary in Chesapeake.

Further, in the Joint Application, CVA and VNG provide notice, pursuant to § 56-265.2 C of the Code of Virginia, that "the efficient placement of facilities necessary to serve customers along the proposed clarified service territory boundary may occasionally require [CVA and VNG] to place their facilities within the service territory of the other [company] in close proximity to the shared service territory boundary line."[5] However, the Applicants acknowledge that the placement of facilities in the other company's service territory under these circumstances will not be used to serve customers located in the service territory of the other company.[6]

NOW THE COMMISSION, having considered the Joint Application, is of the opinion and finds that it is in the public interest to amend Certificates G-4e and G-18c for CVA and VNG, respectively, as depicted on the maps included in the Joint Application.

Accordingly, IT IS ORDERED THAT:

(1) Certificate G-4e for CVA is canceled, and Certificate G-4f, reflecting the clarified service territory boundary between CVA and VNG, hereby is issued.

(2) Certificate G-18c for VNG is canceled, and Certificate G-18d, reflecting the clarified service territory boundary between CVA and VNG, hereby is issued.

(3) The amended certificates and maps shall be sent to CVA and VNG by the Division of Public Utility Regulation forthwith.

(4) This case is dismissed.

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[1] Joint Application at 1.

[2] *Id.*

[3] *Id.*

[4] *Id.* at 2.

[5] *Id*.

[6] *Id*.

CASE NO. PUR-2018-00121
NOVEMBER 2, 2018

PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For a prudency determination with respect to the Coastal Virginia Offshore Wind Project pursuant to Virginia Code § 56-585.1:4 F

FINAL ORDER

On August 3, 2018, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company"), filed a petition ("Petition") with the State Corporation Commission ("Commission") for a prudency determination pursuant to Code § 56-585.1:4 F and for other associated approvals, as needed. The Petition relates to proposed Coastal Virginia Offshore Wind ("CVOW") generation facilities consisting of two 6 megawatt (nominal) wind turbine generators located approximately 27 statute miles (about 24 nautical miles) off the coast of Virginia Beach in federal waters and the related generation and distribution interconnection facilities ("CVOW Interconnect Facilities"), which include a smaller subset of generation interconnection facilities that are located entirely within the Commonwealth of Virginia ("Virginia Interconnect Facilities") (collectively, the wind turbine generators and CVOW Interconnect Facilities, inclusive of the Virginia Interconnect Facilities, comprise the "CVOW Project," "CVOW," or "Project").[1]

Dominion's proposed CVOW Project would be located on a research lease site provided by the United States Bureau of Ocean Energy Management and held by the Virginia Department of Mines, Minerals, and Energy.[2] According to the Petition, the proposed CVOW Project would be interconnected at 34.5 kilovolts ("kV") (*i.e.,* distribution level).[3] The proposed CVOW Interconnect Facilities would begin with a 34.5 kV alternating current ("AC") submarine cable that would interconnect the two wind turbine generators to one another, and to an approximately 27-mile long, 34.5 kV AC submarine distribution cable ("Export Cable"), which would connect to an onshore transition point located on Camp Pendleton State Military Reservation at an interface cabinet ("Beach Cabinet") in Virginia Beach, Virginia.[4] From the Beach Cabinet, a 34.5 kV underground cable ("Onshore Interconnection Cable") would continue onshore for approximately 1.2 miles, terminating at an interconnection station ("Interconnection Station"), where switches, auxiliary equipment, and a metering cabinet would be installed.[5]

The Virginia Interconnect Facilities would comprise, starting from the Virginia jurisdictional line demarcating state-owned submerged lands, approximately 3.6 miles of Export Cable, the Beach Cabinet, the approximately 1.2-mile Onshore Interconnection Cable, and the Interconnection Station.[6] From the Interconnection Station, the proposed CVOW Project would interconnect with the Company's existing distribution system via a new 34.5 kV underground line, approximately one-quarter mile in length, to a new terminal pole on nearby existing distribution Circuit ("Cir.") 421, which terminates with the Company's existing Birdneck Substation.[7] Dominion proposes to replace relays inside the existing control house at Birdneck Substation to ensure Cir. 421 has proper protection to accept reverse flow from the wind turbine generators onto the Company's system (collectively, "Distribution Grid Facilities").[8]

Dominion asserts that the Virginia Interconnect Facilities and Distribution Grid Facilities are extensions or improvements in the usual course of business under Code § 56-265.2 and, therefore, do not require approval from the Commission.[9] Moreover, Dominion asserts that while Code § 56-585.1:4 F provides for a prudency determination as to construction of certain wind generation facilities, there is no requirement within Code § 56-585.1:4 directing the utility to seek a certificate of public convenience and necessity ("CPCN") or any other type of approval for electric facilities related to the proposed CVOW Project.[10] Notwithstanding, Dominion states it included information to support approval and certification of the Virginia Interconnect Facilities pursuant to Code § 56-46.1 and §§ 56-265.1 *et seq.* in its Petition.[11] The Company also included a description of the route of the Virginia Interconnect Facilities and Distribution Grid Facilities for notice purposes.[12] Dominion asserts that the Commission's duty to ensure that the effects of the Virginia Interconnect Facilities on the environment are minimized under Code § 56-46.1 is satisfied by the proposed CVOW Project's federal and state approvals regarding the siting, route, placement, installation, and operation of those facilities.[13]

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[1] Ex. 2 (Petition) at 2.

[2] *Id.* at 4.

[3] *Id.*

[4] *Id.*

[5] *Id.* at 4-5.

[6] *Id.* at 5.

[7] *Id.* at 5 n.5.

[8] *Id.*

[9] *Id.* at 5 n.5, 9-11.

[10] *Id.* at 9.

[11] *Id.* at 11-12.

[12] *Id.* at 5 n.5; Ex. 3 (Mitchell Direct) 24 n.7, 27-28, Schedule 13.

[13] Ex. 2 (Petition) at 12.

According to the Petition, Dominion executed an engineering, procurement, and construction ("EPC") agreement with Ørsted (formerly Dong Energy) in January 2018.[14] In June 2018, Dominion executed an EPC agreement with L.E. Myers for the onshore portion of the proposed CVOW Project.[15]

Dominion's current schedule for the proposed CVOW Project contemplates that the Project would commence operations in December 2020.[16] According to Dominion, the Company must pursue the proposed CVOW Project now if it is to be ready in time to inform on the viability of pursuing a larger offshore wind project in the future.[17] Dominion asserts that the Company could deploy a larger commercial offshore wind project as early as 2024.[18]

Dominion estimates the total cost of the proposed CVOW Project, including the CVOW Interconnect Facilities, to be approximately $300 million, excluding financing costs.[19] According to Dominion, the EPC agreements with Ørsted and L.E. Myers fix approximately 87% of the total $300 million cost estimate.[20]

Dominion plans to include the proposed CVOW Project costs in its base rate cost of service for recovery through its rates for generation and distribution services.[21] Dominion states that, if necessary, the Company may designate the costs for customer credit reinvestment offset pursuant to Code § 56-585.1 A 8.[22]

In sum, the Company "respectfully requests that the Commission issue an Order (1) finding that the construction of the Coastal Virginia Offshore Wind Project, including the Virginia Interconnect Facilities, is prudent, (2) granting a CPCN for the Virginia Interconnect Facilities, if required, and (3) granting any such other approvals as deemed appropriate and necessary."[23]

On August 7, 2018, the Commission issued an Order for Notice and Hearing that, among other things, established procedures for this matter, permitted interested persons to participate, and scheduled legal briefs, oral argument, and an evidentiary hearing. The following filed notices of participation in this case: Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"); Virginia Chapter of the Sierra Club ("Environmental Respondent"); Mid-Atlantic Renewable Energy Coalition, Advanced Energy Economy, and Virginia Advanced Energy Economy (collectively, "MAREC"); and Appalachian Power Company ("Appalachian").

On September 12, 2018, the Commission issued an Order specifying issues that should be addressed in the legal briefs. All participants, including the Commission's Staff ("Staff"), filed legal briefs. On October 4, 2018, the Commission received oral argument from all participants as scheduled. The evidentiary public hearing in this case was held on October 9-11, 2018, in which the Commission received evidence and argument from Dominion, Consumer Counsel, Environmental Respondent, MAREC, and Staff. The Commission also received testimony and written and electronic comments from public witnesses in this proceeding.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

Code § 56-585.1:4 F

Dominion filed the instant Petition under Code § 56-585.1:4 F, which was enacted during the 2018 Session of the General Assembly.[24] Code § 56-585.1:4 F states as follows (emphases added):

> A utility may elect to petition the Commission, outside of a triennial review proceeding conducted pursuant to § 56-585.1, at any time for a *prudency determination* with respect to the construction or purchase by the utility of one or more solar or *wind generation facilities* located in the Commonwealth or *off the Commonwealth's Atlantic Shoreline* or the purchase by the utility of energy, capacity, and environmental attributes from solar or wind facilities owned by persons other than the utility. The Commission's final order regarding any such petition shall be entered by the Commission *not more than three months* after the date of the filing of such petition.

Public Interest

The General Assembly has repeatedly mandated that offshore wind generation facilities such as CVOW are in the "public interest," and that the Commission shall "liberally construe" such provisions (emphases added):

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[14] *Id.* at 5.

[15] *Id.*

[16] *Id.* at 6.

[17] *Id.*

[18] *Id.*

[19] *Id.*

[20] *Id.*

[21] *Id*.

[22] *Id.*

[23] *Id.* at 13.

[24] 2018 Acts ch. 296, or Senate Bill 966.

- Prior to January 1, 2024, (i) the construction or purchase by a public utility of one or more solar or *wind generation facilities* located in the Commonwealth or *off the Commonwealth's Atlantic shoreline*, each having a rated capacity of at least one megawatt and having in the aggregate a rated capacity that does not exceed 5,000 megawatts, or (ii) the purchase by a public utility of energy, capacity, and environmental attributes from solar facilities described in clause (i) owned by persons other than a public utility *is in the public interest, and the Commission shall so find if required to make a finding regarding whether such construction or purchase is in the public interest*. Code § 56-585.1:4 A.

- Construction, purchasing, or leasing activities for a test or demonstration project for a new utility-owned and utility-operated generating facility or facilities utilizing energy derived *from offshore wind* with an aggregate capacity of not more than 16 megawatts *are in the public interest*. Code § 56-585.1:4 E.

- The construction or purchase by a utility of one or more generation facilities with at least one megawatt of generating capacity, and with an aggregate rated capacity that does not exceed 5,000 megawatts, including rooftop solar installations with a capacity of not less than 50 kilowatts, and with an aggregate capacity of 50 megawatts, that use energy derived from sunlight or *from wind* and are located in the Commonwealth or *off the Commonwealth's Atlantic shoreline*, regardless of whether any of such facilities are located within or without the utility's service territory, *is in the public interest, and in determining whether to approve such facility, the Commission shall liberally construe the provisions of this title*. Code § 56-585.1 A 6.

- In connection with planning to meet forecasted demand for electric generation supply and assure the adequate and sufficient reliability of service, consistent with § 56-598, planning and development activities for a new utility-owned and utility-operated generating facility or facilities utilizing energy derived from sunlight or from onshore or *offshore wind are in the public interest*. Code § 56-585.1 A 6.

- Construction, purchasing, or leasing activities for a new utility-owned and utility-operated generating facility or facilities utilizing energy derived from sunlight or from wind with an aggregate capacity of 5,000 megawatts, including rooftop solar installations with a capacity of not less than 50 kilowatts, and with an aggregate capacity of 50 megawatts, together with *a new test or demonstration project for a utility-owned and utility-operated generating facility or facilities utilizing energy derived from offshore wind with an aggregate capacity of not more than 16 megawatts, are in the public interest*. Code § 56-585.1 A 6.

- The construction or purchase by an investor-owned incumbent utility of one or more generation facilities with at least one megawatt of generating capacity, and with an aggregate rated capacity that does not exceed 5,000 megawatts, including rooftop solar installations with a capacity of not less than 50 kilowatts, and with an aggregate capacity of 50 megawatts, that use energy derived from sunlight or *from wind* and are located in the Commonwealth or *off the Commonwealth's Atlantic shoreline*, regardless of whether any of such facilities are located within or without such utility's service territory, *is in the public interest, and in determining whether to approve such facility, the Commission shall liberally construe the provisions of this section*. Code § 56-585.1:1 G.

In addition to the multiple public policy declarations cited above, the General Assembly also included the following in Enactment Clause 14 of Senate Bill 966 (2018 Session of the General Assembly), also codified in Code § 56-596.1 (emphases added):

> That it is the objective of the General Assembly that the construction and development of new utility-owned and utility-operated generating facilities utilizing energy derived from sunlight *and from wind* with an aggregate capacity of 5,000 megawatts, including rooftop solar installations with a capacity of not less than 50 kilowatts, and with an aggregate capacity of 50 megawatts, *be placed in service on or before July 1, 2028*.[25]

Evidence

Evidence in this case relevant to the *factual* question of prudency includes that listed below.

Risk

- Customers bear almost all of the risks of this Project.[26]
- Customers bear the risk of potential cost overruns.[27]
- Customers bear the risk of a lack of Project performance.[28]
- Other utilities involved in offshore wind have done so through a power purchase agreement ("PPA") model, which generally places all or some of the risk on the developer.[29]
- The Company, however, proposes a construction model, which places essentially all the risk on Dominion's customers.[30]

[25] 2018 Acts ch. 296.

[26] *See, e.g.,* Tr. 25-26, 160-161, 177, 296-297, 311, 317; Ex. 22 (Abbott) at 21, 26.

[27] *See, e.g.,* Ex. 20 (Myers) at 14-16.

[28] *See, e.g.,* Ex. 22 (Abbott) at 21.

[29] Tr. 296-297.

[30] *See, e.g.,* Tr. 296-297, 310-311.

- The Company asserts that it may seek additional cost recovery from customers if the Project exceeds $300 million.[31]
- Based on Dominion's prior CVOW risk assessments, the contingency amount built into the projected $300 million appears low.[32]
- Dominion's "ratepayers bear almost all the risk of a project design failure except for a limited amount of risk retained by the EPC contractor during the limited warranty period."[33]

CVOW cost

- Dominion estimates that the capital cost of the CVOW Project is approximately $300 million, excluding financing costs.[34]
- Dominion's customers will pay the costs of this Project.[35]
- Dominion asserts that the annual and total revenue required from customers, and the impact on customers' bills, is not relevant to the Commission's prudency review in this case.[36]
- The proposed Project is not the result of a competitive bidding process.[37]
- The $300 million construction cost estimate for the Project is largely based on a negotiated contract with two EPC vendors without competing bids, after two previous attempts by the Company to obtain competitive EPC bids for the Project were unsuccessful.[38]
- CVOW has by far the highest levelized cost of energy of new resources evaluated in Dominion's Integrated Resource Plan ("IRP").[39]
- The forecasted levelized cost of energy from the CVOW Project is 78.0¢/kWh.[40]

CVOW cost compared to other offshore wind

- CVOW's energy cost is 9.3 times greater than the average cost of the Vineyard Wind offshore wind project off the coast of Massachusetts, which is 8.4¢/kWh.[41]

CVOW cost compared to other resource options

- CVOW's energy cost is 13.8 times greater than the cost of new *solar* facilities, which is 5.6¢/kWh.[42]
- CVOW's energy cost is 8.3 times greater than the cost of new *onshore wind* facilities, which is 9.4¢/kWh.[43]
- CVOW's energy cost is 11.5 times greater than the cost of new 2x1 combined-cycle *natural gas* facilities, which is 6.8¢/kWh.[44]
- CVOW's energy cost is approximately 26 times greater than purchasing energy from the *market*, which is in the 3.0¢/kWh range.[45]

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[31] Although approximately 87% of the estimated cost is fixed, the Company may still seek recovery of any increase in costs over $300 million. Ex. 29 (Mitchell Rebuttal) at 17-18, 28-29; Ex. 20 (Myers) at 14-16.

[32] Ex. 20 (Myers) at 14-16, Myers Appendix B at 64 (Dominion's 2017 Risk Assessment for its Board of Directors). *See also* Ex. 3 (Mitchell Direct) at Schedule 8.

[33] Ex. 22 (Abbott) at 21.

[34] *See, e.g.,* Ex. 2 (Petition) at 6; Ex. 20 (Myers) at 1.

[35] *See, e.g.,* Tr. 160-161, 174, 253-254, 269, 276, 470-471; Tr. 11-13, 17-18 (Oral Argument, Oct. 4, 2018).

[36] Ex. 16 (Norwood) at 5-6. *See also* Ex. 33 (Givens Rebuttal) at 2-3.

[37] Ex. 3 (Mitchell Direct) at 5-8; Ex. 16 (Norwood) at 13; Ex. 29 (Mitchell Rebuttal) at 13-14.

[38] Ex. 16 (Norwood) at 13.

[39] *Id.* at 10.

[40] *Id.* at 11.

[41] Ex. 23 (Articles on Vineyard Wind).

[42] Ex. 16 (Norwood) at 11.

[43] *Id.*

[44] *Id.*

[45] Tr. 178.

CVOW cost uncertainty

- Dominion admits that it does not have detailed information on construction costs for other recent offshore wind projects to confirm the reasonableness of the CVOW Project cost.[46]
- The Company has not demonstrated the reasonableness of the estimated CVOW Operations and Maintenance ("O&M") costs by comparison to O&M costs of other similar projects.[47]
- The estimated O&M costs for the Project appear to be relatively high and are significantly higher than the Company's total all-in levelized cost for solar generation alternatives.[48]
- Comparing the reported construction cost for the 30 MW Block Island Project (*i.e.*, the only other commercial scale offshore wind project in the United States) to the estimated construction cost of the 12 MW CVOW Project raises questions regarding the reasonableness of the CVOW Project cost estimate that are difficult to answer.[49]
- "[I]t is unusual for a regulator to make a prudence determination for a major generation investment before the investment is made by the utility, and without reliable information to confirm project cost and performance estimates."[50]
- "This [(*i.e.*, a pre-construction prudence proceeding)] is particularly true in instances involving generating projects, such as the CVOW, that are not selected through a competitive bidding process, and for which project cost and performance estimates are not guaranteed in some manner."[51]

Service obligation

- "[I]t is apparent that the Project is not required for Dominion to ensure reliable service to its customers."[52]
- Dominion does not need CVOW's 12 MWs, which is less than 0.01% of its total capacity requirement, in order to provide reliable service to its customers at just and reasonable rates.[53]
- Dominion's generation capacity reserve margin "has ranged from 25.79% to 37.9% over the last four years," which exceeds the PJM Interconnection, LLC, reserve margins.[54]
- Dominion's load forecast does not take into account the General Assembly's clear policy directive, set forth in Enactment Clause 15 of Senate Bill 966, that the Company shall propose energy conservation and efficiency programs in a minimum amount of $870 million over the next decade.[55]
- Although the obvious and intended purpose and effect of the $870 million of conservation and efficiency programs is to reduce load and Dominion's need for capacity and energy, the Company's forecast does not reflect those load reductions.[56]

Large-scale offshore wind

- The Company estimates that the construction cost of the larger scale offshore wind project would be approximately $1.77 billion, excluding financing costs.[57]

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[46] Ex. 16 (Norwood) at 13-14. *See also* Ex. 29 (Mitchell Rebuttal) at 10-11, 15-16.

[47] Ex. 16 (Norwood) at 15. *See also* Ex. 29 (Mitchell Rebuttal) at 16 ("While it could prove helpful in this case, a comparison of O&M costs to other comparable [offshore wind] projects is hampered by the uniqueness of the CVOW Project as a whole and the public availability of comparable figures, and to the extent available, any such comparison must take into account differing design and locational attributes of the facilities.").

[48] Ex. 16 (Norwood) at 15-16.

[49] *Id.* at 14. *See also* Ex. 29 (Mitchell Rebuttal) at 14-16.

[50] Ex. 16 (Norwood) at 14.

[51] *Id.* at 14-15.

[52] *Id.* at 9.

[53] *Id.* at 9-10.

[54] Ex. 22 (Abbott) at 9.

[55] 2018 Acts ch. 296. Tr. 391-392, 394.

[56] Tr. 391-392, 394.

[57] Ex. 16 (Norwood) at 16.

- The cost of energy from large-scale offshore wind is 13.1¢/kWh, which is also significantly costlier than several other conventional and renewable energy alternatives as listed above.[58]

- The costs of solar and onshore wind resources have also been declining in recent years and are forecasted by Dominion and other industry experts to continue to decline in the future.[59]

- "Given these trends, as indicated by Dominion's 2018 IRP analysis, it appears unlikely that the cost of offshore wind facilities will become competitive with solar or onshore wind options in the foreseeable future."[60]

- Dominion's 2018 IRP analysis shows that a larger full-scale offshore wind generation facility, which the CVOW Project is intended to demonstrate, is not expected to be economically competitive with other supply- and demand-side resource options for the next 25 years under any scenario studied in the IRP.[61]

CVOW as a demonstration project

- The CVOW Project, and the larger offshore wind resource that the CVOW Project is designed to demonstrate, are not economically competitive with other available conventional and renewable resources or demand-side resources.[62]

- Customers will pay at least $300 million (plus financing costs) to demonstrate a large-scale project that, based on Dominion's own studies, will not be a competitive option for the next 25 years.[63]

- The Company has stated its intention to decide in 2019 whether to pursue its potential large-scale offshore wind project, but CVOW will not be completed until December 2020.[64]

- "[T]he value of the proposed CVOW Project as a means to demonstrate feasibility of Dominion's plans to construct a larger scale offshore wind project near the CVOW site is questionable in light of the fact that Dominion indicates that a decision to proceed with a larger offshore wind project … would need to be made in 2019, nearly two years *before* the CVOW Project would be placed in service."[65]

- "This timeline means that it would be impossible for the CVOW Project to provide actual information on the feasibility of operations or costs of offshore wind projects before the Company plans to make its decision to proceed with the larger scale offshore wind project."[66]

- The CVOW Project is not currently expected to demonstrate potential economic, fuel diversity, emissions reductions, or other advantages over other renewable alternatives.[67]

- "For example, solar and onshore wind alternatives (and to an extent demand-side resources) would offer the same fuel diversity and emission reductions benefits as an offshore wind facility, at a much lower cost and without the potential reliability and maintenance problems that could be experienced at an offshore wind facility…."[68]

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[58] *Id.* at 11.

[59] *Id.* at 18. *See also* Ex. 22 (Abbott) at 14.

[60] Ex. 16 (Norwood) at 18.

[61] *Id.*

[62] *Id.* at 11-12.

[63] Tr. 191, 201-204. *See also* Ex. 16 (Norwood) at 10 ("The CVOW Project and the generic large scale offshore wind project option were not selected as the lowest reasonable cost alternatives in any year of any of the scenarios in the Company's 2018 IRP analysis, which covered the 25-year study period 2019-2043.").

[64] Ex. 22 (Abbott) at 22-24.

[65] Ex. 16 (Norwood) at 19 (emphasis added).

[66] *Id.* at 17.

[67] *Id.* at 12 (typeface and case modified).

[68] *Id.* at 13. *See also* Ex. 22 (Abbott) 13-14.

Conclusion

The Commission has considered the entire record.[69] The Commission finds – as a purely factual matter based on this record – that the proposed CVOW Project would not be deemed prudent as that term has been applied by this Commission in its long history of public utility regulation or under any common application of the term. The Commission further finds, however, that as a matter of law the new statutes governing this case subordinate the factual analysis to the legislative intent and public policy clearly set forth in the statutes quoted above and, thus, the instant Petition should be – and is hereby – approved.[70]

The facts militating against a standard finding of prudence in this matter include, among other things and as cited above, the following:[71]

(1) Dominion's customers bear essentially all of the risk of the proposed Project, including cost overruns and lack of performance.

(2) CVOW has the highest cost of any resource modeled in Dominion's IRP.

(3) CVOW's cost per kWh is significantly more expensive than other renewable and non-renewable resources, including: (a) onshore wind; (b) solar; (c) natural gas; (d) demand-side management; and (e) other offshore wind.

(4) Unlike other offshore wind projects on the East Coast, the Company did not choose a PPA model for offshore wind, which would have placed all or some of the risk on the Project's developer instead of on Dominion's customers.

(5) CVOW is not the result of a competitive bidding process.

(6) Dominion failed to prove that CVOW is needed to ensure reliable service to its customers at just and reasonable rates.

(7) CVOW requires customers to bear the costs and risks in order to demonstrate the feasibility of a large-scale generating resource that will not be competitive with other resource options for the next 25 years under any scenario in Dominion's IRP.

(8) Dominion has stated its intention to decide whether to construct large-scale offshore wind (in 2019) *before* CVOW is operational (currently expected no sooner than December 2020).

(9) The economic benefits specific to CVOW are speculative, whereas the risks and excessive costs are definite and will be borne by Dominion's customers.[72]

The statutory language and multiple public policy declarations by the General Assembly, however, necessarily control the purpose and scope of the new statutory "prudency determination" recently enacted in Code § 56-585.1:4 F. As listed above, the General Assembly declared, in at least six separate locations, that a project such as CVOW is in the public interest. For specific purposes of offshore wind, the General Assembly further mandated that "the Commission shall *liberally construe* the provisions of this section."[73] In addition, the General Assembly made the new prudency proceeding in Code § 56-585.1:4 F merely *voluntary*. Dominion acknowledges that it is not required to request a prudency determination under Code § 56-585.1:4 F, and the Company can construct the Project and request cost recovery from customers without the instant proceeding.[74]

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[69] *See Board of Supervisors of Loudoun County v. State Corp. Comm'n*, 292 Va. 444, 454 n.10 (2016) ("We note that even in the absence of this representation by the Commission, pursuant to our governing standard of review, the Commission's decision comes to us with a presumption that it considered all of the evidence of record.") (citation omitted). In addition, the motions to strike certain evidence presented during the hearing are hereby denied, and no weight has been given to such evidence unless specifically noted herein.

[70] That is not to say that a statutorily-designated project at any size, price, or risk would be deemed prudent as a matter of law.

[71] In our Final Order in Case No. PUR-2018-00135, also issued today, the Commission approves Dominion's prudency petition for a solar-powered project ("Solar PPA"), also sought under Code § 56-585.1:4 F. In that case, we found that: (1) the project's developer – not Dominion's customers – bears essentially all of the risk of the proposed project, including cost overruns and lack of performance; (2) the PPA model chosen by the Company, along with the terms and conditions therein, provides significant safeguards for customers; (3) the Solar PPA is the result of an extensive and transparent competitive bidding process; (4) the Solar PPA provides a positive net present value to customers; (5) the Solar PPA is competitive with market prices; and (6) the Project is based on known and proven technology. By contrast, none of those attributes are applicable to the Project that is the subject of the Petition approved herein.

[72] This Commission's rejection of a coal-fired Integrated Gasification Combined Cycle ("IGCC") plant proposed by Appalachian ten years ago, as discussed below, spared Appalachian's Virginia territory from the negative economic impact of billions of dollars in costs, based on the actual costs of similar generating plants built in the same time frame, one by Duke Power at Edwardsport, Indiana, the other by Southern Company at Kemper, Mississippi (now natural gas-only).

[73] Code § 56-585.1:1 G (emphasis added). *See also* Code § 56-585.1 A 6 ("the Commission shall liberally construe the provisions of this title").

[74] *See, e.g.,* Tr. 11 (Oral Argument, Oct. 4, 2018).

Additional new statutory restrictions were also placed on the instant case. The General Assembly limited the entire review under Code § 56-585.1:4 F to three months (including establishment of the case, publication of notice, intervention and due process for interested persons, preparation of and responses to discovery, preparation of testimony and legal briefs, evidentiary hearings and cross-examination, oral argument, and deliberation and final decision). In direct contrast, CPCN proceedings for new generating facilities generally have no time limitation.[75] As a result, Code § 56-585.1:4 F creates new, explicit restrictions on the extent of the review – if voluntarily requested by the utility – of a proposed new generating resource covered by that statute, clearly contemplating a less than comprehensive factual review.

Accordingly, the scope of the new statutory "prudency determination" contemplated in Code § 56-585.1:4 F must be viewed in light of the express and unprecedented statutes attendant to an offshore wind demonstration project such as the CVOW Project. That is, unlike prior generating facility cases, the Commission's standard analysis of prudency as a purely factual matter must be subordinated in large measure to the public policy established by the General Assembly as a legal matter for determinations required under Code § 56-585.1:4 F.

For example, as referenced above, in 2008 the Commission rejected a request to charge customers for a proposed coal-fired IGCC generation facility, because the evidence showed that: (i) the cost of the project was significantly higher than other resource options; (ii) the proposed project was technologically unproven and uncertain; (iii) the cost and performance estimates were likewise uncertain; (iv) the project, and its attendant costs, were not selected through a competitive bidding process; and (v) customers would bear considerable financial and performance risks in order to determine if the new coal technology was viable.[76] In addition, the General Assembly had not mandated a finding that the IGCC plant was in the public interest.[77]

In contrast, and as detailed above, the statutory "prudency determination" in Code § 56-585.1:4 F represents a different review as a matter of law than that in the *IGCC Case*. While we rule as a matter of law that the statutory language subordinates certain findings of fact in a prudency review under Code § 56-585.1:4 F, we do not agree with MAREC that a factual record regarding comparative costs, reliability needs, or other potential issues is not only irrelevant, but not even "appropriate."[78] While we agree with the Sierra Club that, "the General Assembly wants this project,"[79] we do not believe that the General Assembly has directed that facts regarding cost, need or other serious issues pertinent to a prudency petition should not even be developed or included in the factual record, if only for purposes of transparency. Nor do we rule herein as a matter of law that there can never be a set of facts regarding prudency that could overcome the multiple mandated public interest findings in the statutes. There may be, but we need not speculate on which hypothetical factual record would be sufficient to overcome the governing statutes and require disapproval of the petition.

Finally, the Commission finds that: (a) the approval herein of Dominion's prudency Petition is limited to the amount requested in the Petition, *i.e.*, $300 million (excluding financing costs) for construction of the CVOW Project as described in the Petition; and (b) given the statutory framework described *supra*, a CPCN, which no party opposed, is herein granted for the Virginia Interconnect Facilities.

Accordingly, IT IS ORDERED THAT:

(1) The Petition is approved as set forth herein.

(2) The Company's request for a certificate of public convenience and necessity to construct and operate the Virginia Interconnect Facilities is granted.

(3) Pursuant to the Utility Facilities Act, § 56-265.1 *et seq*. of the Code, the Commission issues Certificate No. ET-95y, which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate certificated transmission lines and facilities in the Cities of Chesapeake, Norfolk, Portsmouth, Suffolk, and Virginia Beach, all as shown on the map attached to the certificate, and to construct and operate facilities as authorized in Case No. PUR-2018-00121, cancels Certificate No. ET-95x, issued to Virginia Electric and Power Company in Case No. PUE-2016-00003 on June 6, 2016.

(4) Within thirty (30) days from the date of this Final Order, the Company shall provide to the Commission's Division of Public Utility Regulation three (3) copies of an appropriate map that shows the routing of the facilities approved herein, in addition to the facilities shown on the map for the cancelled Certificate.

(5) Upon receiving the map directed in Ordering Paragraph (4), the Commission's Division of Public Utility Regulation forthwith shall provide the Company copies of the certificates of public convenience and necessity issued herein with the map attached.

(6) This matter is dismissed.

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[75] *See, e.g.,* Code § 56-580 D. The Commission notes that certain small renewable energy projects as defined in Code § 10.1-1197 must be decided within nine months. Similarly, pursuant to Code § 56-585.1 A 6, certain solar facility reviews under Code § 56-580 D are limited to six months.

[76] *Application of Appalachian Power Company, For a rate adjustment clause pursuant to § 56-585.1 A 6 of the Code of Virginia*, Case No. PUE-2007-00068, 2008 S.C.C. Ann. Rept. 405, 410, Final Order (April 14, 2008) ("*IGCC Case*") ("We cannot ask Virginia ratepayers to bear the enormous risks – and potential huge costs – of these uncertainties in the context of the specific Application before us.").

[77] *See, e.g., Tvardek v. Powhatan Vill. Homeowners Ass'n*, 291 Va. 269, 279-280 (2016) ("the legislature, not the judiciary, is the sole author of public policy") (internal quotation marks and citations omitted).

[78] Tr. 492-494.

[79] Tr. 52 (Oral Argument, Oct. 4, 2018).

CASE NO. PUR-2018-00122
SEPTEMBER 19, 2018

JOINT APPLICATION OF
LINGO COMMUNICATIONS, LLC, LINGO MANAGEMENT, LLC, BIRCH COMMUNICATIONS OF VIRGINIA, INC.,
TNCI IMPACT LLC, and MATRIX TELECOM OF VIRGINIA, LLC

For approval of the proposed transfer of indirect control of Matrix Telecom of Virginia, LLC, pursuant to Va. Code § 56-88 *et seq.*

ORDER GRANTING APPROVAL

On July 26, 2018, Lingo Communications, LLC ("Lingo"), Lingo Management, LLC, Birch Communications of Virginia, Inc. ("Birch-VA"), TNCI Impact LLC ("TNCI"), and Matrix Telecom of Virginia, LLC ("Matrix-VA") (collectively, "Applicants"),[1] filed a Joint Application ("Application") with the State Corporation Commission ("Commission"), pursuant to the Utility Transfers Act, Chapter 5 of Title 56 of the Code of Virginia ("Code"),[2] requesting approval of the transfer of indirect control of Matrix-VA to Lingo ("Transfer"). The Applicants also filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq*.

Matrix-VA is authorized to provide local exchange telecommunications services in Virginia pursuant to its certificate of public convenience and necessity issued by the Commission.[3] Pursuant to an agreement dated July 3, 2018, between Lingo and TNCI, Lingo will acquire all issued and outstanding membership interests of Impact, an indirect parent of Matrix-VA. Impact and its subsidiaries, including Matrix-VA, will in turn be held by Lingo Management, LLC, which is a wholly owned subsidiary of Lingo. As a result, indirect ownership and control of Matrix-VA will be transferred to Lingo, and ultimately to the entities and individuals owning a controlling interest in Lingo.[4]

The Applicants assert that Matrix-VA will continue to provide services to its customers in Virginia without any immediate changes to the rates, terms, or conditions of service as currently provided. Information provided with the Application indicates that Matrix-VA will continue to have the financial, managerial, and technical resources to provide telecommunications services in Virginia under the ownership and control of Lingo. Moreover, the Applicants represent that the financial, managerial, and technical resources that Lingo and its Virginia-certificated subsidiary, Birch-VA,[5] will bring to Matrix-VA (and, conversely, that Matrix-VA will bring to Lingo and Birch-VA) are expected to enhance their ability to compete in the telecommunications marketplace.

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Staff, is of the opinion and finds that the above-described Transfer should be approved. Further, we find that the intermediate company reorganization that the Applicants plan to undertake after the Transfer is completed is not a transfer of control requiring Commission approval under the Utility Transfer Act for the reasons set forth in the Staff's Action Brief. Finally, we find that the Applicants' Motion is no longer necessary and, therefore, should be denied.[6]

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-88.1 and 56-90, the Applicants hereby are granted approval of the Transfer as described herein.

(2) The Applicants shall file a report of action with the Commission's Document Control Center within thirty (30) days after closing of the Transfer, which shall note the date the Transfer occurred.

(3) The Applicants' Motion is denied; however, we direct the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

(4) This case is dismissed.

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[1] Matrix Telecom, LLC ("Matrix"), Impact Telecom, LLC, Impact Acquisition, LLC ("Impact"), Garrison TNCI LLC, Garrison Opportunity Fund III A LLC, Garrison Opportunity Fund III A Holdings MM LLC, GOF II A Series A-2 LLC, Garrison Opportunity Fund II A LLC, GG Telecom Investors, LLC, Holcombe T. Green, Jr., and R. Kirby Godsey are also considered Applicants and have provided the statutorily required verifications.

[2] Code § 56-88 *et seq*.

[3] *See Application of Matrix Telecom of Virginia, Inc., For amended and reissued certificate of public convenience and necessity to provide local exchange telecommunications services to reflect a name change to Matrix Telecom of Virginia, LLC*, Case No. PUC-2016-00028, 2016 S.C.C. Ann. Rept. 175, Order Reissuing Certificate (June 10, 2016).

[4] *See* Application at 1-2, fn.1. The Applicants also request authority for Lingo, after the closing of the proposed Transfer, to eliminate Impact Telecom, LLC, from the chain of ownership of Matrix (Matrix-VA's direct parent), resulting in Matrix becoming a direct subsidiary of Impact. The Applicants state that, since Matrix is currently an indirect subsidiary of Impact, this post-Transfer change will not affect the ultimate post-Transfer ownership of Matrix and Matrix-VA. Application at 4-5. The Commission Staff ("Staff") states in its Action Brief that this type of *pro forma* intermediate holding company transfer does not require approval under the Utility Transfers Act, as this sort of intermediate reorganization changes neither the direct parent company nor the ultimate owners of the certificated entity (in this case, Matrix-VA).

[5] *See Application of Birch Communications of Virginia, Inc., For certificates of public convenience and necessity to provide local and interexchange telecommunications services*, Case No. PUC-2010-00060, 2010 S.C.C. Ann. Rept. 271, Final Order (Dec. 21, 2010).

[6] The Commission held the Applicants' Motion in abeyance and has not received a request for leave to review the confidential information submitted in this proceeding. Accordingly, the Commission denies the Motion as moot but directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

CASE NO. PUR-2018-00124
AUGUST 27, 2018

APPLICATION OF
SOUTHSIDE ELECTRIC COOPERATIVE

For authority to incur long-term indebtedness

ORDER GRANTING AUTHORITY

On August 3, 2018, Southside Electric Cooperative ("Southside" or "Applicant") filed an application with the State Corporation Commission ("Commission") under Chapter 3 of Title 56 of the Code of Virginia for authority to incur long-term indebtedness under a loan agreement with Federal Financing Bank ("FFB") for up to $47,700,000. Applicant has paid the requisite fee of $25.

Southside represents that the requested authority will be used to fund existing and future capital projects to extend its transmission and distribution plant under a work plan approved by the Rural Utilities Service ("RUS") for the 2017 to 2020 period. Southside states that funding of the RUS approved work plan will be provided through borrowings under a loan agreement with FFB in the form of one or more notes. The interest rate and maturity term of each note will be determined at the time funds are advanced. Such interest rate may be fixed or variable, and the maximum term of any note shall not exceed thirty-five (35) years from the date of any advance.

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.

Accordingly, IT IS ORDERED THAT:

(1) Applicant is hereby authorized to incur long-term indebtedness up to the aggregate principal amount of $47,700,000 in the form of one or more notes under a loan agreement with FFB, 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) There being nothing further to be done, this matter is hereby dismissed.

CASE NO. PUR-2018-00125
SEPTEMBER 11, 2018

APPLICATION OF
CENTRAL VIRGINIA ELECTRIC COOPERATIVE

For general rate relief

ORDER FOR NOTICE AND HEARING

On August 6, 2018, Central Virginia Electric Cooperative ("CVEC" or "Cooperative") filed with the State Corporation Commission ("Commission") an application pursuant to §§ 56-231.33, 56-231.34, 56-236, 56-238, and 56-585.3 of the Code of Virginia ("Code") requesting approval of its proposed rates and charges ("Application"). CVEC also filed a Motion for Protective Ruling ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.* ("Rules of Practice").

In its Application, CVEC requests that the Commission allow it to revise retail rates to increase total system revenues by approximately $5 million, an overall increase of 5.9%.[1] The Cooperative states that, based on pro-forma test-year results, the rates requested in this Application will result in a jurisdictional rate of return on rate base of 5.77% and produce a total system times interest earned ratio ("TIER") of 2.25, or 2.19 on a jurisdictional basis.[2] CVEC proposes changes to both the volumetric and fixed monthly charges for its customers on Rate Schedule A – Farm and Home; Rate Schedule B – General Services; Rate Schedule LP – Large Power Service; Rate Schedule I – Commercial and Industrial Service; and Rate Schedule SHL – Street, Highway and Homestead Lighting Service.[3]

CVEC requests that the Commission authorize the Cooperative to place its proposed rates into effect for service rendered on and after November 1, 2018, subject to refund, if any, based on the Commission's Final Order.[4] CVEC submits that placing its proposed rates into effect on November 1, 2018, will allow the Cooperative to maintain a strong financial position in order to better serve its members.[5]

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[1] Application at 3.

[2] *Id.* at 3-4. CVEC requests that if the Commission determines that the Cooperative's proposed rates generate a TIER that is above 2.25, that the Commission approve the proposed rates so long as the resulting rate year TIER is within a reasonable range that would normally be recommended for an electric cooperative in Virginia. *Id.* at 4.

[3] *Id.* at 4-5; Direct Testimony of Charles B. Maurhoff, Jr., at 5-7 ("Maurhoff Direct").

[4] Application at 4-5.

[5] *Id.* at 4.

CVEC also is proposing to revise its Terms and Conditions for Providing Electric Service.[6] These proposed revisions include changes regarding installment deposit payments; use of electric distribution service; extension of facilities; and the budget billing program.[7] CVEC also proposes to increase its meter testing fees from $30 to $60 for single phase meters and from $39 to $90 for poly phase meters.[8]

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that CVEC should provide notice of its Application; a public hearing should be scheduled for the purpose of receiving testimony and evidence on the Cooperative's Application; a procedural schedule should be established to allow interested persons an opportunity to file comments on the Cooperative's Application or to participate in this proceeding as a respondent;[9] and the Commission's Staff ("Staff") should be directed to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon. We also find that a Hearing Examiner should be appointed to conduct all further proceedings in this matter on behalf of the Commission, including ruling on CVEC's Motion, and filing a final report containing the Hearing Examiner's findings and recommendations. We also will permit CVEC's proposed rates to become effective for services rendered on and after November 1, 2018, on an interim basis and subject to refund with interest.

Accordingly, IT IS ORDERED THAT:

(1) This case is docketed and assigned Case No. PUR-2018-00125.

(2) Pursuant to Code § 12.1-31 and 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Commission's Rules of Practice, a Hearing Examiner is appointed to conduct all further proceedings in this matter on behalf of the Commission including filing a final report containing the Hearing Examiner's findings and recommendations.

(3) The Cooperative's proposed changes in rates, tolls, charges, fees, terms, and conditions are suspended pursuant to Code § 56-238 through October 31, 2018. CVEC may, but is not obligated to, implement the proposed rates, charges, and terms and conditions for service rendered on and after November 1, 2018, on an interim basis and subject to refund with interest.

(4) A public hearing shall be convened on March 27, 2019, at 10 a.m., in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive the testimony of public witnesses and the evidence of the Cooperative, any respondents, and the Staff. Any person desiring to offer testimony as a public witness at the hearing need only appear in the Commission's courtroom fifteen (15) minutes prior to the starting time of the hearing and contact the Commission's Bailiff.

(5) CVEC forthwith shall make copies of its Application and this Order for Notice and Hearing available for public inspection during regular business hours at CVEC's business offices in the Commonwealth of Virginia. Copies also may be obtained by submitting a written request to counsel for CVEC, Timothy E. Biller, Esquire, Hunton Andrews Kurth LLP, 951 East Byrd Street, Richmond, Virginia 23221. If acceptable to the requesting party, the Cooperative may provide the documents by electronic means. In addition, interested persons may review all public documents filed in this proceeding in the Commission's Document Control Center, located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays. Interested persons also may download unofficial copies from the Commission's website: http://www.scc.virginia.gov/case.

(6) On or before October 11, 2018, CVEC shall cause a copy of the following notice to be published as display advertising (not classified) on one occasion in newspapers of general circulation in its service territory:

NOTICE TO THE PUBLIC OF AN APPLICATION BY
CENTRAL VIRGINIA ELECTRIC COOPERATIVE
FOR GENERAL RATE RELIEF
CASE NO. PUR-2018-00125

On August 6, 2018, Central Virginia Electric Cooperative ("CVEC" or "Cooperative") filed with the State Corporation Commission ("Commission") an application pursuant to §§ 56-231.33, 56-231.34, 56-236, 56-238, and 56-585.3 of the Code of Virginia requesting approval of its proposed rates and charges ("Application"). CVEC also filed a Motion for Protective Ruling in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.* ("Rules of Practice").

In its Application, CVEC requests that the Commission allow it to revise retail rates to increase total system revenues by approximately $5 million, an overall increase of 5.9%. The Cooperative states that, based on pro-forma test-year results, the rates requested in this Application will result in a jurisdictional rate of return on rate base of 5.77% and produce a total system times interest earned ratio of 2.25, or 2.19 on a jurisdictional basis. CVEC proposes changes to both the volumetric and fixed monthly charges for its customers on Rate Schedule A – Farm and Home; Rate Schedule B – General Services; Rate Schedule LP – Large Power Service; Rate Schedule I – Commercial and Industrial Service; and Rate Schedule SHL – Street, Highway and Homestead Lighting Service.

[6] *Id.* at 4-5.

[7] *Id.*; Maurhoff Direct at 3-5.

[8] Application at 5; Maurhoff Direct at 5; and Schedule 5A at 81 (Appendix A, Schedule F-Fees).

[9] On August 20, 2018, Nelson County Cablevision Corporation filed a Notice of Participation as a Respondent.

CVEC requests that the Commission authorize the Cooperative to place its proposed rates into effect for service rendered on and after November 1, 2018, subject to refund, if any, based on the Commission's Final Order. CVEC submits that placing its proposed rates into effect on November 1, 2018, will allow the Cooperative to maintain a strong financial position in order to better serve its members.

CVEC also is proposing to revise its Terms and Conditions for Providing Electric Service. These proposed revisions include changes regarding installment deposit payments; use of electric distribution service; extension of facilities; and the budget billing program. CVEC also proposes to increase its meter testing fees from $30 to $60 for single phase meters and from $39 to $90 for poly phase meters.

For more detailed information about the Cooperative's proposals, interested persons should view CVEC's Application. While the total revenue that may be approved by the Commission is limited to the amount produced by the Cooperative's proposed rates, TAKE NOTICE that the Commission may approve revenues and adopt rates, fees, charges, tariff revisions, and terms and conditions of service that differ from those appearing in the Application and supporting documents and may apportion revenues among customer classes and/or design rates in a manner differing from that shown in the Application and supporting documents.

The Commission issued an Order for Notice and Hearing ("Order") in this proceeding that, among other things, scheduled a public hearing on March 27, 2019, at 10 a.m., in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive testimony from members of the public and evidence related to the Application from the Cooperative, any respondents, and the Commission Staff. Any person desiring to testify as a public witness at this hearing should appear fifteen (15) minutes prior to the starting time of the hearing and contact the Commission's Bailiff.

Copies of the Cooperative's Application and this Order are available for public inspection during regular business hours at CVEC's business offices in the Commonwealth of Virginia. Copies also may be obtained by submitting a written request to counsel for CVEC, Timothy E. Biller, Esquire, Hunton Andrews Kurth LLP, 951 East Byrd Street, Richmond, Virginia 23221. If acceptable to the requesting party, the Cooperative may provide the documents by electronic means. In addition, interested persons may review copies of all public documents filed in this proceeding in the Commission's Document Control Center, located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays. Interested persons also may download unofficial copies from the Commission's website: http://www.scc.virginia.gov/case.

On or before March 20, 2019, any person wishing to comment on CVEC's Application may file written comments with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Interested persons desiring to file comments electronically may do so by following the instructions on the Commission's website: http://www.scc.virginia.gov/case. Compact discs or any other form of electronic storage medium may not be filed with the written comments. All such comments shall refer to Case No. PUR-2018-00125.

Any person or entity may participate as a respondent in this proceeding by filing a notice of participation on or before November 8, 2018. If not filed electronically, an original and fifteen (15) copies of the notice of participation shall be submitted to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. A copy of the notice of participation as a respondent also shall be sent to CVEC's counsel at the address set forth above. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice, any notice of participation shall set forth: (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 filings shall refer to Case No. PUR-2018-00125.

On or before January 29, 2019, each respondent may file with the Clerk of the Commission, and serve on the Commission's Staff, the Cooperative, and all other respondents, any testimony and exhibits by which the respondent expects to establish its case, and each witness's testimony shall include a summary not to exceed one page. If not filed electronically, an original and fifteen (15) copies of such testimony and exhibits shall be submitted to the Clerk of the Commission at the address above. Respondents also shall comply with the Commission's Rules of Practice, including: 5 VAC 5-20-140, *Filing and service*; and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2018-00125.

All documents filed with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

The Commission's Rules of Practice may be viewed at: http://www.scc.virginia.gov/case. A printed copy of the Rules of Practice and an official copy of the Commission's Order in this proceeding may be obtained from the Clerk of the Commission at the address above.

CENTRAL VIRGINIA ELECTRIC COOPERATIVE

(7) On or before October 11, 2018, CVEC shall serve a copy of this Order for Notice and Hearing on the following officials, to the extent the position exists, in each county, city, and town in which the Cooperative provides service in the Commonwealth of Virginia: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city and town; and the county, city, or town attorney. Service shall be made by either personal delivery or first-class mail to the customary place of business or residence of the person served.

(8) On or before November 6, 2018, CVEC shall file proof of the notice and service required by Ordering Paragraphs (6) and (7), including the name, title, and address of each official served, with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118.

(9) On or before March 20, 2019, any interested person may file written comments on the Application with the Clerk of the Commission at the address set forth in Ordering Paragraph (8). Diskettes, compact discs, or any other form of electronic storage medium may not be filed with written comments. Interested persons desiring to submit comments electronically may do so, on or before March 20, 2019, by following the instructions on the Commission's website: http://www.scc.virginia.gov/case. All comments shall refer to Case No. PUR-2018-00125.

(10) On or before November 8, 2018, any person or entity may participate as a respondent in this proceeding by filing a notice of participation. If not filed electronically, an original and fifteen (15) copies of a notice of participation shall be submitted to the Clerk of the Commission at the address in Ordering Paragraph (8). The respondent shall serve a copy of the notice of participation on CVEC's counsel at the address set forth in Paragraph (5). Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Rules of Practice, any notice of participation shall set forth: 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 organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2018-00125.

(11) Within five (5) business days of receipt of a notice of participation as a respondent, CVEC shall serve upon each respondent a copy of this Order for Notice and Hearing, a copy of the Application, and all materials filed with the Commission, unless these materials already have been provided to the respondent.

(12) On or before January 29, 2019, each respondent may file with the Clerk of the Commission and serve on the Staff, the Cooperative, and all other respondents, any testimony and exhibits by which the respondent expects to establish its case, and each witness's testimony shall include a summary not to exceed one page. If not filed electronically, an original and fifteen (15) copies of such testimony shall be submitted to the Clerk of the Commission at the address set forth in Ordering Paragraph (8). In all filings, respondents shall comply with the Commission's Rules of Practice, including 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2018-00125.

(13) The Staff shall investigate the Petition. On or before February 26, 2019, the Staff shall file with the Clerk of the Commission an original and fifteen (15) copies of the Staff's testimony and exhibits, and each Staff witness's testimony shall include a summary not to exceed one page.

(14) On or before March 13, 2019, CVEC shall file with the Clerk of the Commission: (a) any rebuttal testimony and exhibits that it expects to offer, and each rebuttal witness's testimony shall include a summary not to exceed one page; and (b) a summary not to exceed one page of each direct witness's testimony if not previously included therewith. The Cooperative shall serve a copy of the testimony and exhibits on the Staff and all respondents. If not filed electronically, an original and fifteen (15) copies of such rebuttal testimony and exhibits shall be submitted to the Clerk of the Commission at the address set forth in Ordering Paragraph (8).

(15) All documents filed with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

(16) The Commission's Rule of Practice, 5 VAC 5-20-260, *Interrogatories or requests for production of documents and things*, shall be modified for this proceeding as follows: answers to interrogatories and requests for production of documents shall be served within seven (7) calendar days after receipt of the same. In addition to the service requirements of 5 VAC 5-20-260 of the Rules of Practice, on the day that copies are filed with the Clerk of the Commission, a copy of the interrogatory or request for production shall be served electronically, or by facsimile, on the party to whom the interrogatory or request for production is directed or the assigned Staff attorney, if the interrogatory or request for production is directed to Staff.[10] Except as modified above, discovery shall be in accordance with Part IV of the Commission's Rules of Practice, 5 VAC 5-20-240 *et seq*.

(17) This matter is continued.

[10] The assigned Staff attorney is identified on the Commission's website, http://www.scc.virginia.gov/case, by clicking "Docket Search," and clicking "Search Cases," and entering the case number, PUR-2018-00125, in the appropriate box.

CASE NO. PUR-2018-00126
SEPTEMBER 21, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

Ex Parte: In the matter of repealing Regulations Governing Exemptions for Large General Service Customers under § 56-585.1 A 5 c of the Code of Virginia

ORDER REPEALING REGULATIONS

The Regulations Governing Exemptions for Large General Service Customers under § 56-585.1 A 5 c of the Code of Virginia ("Code"), 20 VAC 5-316-10 *et seq.* ("LGS Customer Exemption Rules"), adopted by the State Corporation Commission ("Commission") pursuant to § 56-585.1 of the Virginia Electric Utility Regulation Act, Chapter 23 (§ 56-576 *et seq.*) of Title 56 of the Code, apply to the large general service customers of Virginia's electric utilities subject to the provisions of § 56-585.1 A 5 c that have verifiable histories of using more than 500 kilowatts but no more than 10 megawatts of demand from a single metering point. The LGS Customer Exemption Rules establish requirements for such large general service customers to request exemption from any rate adjustment clause approved by the Commission pursuant to § 56-585.1 A 5 c of the Code, if the customer can demonstrate that it has implemented an energy efficiency program, at the customer's expense, that has produced or will produce measured and verified results.[1]

[1] *See* 20 VAC 5-316-10.

On August 13, 2018, the Commission entered an Order for Notice and Comment ("Order") to consider repealing the LGS Customer Exemption Rules to reflect statutory changes enacted by Chapter 296 of the 2018 Acts of Assembly ("Chapter 296"), which amended § 56-585.1 A 5 c of the Code to state, in part:

> None of the costs of new energy efficiency programs of an electric utility, including recovery of revenue reductions, shall be assigned to any large general service customer. A large general service customer is a customer that has a verifiable history of having used more than 500 kilowatts of demand from a single meter of delivery.

Chapter 296 eliminated from Code § 56-585.1 A 5 c the language requiring a large general service customer with a verifiable history of using more than 500 kW, who does not wish to participate in an electric utility's energy efficiency program or programs, to demonstrate that it has implemented an energy efficiency program, at the customer's expense, that has produced or will produce measured and verified results. Chapter 296 also eliminated the language in § 56-585.1 A 5 c that required the Commission to "promulgate rules and regulations to accommodate the process under which such large general service customers shall file notice of such exemption. . . ." Accordingly, there appears to be no need to retain the LGS Customer Exemption Rules.

The Commission appended to its Order a proposed repeal of the LGS Customer Exemption Rules ("Proposed Repeal") to reflect the statutory changes resulting from Chapter 296. Interested persons were directed to file any comments and requests for hearing on the Proposed Repeal on or before September 17, 2018.

Notice of the proceeding and the Proposed Repeal were published in the *Virginia Register of Regulations* on September 3, 2018.

Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("DEV") filed comments stating that DEV does not oppose the Proposed Repeal. No one requested a hearing on the Proposed Repeal.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Regulations Governing Exemptions for Large General Service Customers under § 56-585.1 A 5 c of the Code, 20 VAC 5-316-10 *et seq.*, shall be repealed, as reflected in Appendix A, attached hereto.

Accordingly, IT IS ORDERED THAT:

(1) The Regulations Governing Exemptions for Large General Service Customers under § 56-585.1 A 5 c of the Code, 20 VAC 5-316-10 *et seq.*, hereby are repealed, effective as of October 1, 2018.

(2) A copy of this Order with Appendix A shall be forwarded to the Registrar of Regulations for publication in the *Virginia Register of Regulations*.

(3) On or before December 1, 2018, each utility in the Commonwealth subject to Chapter 23 (§ 56-576 *et seq.*) of Title 56 of the Code shall file with the Clerk of the Commission, in this docket, one (1) original document containing any revised tariff provisions necessary to reflect the repeal approved herein, and each such utility also shall file a copy of the document containing the revised tariff provisions with the Commission's Division of Public Utility Regulation. The Clerk of the Commission need not distribute copies but shall make such filings available for public inspection in the Clerk's Office and post them on the Commission's website at: http://www.scc.virginia.gov/case.

(4) This docket shall remain open to receive the filings from electric utilities pursuant to Ordering Paragraph (3).

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

CASE NO. PUR-2018-00128
NOVEMBER 2, 2018

PETITION OF
JAN M. LODAL, and ELIZABETH V. LODAL, *et al.*
v.
VIRGINIA ELECTRIC AND POWER COMPANY

FINAL ORDER

On August 10, 2018, Jan Martin Lodal, Elizabeth V. Lodal, and The Lodal Family Trust[1] ("Petitioners"), filed with the Virginia State Corporation Commission ("Commission") a Petition for Injunctive and Other Relief ("Petition") against Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion") pursuant to Rule 100B of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-100 B. Through their Petition, the Petitioners request, among other things, an immediate injunction on Dominion's construction of the line approved and certificated by the Commission in Case No. PUE-2015-00117.[2]

On August 15, 2018, the Commission issued an Order for Expedited Consideration, requiring Dominion to file a response to the Petition on or before August 24, 2018. Dominion filed its Response to the Petition and a Motion to Dismiss ("Motion to Dismiss") on August 24, 2018.

[1] Jan Martin Lodal Trustee of the Lodal Family Trust under the Will of Daisy Warriner Lodal dated October 4, 1998.

[2] *Application of Virginia Electric and Power Company, For approval and certification of electric transmission facilities: Remington-Gordonsville 230 kV Double Circuit Transmission Line*, Case No. PUE-2015-00117, 2017 S.C.C. Ann. Rept. 305, Final Order (Aug. 29, 2017).

On August 28, 2018, the Petitioners filed a Motion to Disqualify, Motion to Strike, Motion for an Immediate Injunction and Motion for Sanctions ("Sanctions Motions"). The Petitioners based their Sanctions Motions on a conflict of interest and related allegations concerning Dominion's counsel, McGuireWoods, LLP, which also represented the Petitioners in unrelated matters.

On August 29, 2018, McGuireWoods, LLP, and its lawyers (collectively, "McGuireWoods") filed a notice of withdrawal as counsel of record for Dominion in the current matter.

Also on August 29, 2018, the Commission entered an Order Assigning Hearing Examiner, docketing this matter and appointing a Hearing Examiner to conduct all further proceedings in this matter on behalf of the Commission.

On September 4, 2018, the Petitioners filed their Response to Dominion's Motion to Dismiss.

On September 6, 2018, Hunton Andrews Kurth, LLP filed a Notice of Appearance as counsel of record for Dominion. On September 11, 2018, Hirschler Fleischer, P.C. filed a Notice of Appearance as counsel of record for McGuireWoods.

On September 18, 2018, Dominion filed its Reply in Support of Motion to Dismiss and filed its Response to the Sanctions Motions. Also on September 18, 2018, McGuireWoods filed its Response to the Sanctions Motions.

The Hearing Examiner held a pre-hearing conference on September 25, 2018. By Ruling dated September 26, 2018, the Hearing Examiner scheduled an oral argument on the legal matters between the Petitioners and Dominion for October 1, 2018.

On October 1, 2018, the Hearing Examiner heard the oral argument as scheduled, with the Petitioners, Dominion, and the Commission Staff participating. Also on October 1, 2018, Petitioners filed their Reply to the responses to the Sanctions Motions.

On October 4, 2018, Petitioners and Dominion filed a Stipulation stating that they had agreed: (i) to settle this proceeding as between them; (ii) that the Petition is settled and may be dismissed; (iii) that Dominion's Motion to Dismiss is settled and may be dismissed; and (iv) that the Sanctions Motions as they relate to Dominion only are settled and may be dismissed.

On October 5, 2018, the Hearing Examiner issued the Report of Alexander F. Skirpan, Senior Hearing Examiner ("Report"). In his Report, the Hearing Examiner found that there are no issues to be resolved between Dominion and the Petitioners.[3] Therefore, the Hearing Examiner discussed only the Sanctions Motions as they relate to McGuireWoods in his Report.[4] The Hearing Examiner made the following findings and recommendations:

(1) The Stipulation resolves all the issues in this proceeding between the Petitioners and Dominion and should be accepted;

(2) Based on the Stipulation, the Petitioners' Petition should be dismissed;

(3) Based on the Stipulation, Dominion's Motion to Dismiss should be dismissed;

(4) Based on the Stipulation, the Sanctions Motions as they relate to Dominion should be dismissed;

(5) The actions of McGuireWoods in this proceeding are not sanctionable; and

(6) The Sanctions Motions as they relate to McGuireWoods should be denied.[5]

On October 12, 2018, Dominion filed timely comments on the Report, supporting the Hearing Examiner's findings (1) through (4), and taking no position on the other findings in the Report. On October 12, 2018, McGuireWoods also filed timely comments on the Report, supporting the Hearing Examiner's Findings and Recommendations. The Petitioners filed late comments on October 16, 2018, stating that the Petitioners support the Hearing Examiner's findings (1) through (4). With regard to the Sanctions Motions, the Petitioners request full consideration of and hearing on the remaining matters covered in paragraphs 7-17 of the Petitioners' Sanctions Motions. In the alternative, the Petitioners request that the Commission rule that McGuireWoods should have performed required conflict checks and be required to do so in all future cases. Staff filed no comments on the Report.

NOW THE COMMISSION, upon consideration of this matter, approves the Stipulation. The Stipulation resolves all issues in this proceeding between Petitioners and Dominion. We therefore dismiss the Petitioners' Petition, Dominion's Motion to Dismiss and the Sanctions Motions as they relate to Dominion. Based on the record in this case, we further decline to issue sanctions on McGuireWoods and therefore deny the Sanctions Motions as they relate to McGuireWoods.

Accordingly, IT IS ORDERED THAT:

(1) The Stipulation is accepted.

(2) The Petitioners' Petition is dismissed.

(3) The Motion to Dismiss is dismissed.

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[3] Report at 3.

[4] *Id.* at 3-8.

[5] *Id*. at 9.

(4) The Sanctions Motions as they relate to Dominion are dismissed.

(5) The Sanctions Motions as they relate to McGuireWoods are denied.

(6) This matter is dismissed.

CASE NO. PUR-2018-00129
OCTOBER 19, 2018

JOINT PETITION OF
GAMEWOOD TECHNOLOGY GROUP, INC., GAMEWOOD TELECOM, INC.,
RIVERSTREET MANAGEMENT SERVICES, LLC, and WILKES TELEPHONE MEMBERSHIP CORPORATION

For approval of the transfer of control of Gamewood Telecom, Inc.

ORDER GRANTING APPROVAL

On September 7, 2018, Gamewood Technology Group, Inc. ("GTG"), Gamewood Telecom, Inc. ("GTI"), RiverStreet Management Services, LLC ("RiverStreet"), and Wilkes Telephone Membership Corporation ("Wilkes TMC") (collectively, "Petitioners"), completed the filing of a Joint Petition with the State Corporation Commission ("Commission"), pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Code"),[1] requesting approval of the indirect transfer of control of GTI to RiverStreet ("Transfer"). The Petitioners also filed a Motion for Protective Order ("Motion") in accordance with 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10 *et seq.*

GTI is authorized to provide local exchange and interexchange telecommunications services in Virginia.[2] RiverStreet entered into a Stock Purchase Agreement ("SPA") with the seven individuals who own all outstanding stock of GTG (collectively, "Sellers"). Pursuant to the terms of the SPA, upon regulatory approval, RiverStreet will acquire all outstanding stock of GTG, the parent company of GTI, from the Sellers. GTG will become a direct wholly owned subsidiary of RiverStreet and an indirect wholly owned subsidiary of Wilkes TMC.

The Petitioners assert that the Transfer does not require any technical cutover or change in systems; nor will it result in any change in services, or any transfer of Certificates. The Petitioners further state that RiverStreet's resources, leadership and experience, together with its acquisition of GTG and indirect control of GTI, will result in a stronger competitive presence in Virginia. The Petitioners represent that the Transfer will serve the public interest because it will provide GTI with additional financial, managerial, and technical resources to provide high quality local exchange services under RiverStreet's ownership and control.

NOW THE COMMISSION, upon consideration of this matter and having been advised by its Staff through Staff's action brief, is of the opinion and finds that the Transfer should be approved. The Commission also finds that the Petitioners' Motion is no longer necessary and, therefore, should be denied.[3]

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-88.1 and 56-90, the Petitioners hereby are granted approval of the Transfer as described herein.

(2) The Petitioners shall file a report of action with the Commission's Document Control Center within thirty (30) days after the closing of the transfer, which shall note the date the transfer occurred.

(3) The Petitioners' Motion is denied; however, the Clerk of the Commission is directed to retain the confidential information to which the Motion pertains under seal.

(4) This case is dismissed.

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[1] Code § 56-88 *et seq*.

[2] The Commission issued GTI certificates of public convenience and necessity ("Certificates") in 2000. *See Application of Gamewood Telecom, Inc., For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications service,* Case No. PUC-1999-00237, 2000 S.C.C. Ann. Rept. 291, Final Order (May 10, 2000).

[3] The Commission held the Petitioners' Motion in abeyance and has not received a request for leave to review the confidential information submitted in this proceeding. Accordingly, the Commission denies the Motion as moot, but directs the Clerk of the Commission to retain the confidential information to which the Motion pertains under seal.

CASE NO. PUR-2018-00130
AUGUST 16, 2018

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For approval of service agreements

ORDER GRANTING INTERIM AUTHORITY

On August 9, 2018, Washington Gas Light Company ("Washington Gas" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to § 56-76 *et seq.* of the Code of Virginia. In its Application, Washington Gas proposes to provide general administrative shared services ("Shared Services") to its current and new affiliates to reflect the acquisition of Washington Gas by AltaGas Ltd. ("AltaGas") ("Merger").[1] According to the Company, the terms and conditions for providing the Shared Services are substantively similar to those the Commission has approved previously with respect to services the Company provides to its pre-Merger affiliates.[2]

Additionally, the Company requests interim authority to provide very limited Shared Services to two of the Company's new post-Merger affiliates, until the Commission has an opportunity to act on the Application.[3] Specifically, Washington Gas requests interim authority "to provide Executive Officer services to AltaGas Services (U.S.) Inc. ("ASUS"), as well as to AltaGas Utility Holdings (U.S.) Inc. ("AUHUS"), pending Commission review of this Application."[4] The Company states that the purpose of this request is to enable Washington Gas's President and Chief Executive Officer, Adrian P. Chapman, who will continue to oversee Washington Gas, to transition to also being responsible for managing AltaGas's other United States utilities.[5] According to the Company, Mr. Chapman has also been designated as President and Chief Executive Officer of AUHUS, reflecting his responsibility for executive services to AltaGas's United States utilities.[6]

NOW THE COMMISSION, upon consideration of the matter, finds that the Company's request for interim authority should be granted.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2018-00130.

(2) The Company's request for interim authority hereby is granted.

(3) This matter is continued.

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[1] Application at 1. *See Joint Petition of Washington Gas Light Company, WGL Holdings, Inc., and AltaGas Ltd., For approval of an acquisition of control of a public utility pursuant to Chapter 5 of Title 56 of the Code of Virginia,* Case No. PUR-2017-00049, 2017 S.C.C. Ann. Rept. 492, Final Order (Oct. 20, 2017). On April 4, 2018, the Maryland Public Service Commission approved the Merger subject to certain conditions, which the Applicants accepted. *See In the Matter of the Merger of AltaGas Ltd. and WGL Holdings, Inc.,* Case No. 9449, Order No. 88631 (April 4, 2018) and letter from counsel for Applicants (April 5, 2018). On June 29, 2018, the Public Service Commission of the District of Columbia issued an Order approving the proposed Merger and Settlement Agreement, subject to certain conditions, which the settling parties accepted. *See In the matter of the merger of AltaGas Ltd. and WGL Holdings, Inc.,* Formal Case No. 1142, Order No. 19396 (June 29, 2018) and letter from counsel on behalf of settling parties (July 2, 2018).

[2] Application at 1-2.

[3] *Id.* at 2.

[4] *Id.* The Company states that ASUS is the U.S. holding company for AltaGas's investments in the United States; and AUHUS is the common indirect parent of both Washington Gas and SEMCO Energy, Inc. *Id.*

[5] *Id.*

[6] *Id.*

CASE NO. PUR-2018-00130
OCTOBER 5, 2018

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For approval of service agreements

ORDER GRANTING INTERIM AUTHORITY

On August 13, 2018, Washington Gas Light Company ("Washington Gas" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to § 56-76 *et seq.* of the Code of Virginia. In its Application, Washington Gas proposes to provide general administrative shared services ("Shared Services") to its current and new affiliates to reflect the acquisition of Washington Gas by AltaGas Ltd. ("Merger").[1] According to the Company, the terms and conditions for providing the Shared Services are substantively similar to those the Commission has approved previously with respect to services the Company provides to its pre-Merger affiliates.[2]

On September 18, 2018, Washington Gas filed a letter with the Commission along with a Revised Appendix C2 and revised draft agreements for AltaGas U.S. Services, Inc. ("ASUS"), AltaGas Blythe Operations, Inc. ("Blythe"), and AltaGas Ripon Operations, Inc. ("Ripon").[3] In its Amended Application, the Company states that "[t]he only difference between the attached draft service agreements and the ones filed with the Application is that the attached documents include a provision for Human Resources services."[4]

In the Amended Application, the Company requests "interim authorization to provide the Human Resources services to ASUS, Blythe, and Ripon because the Open Enrollment season for health and welfare benefits for calendar year 2019 will begin in October 2018."[5] The Company further states that "Staff has indicated that it does not oppose this request for interim authorization."[6]

NOW THE COMMISSION, upon consideration of the matter, finds that the Company's request for interim authority should be granted.

Accordingly, IT IS ORDERED THAT:

(1) The Company's request for interim authority hereby is granted.

(2) This matter is continued.

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[1] Application at 1. *See Joint Petition of Washington Gas Light Company, WGL Holdings, Inc., and AltaGas Ltd., For approval of an acquisition of control of a public utility pursuant to Chapter 5 of Title 56 of the Code of Virginia,* Case No. PUR-2017-00049, 2017 S.C.C. Ann. Rept. 492, Final Order (Oct. 20, 2017). On April 4, 2018, the Maryland Public Service Commission approved the Merger subject to certain conditions, which the Applicants accepted. *See In the Matter of the Merger of AltaGas Ltd. and WGL Holdings, Inc.,* Case No. 9449, Order No. 88631 (Apr. 4, 2018) and letter from counsel for Applicants (Apr. 5, 2018). On June 29, 2018, the Public Service Commission of the District of Columbia issued an Order approving the proposed Merger and Settlement Agreement, subject to certain conditions, which the settling parties accepted. *See In the matter of the merger of AltaGas Ltd. and WGL Holdings, Inc.,* Formal Case No. 1142, Order No. 19396 (June 29, 2018) and letter from counsel on behalf of settling parties (July 2, 2018).

[2] Application at 1-2.

[3] On September 21, 2018, the Commission Staff ("Staff") filed a Memo of Completeness, pursuant to 5 VAC 5-20-160, *Memorandum of completeness,* of the Commission's Rules of Practice and Procedure ("Memo"). In its Memo, Staff deemed the Application complete but noted that the September 18, 2018 filing with the Commission constitutes an amendment to the Application ("Amended Application") and, therefore, restarts the time period for statutory review purposes effective as of that date.

[4] Amended Application at 1.

[5] *Id.* at 2.

[6] *Id.*

CASE NO. PUR-2018-00130
DECEMBER 17, 2018

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For approval of service agreements

ORDER GRANTING APPROVAL

On August 13, 2018, Washington Gas Light Company ("WGL" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission"), pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code"),[1] requesting approval of 34 service agreements ("Service Agreements"), under which WGL proposes to provide general administrative shared services ("Shared Services") to its current and new affiliates to reflect the acquisition of WGL by AltaGas Ltd. ("AltaGas") ("Merger").[2]

On September 18, 2018, the Company filed an amendment to the initial Application with the Commission containing a Revised Appendix C2 to the Application and revised draft Service Agreements for three new affiliates, AltaGas Services (U.S.) Inc. ("ASUS"), AltaGas Blythe Operations Inc. ("Blythe"), and AltaGas Ripon Operations Inc. ("Ripon").[3]

According to the Company, the terms and conditions for providing the Shared Services are substantively similar to those the Commission has approved previously with respect to services the Company provides to its pre-Merger affiliates.[4] The Company requests that the Service Agreements be effective for a period of five (5) years from the date of the Commission's Order in this proceeding.

The Company requests approval of revised Service Agreements ("Revised Agreements") between WGL and each of the following 12 pre-Merger affiliates ("Current Affiliate(s)"): WGL Holdings, Inc.; Washington Gas Resources Corp.; Hampshire Gas Company; Crab Run Gas Company; WGL Energy Services, Inc.; WGL Energy Systems, Inc.; WGL Midstream Inc. ("Midstream"); WGL Midstream CP, LLC ("Midstream CP"); WGL Midstream MP, LLC ("Midstream MP"); WGL Midstream MVP, LLC ("Midstream MVP"); WGL Midstream SGG, LLC ("Midstream SGG"); and WGSW, Inc. The Company currently provides similar Shared Services to the Current Affiliates under existing Service Agreements pursuant to the Commission's Prior Order in Case No. PUR-2017-00130.[5] Under the proposed Revised Agreements, WGL will provide to each Current Affiliate a unique selection of the 22 different categories of Shared Services shown in Staff Exhibit 1 to the Action Brief filed in this proceeding by the Staff.

The Company represents that the proposed Revised Agreements reflect: (a) the change in Shared Services that WGL will provide to the Current Affiliates as a result of the Merger; (b) that WGL will continue to provide Shared Services to the Current Affiliates post-Merger under substantively similar terms and conditions as the Commission has previously approved; and (c) "house-keeping" revisions.[6]

The Company also requests approval of new Service Agreements ("New Agreements") between WGL and each of the following 20 entities that are new affiliates of the Company as a result of the AltaGas Merger ("New Affiliate(s)"):[7] ASUS; AltaGas Power Holdings (U.S.) Inc.; AltaGas Utility Holdings (U.S.) Inc.; Wrangler 1 LLC; SEMCO Energy, Inc.; AltaGas Marketing (U.S.) Inc.; AltaGas Facilities (U.S.) Inc.; Blythe; Blythe Energy Inc.; Ripon; AltaGas Ripon Energy Inc.; AltaGas Pomona Energy Inc.; AltaGas Pomona Energy Storage Inc.; AltaGas Sonoran Energy Inc.; AltaGas Brush Energy Inc.; AltaGas Renewable Energy Colorado LLC; AltaGas Decker Energy Inc.; Decker Energy-Grayling, Inc.; Decker Energy-Craven GP, LLC; and Decker Energy-Craven LP, LLC. Under the proposed New Agreements, WGL will provide to each New Affiliate a unique selection of the 13 different categories of Shared Services shown in Staff Exhibit 2 to the Action Brief filed in this proceeding by the Staff.

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[1] Code § 56-76 *et seq*.

[2] Application at 1. *See Joint Petition of Washington Gas Light Company, WGL Holdings, Inc., and AltaGas Ltd., For approval of an acquisition of control of a public utility pursuant to Chapter 5 of Title 56 of the Code of Virginia,* Case No. PUR-2017-00049, 2017 S.C.C. Ann. Rept. 492, Final Order (Oct. 20, 2017). On April 4, 2018, the Maryland Public Service Commission approved the Merger subject to certain conditions, which the Applicants accepted. *See In the Matter of the Merger of AltaGas Ltd. and WGL Holdings, Inc.,* Case No. 9449, Order No. 88631 (April 4, 2018), and letter from counsel for Applicants (April 5, 2018). On June 29, 2018, the Public Service Commission of the District of Columbia issued an Order approving the proposed Merger and Settlement Agreement, subject to certain conditions, which the settling parties accepted. *See In the matter of the merger of AltaGas Ltd. and WGL Holdings, Inc.,* Formal Case No. 1142, Order No. 19396 (June 29, 2018), and letter from counsel on behalf of settling parties (July 2, 2018). The Merger transaction closed on July 6, 2018.

[3] On September 21, 2018, the Commission Staff ("Staff") filed a Memo of Completeness deeming the Application complete and noting that the September 18, 2018 filing constitutes an amendment to the Application and, therefore, restarts the time period for statutory review purposes effective as of that date.

[4] *See Application of Washington Gas Light Company, For approval of service agreements pursuant to Code § 56-76 et seq.*, Case No. PUR-2017-00130, 2017 S.C.C. Ann. Rept. 568, Order Granting Approval (Dec. 19, 2017) ("Prior Order").

[5] *Id*.

[6] Application at 11-14.

[7] In its initial Application, the Company requested approval of Service Agreements with 22 New Affiliates; however, the Company subsequently advised Staff that in November 2018, it sold the legal enitites of AltaGas Tracy Operations Inc. ("Tracy"), and AltaGas San Joaquin Energy Inc. ("San Joaquin"), as noted in AltaGas's September 10, 2018 press release. Therefore, WGL requested that the Service Agreements for these two entities be extracted from the Application. Accordingly, all references herein to the New Affiliates and the New Agreements exclude the entities of San Joaquin and Tracy.

The Company proposes to provide Shared Services to the New Affiliates under the same terms and conditions as it provides those services to the Current Affiliates.[8] The Company states that based on the integration planning related to the Merger, the following 13 categories of Shared Services will be provided to the New Affiliates: Accounting and Tax; Office of the General Counsel; Internal Audit; Finance; Corporate Communications; Executive Officers; Information Technology Services; Cash Receipts/Cash Disbursements; Human Resources; Payroll and Benefits; Supply Chain; Facilities and Transportation; and Security. The Company represents that upon Commission approval of the New Agreements, WGL will begin providing the approved Shared Services to the New Affiliates during the post-Merger integration period as needed, and continue to do so after the integration has been completed.

NOW THE COMMISSION, upon consideration of this matter and having been advised by Staff, is of the opinion and finds that the Revised Agreements and the New Agreements are in the public interest and should be approved subject to certain requirements set forth in the Appendix attached hereto.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-77, the Company hereby is granted approval to enter into the Revised Agreements and the New Agreements effective as of the date of this Order, subject to the requirements set forth in the Appendix attached hereto.

(2) This case is dismissed.

[8] Application at 14-15.

APPENDIX

(1) The Commission's approval of the Revised Agreements and New Agreements (collectively, "Service Agreements") shall be limited to five (5) years from the date of the Order in this case. Should the Company wish to continue under any of the Service Agreements beyond that date, separate Commission approval shall be required.

(2) The Commission's approval granted in this case shall have no accounting or ratemaking implications.

(3) The Commission's approval shall be limited to the specific Shared Services identified in each of the Service Agreements. Should any of the Current Affiliates or New Affiliates (collectively, "Affiliates") wish to receive additional Shared Services from WGL that are not specifically identified in their respective Service Agreements, separate Commission approval shall be required.

(4) Separate Affiliates Act approval shall be required for WGL to provide Shared Services to the Affiliates through the engagement of any affiliated third parties under the Service Agreements.

(5) Separate Commission approval shall be required for any changes in the terms and conditions of the Service Agreements, including any changes in the Shared Services provided, allocation methodologies, Shared Service category descriptions, and successors or assigns.

(6) Separate Affiliates Act approval shall be required for the transfer of any goods or equipment between WGL and the Affiliates.

(7) The Company shall bear the burden of proving, in any rate proceeding, that the Shared Services provided to the Affiliates under the Service Agreements are priced at the higher of cost or market where a market for such Shared Services exists.

(8) The approval granted in this case shall not preclude the Commission from exercising its authority under Va. Code § 56-76 *et seq*., hereafter.

(9) The Commission shall reserve the right to examine the books and records of any affiliate in connection with the approval granted in this case whether or not such affiliate is regulated by this Commission.

(10) The Company shall file with the Commission signed and executed copies of each of the Revised Agreements and New Agreements approved herein within ninety (90) days of the effective date of the Order in this case, subject to administrative extension by the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director").

(11) The Company shall provide to the UAF Director an updated Cost Allocation Manual reflecting any necessary changes as a result of the Merger, the revisions to the Shared Services, or the addition of the New Agreements.

(12) Under the Revised Agreements, the Company may provide Asset Optimization services ("AO Services")[1] under the Finance services category to Midstream, Midstream CP, Midstream MP, Midstream MVP, and Midstream SGG (collectively, "Midstream Affiliates"), as well as act on Midstream's behalf to provide asset management services to non-affiliated third parties. Therefore, consistent with the Commission's directive in Case No. PUR-2017-00130,[2] any AO Transactions provided by WGL shall be limited to those that are related and incidental to the type of AO Transactions conducted for the utility itself.

(13) All transactions associated with the Service Agreements shall be included in WGL's Annual Report of Affiliate Transactions ("ARAT"), submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. All WGL ARAT reporting shall include, but not be limited to, the following information:

[1] Hereafter, the term AO Services refers to both asset optimization services and asset management services; "AO Transactions" refers to both asset optimization and asset management transactions; and "AO Revenues" refers to both asset optimization and asset management revenues.

[2] *See Application of Washington Gas Light Company, For approval of service agreements pursuant to Code § 56-76 et seq.*, Case No. PUR-2017-00130, 2017 S.C.C. Ann. Rept. 568, Order Granting Approval (Dec. 19, 2017), Appendix at 2, Requirement (12).

(a) The most recent Case Number under which the agreement was approved;
(b) The name and type of activity performed by each affiliate under the agreement; and,
(c) A schedule, in Excel electronic spreadsheet format with formulas intact, listing the prior year's transactions by month, type of service, FERC account, and dollar amount (as the transaction is recorded on the utility's books).

(14) In addition to Requirement (13) above, the Company shall continue to track the AO Services provided to the Midstream Affiliates and non-affiliated third parties in its ARAT. Specifically, the reporting shall include:

(a) The name of each Midstream Affiliate and non-affiliated party that directly or indirectly receives AO Services;
(b) The net annual AO Services costs charged to each Midstream Affiliate and non-affiliated third party;
(c) The net annual AO Revenues generated for each Midstream Affiliate and non-affiliated third party;
(d) A list of the type of AO Transactions conducted; and
(e) A discussion of changes in risk management practices during the year.

(15) In the event that WGL's annual informational filings or expedited or general rate case filings are not based on a calendar year, then WGL shall include the affiliate information contained in its ARAT for the test period in such filings.

(16) The Commission's approval granted in this case shall supersede the approval granted in Case No. PUR-2017-00130.

NOTE: A copy of Staff Exhibits I, II, and III 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. PUR-2018-00131
SEPTEMBER 14, 2018

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.

For authority to increase rates and to revise the terms and conditions applicable to gas service

ORDER FOR NOTICE AND HEARING

On August 28, 2018, Columbia Gas of Virginia, Inc. ("CVA" or "Company") filed an application with the State Corporation Commission ("Commission") pursuant to Chapter 10 of Title 56 (§ 56-232 *et seq*.) of the Code of Virginia ("Code") and the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings,[1] requesting authority to increase its rates and charges, effective for the first billing unit of February 2019, and to revise other terms and conditions applicable to gas service ("Application").[2] In its Application, CVA indicates that the proposed rates and charges are designed to increase the Company's non-gas base revenues by approximately $22.2 million per year, which includes approximately $8 million currently being collected by the Company outside of base rates in a surcharge associated with its Steps to Advance Virginia's Energy ("SAVE") plan ("SAVE Plan") pursuant to Code § 56-603 *et seq*. ("SAVE Act").[3] CVA states that it is proposing to include recovery of the costs associated with approximately $67.5 million of net rate base SAVE investments as of December 31, 2018, in base rates, as permitted by the SAVE Act.[4] Further, the Company indicates that its proposed revenue requirement incorporates the income tax savings from the federal Tax Cut and Jobs Act of 2017 ("TCJA"), which reduced the federal corporate income tax from 35% to 21% effective January 1, 2018.[5] CVA asserts that its Application is in compliance with the Commission's TCJA Order dated April 25, 2018, in Case No. PUR-2018-00005.[6]

CVA states that the requested increase in annual non-gas base revenues reflects its costs and revenues for the test year ended December 31, 2017; the increase in the Company's rate base since its last base rate increase in 2016;[7] an updated capital structure and requested return on equity of 10.95%; and certain rate year adjustments that "reasonably can be predicted to occur" during the 12 months ending January 31, 2020 ("Rate Year"), as permitted by Code § 56-235.2.; as well as certain customer benefits described in the Application.[8]

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[1] 20 VAC 5-201-10 *et seq*.

[2] On August 29, 2018, the Company filed an Errata to the Application including a Revised Attachment CEN-21 and three specific pages to replace those filed on August 28, 2018.

[3] Application at 1.

[4] *Id*.

[5] *Id*.

[6] *See Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Regulatory Accounting related to the federal Tax Cuts and Jobs Act of 2017*, Case No. PUR-2018-00005, Doc. Con. Cen. No. 180440173, Order (Apr. 25, 2018).

[7] *See Application of Columbia Gas of Virginia, Inc., For authority to increase rates and charges and to revise the terms and conditions applicable to gas service*, Case No. PUE-2016-00033, 2017 Ann. Rept. 330, Final Order (Mar. 17, 2017) ("2016 Rate Case").

[8] Application at 4-6.

In the Application, CVA represents that in the time since it was last authorized to increase its rates and charges in the 2016 Rate Case, the Company has made significant capital investments to improve the overall safety, reliability, and integrity of its natural gas system for the benefit of customers and to accommodate steady customer growth.[9] CVA states it will have invested more than $300 million in capital expenditures on behalf of its customers from the beginning of 2017 through the end of 2019.[10] The Company asserts that, of this amount, it will invest over $110 million in modernization through its SAVE Plan and approximately $130 million to support growth on the CVA system.[11]

In its Application CVA states that, in the time since the 2016 Rate Case, the Company has also continued to enhance pipeline safety and reliability through its formal integrity management program for its distribution system ("DIMP") by identifying, prioritizing, and reducing gas distribution pipeline integrity risks.[12] CVA indicates that, apart from DIMP initiatives, the Company conducts other operations and maintenance activities focused on further enhancing the safety of CVA's infrastructure, its employees, and the communities it serves.[13] CVA asserts that, during the Rate Year, it expects to continue safety-related initiatives including (i) implementation of a Pipeline Safety Management System; (ii) remediation of post-1971 shallow transmission mains and remediation of unplanned exposures on distribution mains; (iii) maintenance and repair of measurement and regulation stations; (iv) enhanced emergency response; and (v) enhanced right-of-way maintenance.[14]

According to the Company, the proposed rate increase would increase the average monthly bill of a typical residential customer using 5.4 dekatherms from approximately $74.32 to approximately $79.93, or by 7.55%.[15]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this matter should be docketed; CVA should provide public notice of its Application; a public hearing should be scheduled for the purpose of receiving testimony and evidence on the Application; interested persons should have an opportunity to file comments on the Application or participate as a respondent in this proceeding; and the Commission's Staff ("Staff") should be directed to investigate the Application and file testimony and exhibits containing its findings and recommendations thereon.

We also find that a Hearing Examiner should be assigned to conduct all further proceedings in this matter on behalf of the Commission, including filing a final report containing the Hearing Examiner's findings and recommendations.

Pursuant to Code § 56-238, the Commission will direct the Company to provide a bond to ensure prompt refund of any excess rates or charges.

Accordingly, IT IS ORDERED THAT:

(1) As provided by § 12.1-31 of the Code and Rule 5 VAC 5-20-120, *Procedure before Hearing Examiners*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"),[16] a Hearing Examiner is appointed to conduct all further proceedings in this matter on behalf of the Commission.

(2) CVA may place its proposed rates into effect on an interim basis, subject to refund with interest, effective for the first billing unit of February 2019.

(3) On or before December 12, 2018, CVA shall file a bond with the Commission in the amount of $22.2 million payable to the Commission and conditioned to insure the prompt refund by the Company to those entitled thereto of all amounts that the Company shall collect in excess of such rates and charges as the Commission may finally fix and determine.

(4) A public hearing on the Application shall be convened on April 23, 2019, at 10 a.m., in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive the testimony of public witnesses and the evidence of the Company, any respondents, and the Staff. Any person desiring to offer testimony as a public witness at this hearing should appear in the Commission's courtroom fifteen (15) minutes prior to the starting time of the hearing and identify himself or herself to the Commission's Bailiff.

(5) The Company shall make copies of the public version of its Application, as well as a copy of this Order for Notice and Hearing, available for public inspection during regular business hours at each of the Company's business offices in the Commonwealth of Virginia. Copies also may be obtained by submitting a written request to counsel for the Company, Vishwa B. Link, Esquire, McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219. If acceptable to the requesting party, the Company may provide the documents by electronic means. Copies of the public version of all documents also shall be available for interested persons to review in the Commission's Document Control Center located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays. Interested persons also may download unofficial copies from the Commission's website: http://www.scc.virginia.gov/case.

(6) On or before November 7, 2018, the Company shall cause the following notice to be published as display advertising (not classified) on one occasion in newspapers of general circulation throughout the Company's service territory in Virginia:

[9] *Id*. at 2-3.

[10] *Id*. at 3.

[11] *Id.*

[12] *Id*. at 4.

[13] *Id.*

[14] *Id.* at 4-5.

[15] Direct Testimony of Chad E. Notestone at Revised Attachment CEN-21 at 1.

[16] 5 VAC 5-20-10 *et seq.*

NOTICE TO THE PUBLIC OF AN APPLICATION BY
COLUMBIA GAS OF VIRGINIA, INC., FOR AUTHORITY TO
INCREASE RATES AND TO REVISE THE TERMS AND
CONDITIONS APPLICABLE TO GAS SERVICE
CASE NO. PUR-2018-00131

- **Columbia Gas of Virginia, Inc. ("CVA") has applied for authority to increase rates and to revise the terms and conditions applicable to gas service.**
- **CVA requests an increase to its total revenue requirement of $22.2 million.**
- **A Hearing Examiner appointed by the Commission will hear the case on April 23, 2019, at 10 a.m.**
- **Further information about this case is available on the State Corporation Commission's website at: http://www.scc.virginia.gov/case.**

On August 28, 2018, Columbia Gas of Virginia, Inc. ("CVA" or "Company") filed an application with the State Corporation Commission ("Commission") pursuant to Chapter 10 of Title 56 (§ 56-232 *et seq*.) of the Code of Virginia ("Code") and the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings, requesting authority to increase its rates and charges, effective for the first billing unit of February 2019, and to revise other terms and conditions applicable to gas service ("Application"). In its Application, CVA indicates that the proposed rates and charges are designed to increase the Company's non-gas base revenues by approximately $22.2 million per year, which includes approximately $8 million currently being collected by the Company outside of base rates in a surcharge associated with its Steps to Advance Virginia's Energy ("SAVE") plan ("SAVE Plan") pursuant to Code § 56-603 *et seq*. ("SAVE Act"). CVA states that it is proposing to include recovery of the costs associated with approximately $67.5 million of net rate base SAVE investments as of December 31, 2018, in base rates, as permitted by the SAVE Act. Further, the Company indicates that its proposed revenue requirement incorporates the income tax savings from the federal Tax Cut and Jobs Act of 2017, which reduced the federal corporate income tax from 35% to 21% effective January 1, 2018. CVA asserts that its Application is in compliance with the Commission's Order dated April 25, 2018, in Case No. PUR-2018-00005.

CVA states that the requested increase in annual non-gas base revenues reflects its costs and revenues for the test year ended December 31, 2017; the increase in the Company's rate base since its last base rate increase in 2016; an updated capital structure and requested return on equity of 10.95%; and certain rate year adjustments that "reasonably can be predicted to occur" during the 12 months ending January 31, 2020 ("Rate Year"), as permitted by Code § 56-235.2; as well as certain customer benefits described in the Application.

In the Application, CVA represents that in the time since it was last authorized to increase its rates and charges in the 2016 Rate Case, the Company has made significant capital investments to improve the overall safety, reliability, and integrity of its natural gas system for the benefit of customers and to accommodate steady customer growth. CVA states it will have invested more than $300 million in capital expenditures on behalf of its customers from the beginning of 2017 through the end of 2019. The Company asserts that, of this amount, it will invest over $110 million in modernization through its SAVE Plan and approximately $130 million to support growth on the CVA system.

In its Application CVA states that, in the time since the 2016 Rate Case, the Company has also continued to enhance pipeline safety and reliability through its formal integrity management program for its distribution system ("DIMP") by identifying, prioritizing, and reducing gas distribution pipeline integrity risks. CVA indicates that, apart from DIMP initiatives, the Company conducts other operations and maintenance activities focused on further enhancing the safety of CVA's infrastructure, its employees, and the communities it serves. CVA asserts that, during the Rate Year, it expects to continue safety-related initiatives including (i) implementation of a Pipeline Safety Management System; (ii) remediation of post-1971 shallow transmission mains and remediation of unplanned exposures on distribution mains; (iii) maintenance and repair of measurement and regulation stations; (iv) enhanced emergency response; and (v) enhanced right-of-way maintenance.

According to the Company, the proposed rate increase would increase the average monthly bill of a typical residential customer using 5.4 dekatherms from approximately $74.32 to approximately $79.93, or by 7.55%.

Interested persons are encouraged to review the Application and supporting documents for the details of these and other proposals.

TAKE NOTICE that the Commission may apportion revenues among customer classes and/or design rates in a manner differing from that shown in the Application and supporting documents and thus may adopt rates that differ from those appearing in the Company's Application and supporting documents.

The Commission entered an Order for Notice and Hearing that, among other things, scheduled a public hearing on April 23, 2019, at 10 a.m., in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, to receive testimony from members of the public and evidence related to the Application from the Company, any respondents, and the Commission's Staff. Any person desiring to testify as a public witness at this hearing should appear fifteen (15) minutes prior to the starting time of the hearing and contact the Commission's Bailiff.

The public version of the Company's Application, as well as the Commission's Order for Notice and Hearing, are available for public inspection during regular business hours at each of the Company's business offices in the Commonwealth of Virginia. Copies also may be obtained by submitting a written request to counsel for the Company, Vishwa B. Link, Esquire, McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219. If acceptable to the requesting party, the Company may provide the documents by electronic means.

Copies of the public version of the Application and other documents filed in this case also are available for interested persons to review in the Commission's Document Control Center located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, between the hours of 8:15 a.m. and 5 p.m., Monday through Friday, excluding holidays. Interested persons also may download unofficial copies from the Commission's website: http://www.scc.virginia.gov/case.

On or before April 16, 2019, any interested person wishing to comment on the Company's Application shall file written comments on the Application with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Any interested person desiring to file comments electronically may do so on or before April 16, 2019, by following the instructions on the Commission's website: http://www.scc.virginia.gov/case. Compact discs or any other form of electronic storage medium may not be filed with the comments. All such comments shall refer to Case No. PUR-2018-00131.

On or before January 15, 2019, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation. If not filed electronically, an original and fifteen (15) copies of the notice of participation shall be submitted to the Clerk of the Commission at the address above. A copy of the notice of participation as a respondent also must be sent to counsel for the Company at the address set forth above. Pursuant to Rule 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"), any notice of participation shall set forth: (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 organization, corporation, or government body participating as a respondent must be represented by counsel as required by Rule 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2018-00131.

On or before February 26, 2019, each respondent may file with the Clerk of the Commission, and serve on the Commission's Staff, the Company, and all other respondents, any testimony and exhibits by which the respondent expects to establish its case, and each witness's testimony shall include a summary not to exceed one page. If not filed electronically, an original and fifteen (15) copies of such testimony and exhibits shall be submitted to the Clerk of the Commission at the address above. In all filings, respondents shall comply with the Commission's Rules of Practice, including 5 VAC 5-20-140, *Filing and service,* and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2018-00131.

All documents filed with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

The Commission's Rules of Practice may be viewed at http://www.scc.virginia.gov/case. A printed copy of the Commission's Rules of Practice and an official copy of the Commission's Order for Notice and Hearing in this proceeding may be obtained from the Clerk of the Commission at the address above.

COLUMBIA GAS OF VIRGINIA, INC.

(7) On or before November 7, 2018, the Company shall serve a copy of this Order for Notice and Hearing on the following officials, to the extent the position exists, in each county, city, and town in which the Company provides service in the Commonwealth of Virginia: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city and town; and the county, city, or town attorney. Service shall be made by either personal delivery or first class mail to the customary place of business or residence of the person served.

(8) On or before December 5, 2018, the Company shall file proof of the notice and service required by Ordering Paragraphs (6) and (7), including the name, title, and address of each official served, with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118.

(9) On or before April 16, 2019, any interested person may file written comments on the Application with the Clerk of the Commission at the address shown in Ordering Paragraph (8). Any interested person desiring to submit comments electronically may do so on or before April 16, 2019, by following the instructions found on the Commission's website: http://www.scc.virginia.gov/case. Compact discs or any other form of electronic storage medium may not be filed with the comments. All comments shall refer to Case No. PUR-2018-00131.

(10) On or before January 15, 2019, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation. If not filed electronically, an original and fifteen (15) copies of the notice of participation shall be submitted to the Clerk of the Commission at the address set forth in Ordering Paragraph (8). The respondent simultaneously shall serve a copy of the notice of participation on counsel to the Company at the address in Ordering Paragraph (5). Pursuant to Rule 5 VAC 5-20-80 B, *Participation as a respondent*, of the Commission's Rules of Practice, any notice of participation shall set forth: (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 organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2018-00131.

(11) Within five (5) business days of receipt of a notice of participation as a respondent, the Company shall serve upon each respondent a copy of this Order for Notice and Hearing, a copy of the public version of the Application, and a copy of the public version of all materials filed by the Company with the Commission, unless these materials already have been provided to the respondent.

(12) On or before February 26, 2019, each respondent may file with the Clerk of the Commission at the address set forth in Ordering Paragraph (8) and serve on the Staff, the Company, and all other respondents, any testimony and exhibits by which the respondent expects to establish its case, and each witness's testimony shall include a summary not to exceed one page. If not filed electronically, an original and fifteen (15) copies of such testimony and exhibits shall be submitted to the Clerk of the Commission. In all filings, the respondent shall comply with the Commission's Rules of Practice, including 5 VAC 5-20-140, *Filing and service*, and 5 VAC 5-20-240, *Prepared testimony and exhibits*. All filings shall refer to Case No. PUR-2018-00131.

(13) The Staff shall investigate the Application. On or before March 19, 2019, Staff shall file with the Clerk of the Commission an original and fifteen (15) copies of its testimony and exhibits, and each Staff witness's testimony shall include a summary not to exceed one page. The Staff shall serve a copy thereof on counsel to CVA and all respondents.

(14) On or before April 9, 2019, CVA shall file with the Clerk of the Commission: (a) any rebuttal testimony and exhibits that it expects to offer, and each rebuttal witness's testimony shall include a summary not to exceed one page; and (b) a summary not to exceed one page of each direct witness's testimony if not previously included therewith. The Company shall serve a copy of the testimony and exhibits on the Staff and all respondents. If not filed electronically, an original and fifteen (15) copies of such rebuttal testimony and exhibits shall be submitted to the Clerk of the Commission at the address set forth in Ordering Paragraph (8).

(15) All documents filed with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

(16) The Commission's Rule of Practice 5 VAC 5-20-260, *Interrogatories or requests for production of documents and things*, shall be modified for this proceeding as follows: responses and objections to written interrogatories and requests for production of documents shall be served within seven (7) calendar days after receipt of the same. In addition to the service requirements of 5 VAC 5-20-260, on the day that copies are filed with the Clerk of the Commission, a copy of the interrogatory or request for production shall be served electronically, or by facsimile, on the party to whom the interrogatory or request for production is directed or the assigned Staff attorney if the interrogatory or request for production is directed to the Staff.[17] Except as modified above, discovery shall be in accordance with Part IV of the Commission's Rules of Practice, 5 VAC 5-20-240 *et seq*.

(17) This matter is continued.

[17] The assigned Staff attorney is identified on the Commission's website: http://www.scc.virginia.gov/case, by clicking "Docket Search," and clicking "Search Cases," and entering the case number, PUR-2018-00131, in the appropriate box.

CASE NO. PUR-2018-00132
OCTOBER 26, 2018

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.

For approval to implement a 2019 SAVE Plan Infrastructure Reliability and Replacement Adjustment in accordance with Section 20 of its General Terms and Conditions

ORDER APPROVING 2019 SAVE RIDER

On August 15, 2018, Columbia Gas of Virginia, Inc. ("CVA" or "Company"), filed with the State Corporation Commission ("Commission"), pursuant to the Steps to Advance Virginia's Energy Plan (SAVE) Act, Chapter 26 of Title 56 ("SAVE Act") of the Code of Virginia ("Code"),[1] an application ("Application") for approval to implement a 2019 Infrastructure Reliability and Replacement Adjustment ("IRRA" or "SAVE Rider").

[1] Code § 56-603 *et seq*.

Section 56-604 A of the SAVE Act allows CVA to recover SAVE eligible infrastructure costs (as defined in Code § 56-603) through a SAVE Rider, which is defined in the Company's tariff as the IRRA. Accordingly, CVA requests authority to implement a 2019 IRRA in accordance with Section 20 of its General Terms and Conditions, as contemplated in the Commission's November 28, 2011 Order Approving SAVE Plan and Rider in Case No. PUE-2011-00049,[2] and most recently modified by the December 13, 2017 Order Approving Amended SAVE Rider for Calendar Year 2018 in Case No. PUR-2017-00095.[3] The 2019 IRRA comprises a 2017 Infrastructure Replacement Reconciliation Rate ("IRRR" or "True-Up Factor") and a 2019 Infrastructure Replacement Current Rate ("IRCR" or "Projected Factor") and is billed as a combined fixed charge each month.[4] The 2017 IRRR is designed to true-up, on an annual basis, the actual SAVE Rider revenues against the preceding year's actual cost of service as determined from actual SAVE-eligible expenditures.[5] The 2019 IRCR is designed to recover projected costs associated with SAVE-eligible infrastructure replacements during calendar year 2019.[6]

In its Application, the Company seeks approval of the following: (1) the Company's 2017 True-Up Factor credit in the amount of $57,361;[7] (2) the Company's 2019 Projected Factor in the amount of $2,201,015;[8] and (3) the filing of rate sheets implementing the 2019 Projected Factor and 2017 True-Up Factor. The 2019 Projected Factor and the 2017 True-Up Factor result in a SAVE Rider total net charge to customers of $2,143,654 for 2019.[9]

Additionally, the Company states that it has historically included several schedules with its SAVE Plan filings that are now obsolete ("Historical Schedules") as they are either inapplicable to CVA's current or future SAVE Plans or contain information that has been incorporated in the standard and supplemental schedules that were filed as Attachments A and B to the Application. Therefore, the Company requests that the Commission deem sufficient the schedules provided as Attachments A and B to the Application for this and future SAVE Plan filings. CVA further requests that the Commission relieve the Company of the requirement to submit to the Division of Utility and Railroad Safety a prioritized list of measurement and regulation ("M&R") stations to be addressed using SAVE funds within 60 days prior to the initiation of any SAVE-related work.

On August 27, 2018, the Commission entered an Order for Notice and Comment, which, among other things, required CVA to provide public notice of its Application; provided interested persons an opportunity to file comments on the Application, file notices of participation, or request a hearing on the Application; directed the Staff of the Commission ("Staff") to investigate the Application and file a report ("Report" or "Staff Report") containing its findings and recommendations; and provided an opportunity for the Company to file a response to the Staff Report ("Response"). No notices of participation or requests for hearing were filed.

Among other things, Staff audited the Company's 2017 actual collections, capital expenditures, and costs included in the True-Up Factor; reviewed the Company's Projected Factor calculation; and filed its Report on October 9, 2018. After making several corrections and adjustments, Staff calculated a 2017 True-Up Factor revenue requirement of $43,816 and a 2019 Projected Factor revenue requirement of $2,390,070, for a total 2019 SAVE Rider revenue requirement of $2,433,886.[10] In its Report, Staff noted that the revenue requirement it calculated is higher than the Company's requested 2019 SAVE Rider revenue requirement of $2,143,654.[11] Therefore, Staff recommended that, should the Commission limit the approved revenue requirement to the amount requested by the Company, the 2019 SAVE Rider should consist of a 2017 True-Up Factor of $43,816 and a 2019 Projected Factor of $2,099,838.[12]

On October 16, 2018, the Company filed its Response to the Staff Report. In its Response, the Company did not object to Staff's accounting analysis determination and agreed to Staff's recommended resolution.[13] The Company further noted that Staff did not address in its Report the Company's requests for relief from data submissions.[14]

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Company's Application is approved, subject to the requirements discussed below. For purposes of calculating the 2019 SAVE Rider, we accept Staff's accounting adjustments as set forth in the Staff Report. We further find that a total revenue requirement of $2,143,654 is reasonable and shall be approved for purposes of this proceeding. This revenue

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[2] *Application of Columbia Gas of Virginia, Inc., For approval of a SAVE plan and rider as provided by Virginia Code § 56-604,* Case No. PUE-2011-00049, 2011 S.C.C. Ann. Rept. 501, Order Approving SAVE Plan and Rider (Nov. 28, 2011).

[3] *Application of Columbia Gas of Virginia, Inc., For approval to amend a SAVE Plan pursuant to § 56-604 of the Code of Virginia and For approval to implement a 2018 SAVE Plan Infrastructure Reliability and Replacement Adjustment in accordance with Section 20 of its General Terms and Conditions,* Case No. PUE-2017-00095, 2017 S.C.C. Ann. Rept. 534, Order Approving Amended SAVE Rider for Calendar Year 2018 (Dec. 13, 2017).

[4] Application at 2.

[5] *Id.* at 3.

[6] *Id*. at 4.

[7] Schedule 1.

[8] *Id*.

[9] *Id*.

[10] Report at 3.

[11] *Id.* at 7.

[12] *Id.* at 8.

[13] Response at 2.

[14] *Id.* at 3.

requirement comprises a 2017 True-Up Factor in the amount of $43,816 and a 2019 Projected Factor in the amount of $2,099,838. Further, we deem sufficient for CVA's SAVE Plan filings the schedules provided in Attachments A and B of the Application. Lastly, we find that the Company should be relieved of the requirement to submit to the Division of Utility and Railroad Safety a prioritized list of M&R stations to be addressed using SAVE funds within 60 days prior to the initiation of any SAVE-related work.

Accordingly, IT IS ORDERED THAT:

(1) The Company's Application is approved, subject to the modifications as set forth within this Order. Specifically, we approve the Company's 2017 True-Up Factor as modified by the Staff Report to be effective with the first billing unit of January 2019 through the last billing unit of December 2019. Further we approve the Company's 2019 Projected Factor as modified by the Staff Report to be implemented with the first billing unit of January 2019 through the last billing unit of December 2019 to recover eligible infrastructure replacement costs that are not otherwise recovered through new base non-gas rates anticipated to go into effect on February 1, 2019.

(2) CVA forthwith shall file with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance revised tariffs for the 2019 SAVE Rider, with workpapers supporting the revenue requirement and rates, which shall reflect the findings set forth in this Order. The Clerk shall retain such filing for public inspection in person and on the Commission's website: http://www.scc.virginia.gov/case.

(3) The Company is not required to file the Historical Schedules with any future SAVE Plan filings.

(4) The Company hereby is relieved of the requirement to submit to the Division of Utility and Railroad Safety a prioritized list of M&R stations to be addressed using SAVE funds within 60 days prior to the initiation of any SAVE-related work.

(5) This matter is dismissed.

CASE NO. PUR-2018-00135
NOVEMBER 2, 2018

PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For a prudency determination with respect to the Water Strider Solar Power Purchase Agreement pursuant to § 56-585.1:4 F of the Code of Virginia

FINAL ORDER

On August 17, 2018, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion" or "Company"), pursuant to Code § 56-585.1:4 F, filed a petition ("Petition") with the State Corporation Commission ("Commission") for a prudency determination with respect to the Company's proposed power purchase agreement ("PPA") with Water Strider Solar LLC ("Solar PPA"), associated with an 80 megawatt ("MW") solar facility to be located in Halifax County, Virginia ("Project").

The Company states that the Project will be developed by Cypress Creek Renewables and interconnected to the Dominion Energy Virginia Transmission system.[1] According to the Petition, the Company selected the Project through a competitive solicitation process.[2] The Company states that it reviewed proposals for completeness and conformity to the request for proposals, and a short list was developed.[3] The Company further asserts that the Project offered the highest customer net present value of all the short-listed PPA proposals when compared to market purchases.[4] The Company states that it executed the Solar PPA on May 31, 2018, contingent upon receiving Commission approval.[5] The Company states that it will recover the costs associated with the Solar PPA through base rates and the fuel factor, as applicable.[6]

The Petition states that, if deemed prudent by the Commission, the anticipated commercial operations date for the Project is the fourth quarter of 2020 with a Solar PPA term of 20 years.[7]

In sum, the Company "respectfully requests that the Commission issue an Order (1) finding that the [Solar] PPA is prudent, and (2) granting any such other approvals as deemed appropriate and necessary."[8]

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[1] Ex. 2 (Petition) at 2-3.

[2] *Id.* at 3.

[3] *Id.*

[4] *Id.* at 4.

[5] *Id.*

[6] *Id.*

[7] *Id.* at 3.

[8] *Id.* at 7.

On August 21, 2018, the Commission issued an Order for Notice and Hearing, which established procedures for this case. The Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") filed a notice of participation.

On October 4, 2018, the Commission received oral argument on legal issues attendant to this matter. The evidentiary public hearing in this case was held on October 15-16, 2018, in which the following participated: Dominion; Consumer Counsel; and the Commission's Staff. No public witnesses testified at the hearing, and the Commission received one electronic comment from a public witness.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds as follows.

Code § 56-585.1:4 F

Dominion filed the instant Petition under Code § 56-585.1:4 F, which was enacted during the 2018 Session of the General Assembly.[9] Code § 56-585.1:4 F states as follows (emphases added):

> A utility may elect to petition the Commission, outside of a triennial review proceeding conducted pursuant to § 56-585.1, at any time for a *prudency determination* with respect to the construction or purchase by the utility of one or more solar or wind generation facilities located in the Commonwealth or off the Commonwealth's Atlantic Shoreline or the *purchase by the utility of energy, capacity, and environmental attributes from solar* or wind *facilities owned by persons other than the utility*. The Commission's final order regarding any such petition shall be entered by the Commission *not more than three months* after the date of the filing of such petition.

Public Interest

The General Assembly has mandated that utility purchases such as the Solar PPA are in the "public interest" (emphases added):

- Prior to January 1, 2024, (i) the construction or purchase by a public utility of one or more solar or wind generation facilities located in the Commonwealth or off the Commonwealth's Atlantic shoreline, each having a rated capacity of at least one megawatt and having in the aggregate a rated capacity that does not exceed 5,000 megawatts, or (ii) the *purchase by a public utility of energy, capacity, and environmental attributes from solar facilities described in clause (i) owned by persons other than a public utility is in the public interest, and the Commission shall so find if required to make a finding regarding whether such* construction or *purchase is in the public interest*. Code § 56-585.1:4 A.

- Twenty-five percent of the *solar generation capacity* placed in service on or after July 1, 2018, located in the Commonwealth, *and found to be in the public interest pursuant to subsection A or B shall be from the purchase by a public utility of energy, capacity, and environmental attributes from solar facilities owned by persons other than a public utility*. The remainder shall be construction or purchase by a public utility of one or more solar generation facilities located in the Commonwealth. All of the solar generation capacity located in the Commonwealth and found to be in the public interest pursuant to subsection A or B shall be subject to competitive procurement, provided that a public utility may select solar generation capacity without regard to whether such selection satisfies price criteria if the selection of the solar generating capacity materially advances non-price criteria, including favoring geographic distribution of generating capacity, areas of higher employment, or regional economic development, if such non-price solar generating capacity selected does not exceed 25 percent of the utility's solar generating capacity. Code § 56-585.1:4 D.

Evidence

Evidence in this case relevant to the *factual* question of prudency includes the following:

Risk

- The Project's developer – not Dominion's customers – bears almost all of the risks of this Project.[10]

- The terms and conditions of the Solar PPA are structured so that the Project's developer bears the production risk.[11]

- The Project's developer also bears the performance risk, because the Company will only pay for the actual solar energy generated.[12]

- "The Solar PPA provides a unique safeguard to the ratepayer [because] the developer . . . takes on the risk of recovering their costs for the facility, unlike with a traditional generation facility owned by the Company, where cost recovery is guaranteed from ratepayers regardless of actual performance."[13]

- The Project will be constructed and operated with known and proven technology.[14]

[9] 2018 Acts ch. 296, or Senate Bill 966.

[10] Ex. 4 (Samuel) at 11-12; Ex. 6 (Billingsley Rebuttal) at 3.

[11] *Id*.

[12] Ex. 4 (Samuel) at 11-12.

[13] *Id*. at 12.

[14] Ex. 3 (Billingsley Direct) Public Schedule 1 at 4.

Cost

- The Solar PPA is the result of an extensive and transparent competitive bidding process.[15]
- The competitive bidding process resulted in approximately 100 proposals for a wide variety of solar projects.[16]
- The Solar PPA had the highest customer net present value of all the short-listed PPA proposals when compared to market purchases.[17]
- The Solar PPA could be used by the Company as a lower cost energy resource than what is obtainable from the market.[18]
- The Solar PPA will result in significant value to customers even at lower capacity factors.[19]
- Customers will not have to pay a return on investment for any of the Solar PPA costs.[20]

Conclusion

The Commission has considered the entire record.[21] The Commission finds that the instant Petition should be – and is hereby – approved. The facts supporting a finding of prudence in this matter include, among other things and as cited above, the following:[22]

(1) The Project's developer – not Dominion's customers – bears essentially all of the risk of the proposed Project, including cost overruns and lack of performance.

(2) The PPA model chosen by the Company, along with the terms and conditions therein, provides significant safeguards for customers.

(3) The Solar PPA is the result of an extensive and transparent competitive bidding process.

(4) The Solar PPA provides a positive net present value to customers.

(5) The Solar PPA is competitive with market prices.

(6) The Project is based on known and proven technology.

Accordingly, IT IS ORDERED THAT the Petition is approved, and this matter is dismissed.

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[15] Ex. 4 (Samuel) at 9; Ex. 3 (Billingsley Direct) at 3-4.

[16] Ex. 4 (Samuel) at 7; Ex. 3 (Billingsley Direct) at 4.

[17] Ex. 4 (Samuel) at 9; Ex. 3 (Billingsley Direct) at 6.

[18] Ex. 4 (Samuel) at 6; Ex. 6 (Billingsley Rebuttal) at 2.

[19] Ex. 4 (Samuel) at 11; Ex. 6 (Billingsley Rebuttal) at 3.

[20] Tr. at 59-60. We note that the Solar PPA price will escalate by 2.5% per year. Ex. 3 (Billingsley Direct) at 2.

[21] *See also Board of Supervisors of Loudoun County v. State Corp. Comm'n*, 292 Va. 444, 454 n.10 (2016) ("We note that even in the absence of this representation by the Commission, pursuant to our governing standard of review, the Commission's decision comes to us with a presumption that it considered all of the evidence of record.") (citation omitted).

[22] The Commission notes that these six attributes of the instant solar project stand in contrast to the offshore wind project also approved this day in Case No. PUR-2018-00121.

CASE NO. PUR-2018-00137
OCTOBER 9, 2018

APPLICATION OF
ATMOS ENERGY CORPORATION

For authority to implement a universal shelf registration for senior debt securities and common stock and financial derivative instruments in connection with future issuances of securities

ORDER GRANTING AUTHORITY

On August 17, 2018, Atmos Energy Corporation ("Atmos" or "Applicant") filed an application with the State Corporation Commission ("Commission") under Chapter 3 of Title 56[1] of the Code of Virginia ("Code") requesting authority to implement a universal shelf registration ("New Shelf") and authority to enter into financial derivative instruments in connection with future issuances of securities. Applicant seeks authority to issue a combination of senior debt securities and common stock from time to time over a period of three years beginning no later than March 28, 2019, with the date of filing with the United States Securities and Exchange Commission ("SEC") and to extend financial hedging authority through the end of the same three-year period.

Net proceeds from the issuances may be used to: refund debt as market conditions permit; purchase, acquire, and/or construct additional properties and facilities; and provide for general corporate purposes. Interest rates and debt maturities will be determined based upon market conditions at the time of issuance.

According to Atmos, existing authority with the SEC to issue up to $2.5 billion[2] under a previous universal shelf registration is set to expire on March 31, 2019. Atmos intends to file a New Shelf with the SEC for authority to issue up to $3.0 billion in debt and equity securities in March 2019 once all state regulatory approvals are received.

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.

ACCORDINGLY, IT IS ORDERED THAT:

(1) Atmos is hereby authorized to issue senior debt securities and/or common stock up to a maximum of $3.0 billion from the date of filing of the New Shelf with the SEC and ending three years from such filing date under the terms and conditions and for the purposes set forth in the application.

(2) Atmos is hereby authorized to enter into forward starting interest rate swaps, treasury locks, or other cash flow hedges with similar characteristics ("Swap Transaction") from the date of filing of the New Shelf with the SEC and ending three years from such filing date under the terms and conditions and for the purposes set forth in the application.

(3) Atmos shall submit a report of action directly with the Commission's Division of Utility Accounting and Finance within ten (10) days after the execution of any Swap Transaction which shall include the date, the type of Swap Transaction, the notional amount of the securities hedged, any fixed or floating interest rate or index selected, and the anticipated maturity date of the Swap Transaction.

(4) Atmos shall submit a report of action within ten (10) days after the issuance of any securities pursuant to Ordering Paragraph (1), which shall include as applicable the date issued or sold, the type of security, the face amount of debt issued, the interest rate, the maturity date, the yield to maturity on a United States Treasury security of comparable maturity, the market price and number of shares sold, and the net proceeds received by Atmos.

(5) On or before February 28, 2020, February 28, 2021, and February 28, 2022, Atmos shall file with the Commission a detailed report of action with respect to all securities issued and sold during the previous calendar year, which includes:

(a) the sale or issuance date, the type of security, the amount issued indicated by face amount or number of shares at price sold, the interest rate, the date of maturity, the underwriters' names, the underwriters' fees, other issuance expenses realized to date, and the net proceeds to Atmos; and

(b) the cumulative principal amount of securities issued under the authority granted herein and the amount remaining to be issued.

(6) Atmos shall file a final report of action on or before July 31, 2021, which includes all information required in Ordering Paragraph (5), a detailed account of all the actual expenses and fees paid to date for each type of security issued, and a summary schedule for each hedging transaction that has been executed or unwound during the authorization period of this case.

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[1] Code § 56-55 *et seq*.

[2] *Application of Atmos Energy Corporation, For authority to implement a universal shelf registration for senior debt securities and common stock and financial derivative instruments in connection with future issuances of securities,* Case No. PUE-2015-00106, 2015 S.C.C. Ann. Rept. 392, Order Granting Authority (Oct. 22, 2015).

(7) Atmos shall notify the Commission's Division of Utility Accounting and Finance within ten (10) days from the date Atmos' New Shelf with the SEC becomes effective.

(8) Approval of this Application 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. PUR-2018-00138
OCTOBER 26, 2018

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY and AMERICAN WATER WORKS SERVICE COMPANY, INC.

For approval of leasing arrangement under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING INTERIM AUTHORITY

On August 17, 2018, Virginia-American Water Company ("Virginia-American") and American Water Works Service Company, Inc. ("Service Company") (collectively, the "Applicants"), filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to § 56-76 *et seq.* of the Code of Virginia ("Code").[1] In the Application, the Applicants request approval of a new leasing arrangement by which the Service Company will lease office space, fixtures, furniture and equipment, and obtain related property, operations and maintenance services from an affiliate, One Water Street, LLC ("OWS") ("OWS Lease"), which will be used by the Service Company to provide services to its affiliates, including Virginia-American.[2]

On October 23, 2018, the Applicants filed a Motion for Interim Authority and for Expedited Consideration ("Motion"). The Applicants represent that OWS is constructing and will own and lease the new corporate headquarters to American Water and its affiliates, including the Service Company, in Camden, New Jersey ("One Water Street"), and that American Water and its affiliates, including the Service Company, hope to move into One Water Street by October 29, 2018, because their existing leases are expiring. In order to comply with the prior approval provisions of the Affiliates Act, the Applicants seek expedited consideration and interim authority to enter into the OWS Lease by October 29, 2018, until such time that the Commission completes its review of the Application.

NOW THE COMMISSION, upon consideration of the matter, finds that the Company's Motion requesting interim authority should be granted.

Accordingly, IT IS ORDERED THAT:

(1) The Company's Motion for interim authority hereby is granted.

(2) This matter is continued.

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[1] Code § 56-76 *et seq.* ("Affiliates Act").

[2] Virginia-American, the Service Company, and OWS are subsidiaries of American Water Works Company, Inc. ("American Water").

CASE NO. PUR-2018-00138
NOVEMBER 15, 2018

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY and AMERICAN WATER WORKS SERVICE COMPANY, INC.

For approval of a leasing arrangement under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On August 17, 2018, Virginia-American Water Company ("Virginia-American") and American Water Works Services Company, Inc. ("the Service Company") (collectively, "Applicants"),[1] filed an application ("Application") with the State Corporation Commission ("Commission") under Chapter 4 of Title 56 of the Code of Virginia ("Code")[2]. The Applicants requested approval of a leasing arrangement ("Lease Arrangement") by which the Service Company will lease office space, furniture, fixtures, and equipment, and obtain property, operations, and maintenance services, from an affiliate, One Water Street, LLC ("OWS") (the "OWS Lease"), which in turn the Service Company will use to provide services to its affiliates, including Virginia-American.[3] On October 23, 2018, the Applicants filed a Motion requesting Interim Authority and Expedited Consideration ("Motion"). The Motion requested expedited consideration and interim authority for the Applicants to enter into the OWS Lease by October 29, 2018, so that the Service Company can move into American Water's new corporate headquarters on schedule. On October 25, 2018, the Commission issued an order granting the Motion.

American Water's New Jersey corporate staff, including the Service Company, is currently dispersed among four building locations whose leases are expiring by the end of 2020. American Water plans to consolidate its New Jersey staff into a new commercial office building located at 1 Water Street, Camden, New Jersey ("One Water Street"). OWS, a wholly owned subsidiary of American Water, is constructing and will own and operate One Water Street, which the Applicants state is a state-of-the-art building designed to meet LEED Platinum standards on its exterior and LEED gold or higher on the building's interior.[4]

As owner and landlord of One Water Street, OWS will charge the Service Company, its primary tenant,[5] a monthly bill for: (1) base rent; (2) operations, maintenance, insurance and tax costs ("Building OpEx" costs); and (3) furniture, fixtures, and equipment costs ("FFE")[6] (collectively, "OWS Lease Costs"). The Applicants represent that the OWS Lease base rent, which includes a 2.28% annual escalator,[7] will be set initially at the equivalent base rent of the Service Company's current leases, which are used as a proxy for regional market rent rates. The Applicants also represent that the Building OpEx and FFE portions of the OWS Lease Costs are cost-based.[8] The Building OpEx costs represent estimated operating expenses and will be reexamined annually, with any true-up differences charged or credited to tenants accordingly. The FFE costs represent the cost of customizing the One Water Street building shell to accommodate the Service Company. The estimated annual OWS Lease Costs are shown in Confidential Schedule A attached to the Commission Staff's ("Staff") action brief.[9] The initial term of the OWS Lease is fifteen years.

The OWS Lease contains a five- and ten-year rent reset provision, which is intended to provide the Service Company with the ability to test the Camden market periodically. At that time, the Service Company may employ a designated New Jersey Broker to review comparable lease properties within a 10-mile radius of the Camden Market. The Applicants represent that the rent reset provision is intended to provide American Water with a means to adjust future OWS Lease Costs.

The Applicants represent that the benefits of the OWS Lease and the proposed Lease Arrangement are that:

(1) The consolidation of the Service Company's staff located in New Jersey will improve staff collaboration and knowledge-sharing;

(2) Consolidation in one location will reduce the need to travel between offices, thus increasing efficiency and decreasing the risk of automobile accidents;

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[1] The Applicants are wholly owned subsidiaries of American Water Works Company, Inc. ("American Water").

[2] § 56-76 *et seq*. ("Affiliates Act").

[3] The Service Company provides management, administrative, operational, maintenance and other services ("Services") to its American Water affiliates, including Virginia-American, pursuant to a Commission-approved services agreement ("Services Agreement"). See *Application of Virginia-American Water Company and American Water Works Service Company, Inc., for approval of a service agreement under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2016-00080, 2016 S.C.C. Ann. Rpt. 441, Order Granting Approval (Oct. 25, 2016).

[4] LEED stands for Leadership in Energy and Environmental Design, a certification program devised in 1994 by the U.S. Green Building Council. LEED is the most widely used green building rating system in the world.

[5] The Service Company will occupy approximately 86% (189,173/220,000 sf) of One Water Street.

[6] The FFE cost estimates assume $11.5 million of original cost property, a 7-year (84-month) term, a 6.625% New Jersey sales tax, and an estimated interest rate of 3.06% (1-month LIBOR + 1% as of August 9, 2018).

[7] The annual escalator is based on the average annual percentage increases of the existing southern New Jersey corporate office leases used by Service Company.

[8] Applicants' Responses to Staff Data Request Nos. 2-5 and 2-6.

[9] The OWS Lease Costs do not include: (a) costs of separately metered utilities; (b) costs associated with the operation and management of any food center, fitness center, coffee, catering, or mail services that may operate at One Water Street; or (c) any capital improvements other than those required by an insurer, mortgagee, or governmental agency or law.

(3) Eliminating leases in multiple offices will improve the efficiency of the Service Company's facilities management;

(4) The modern design of One Water Street and its location close to amenities, college campuses and knowledge centers will better position the Service Company to attract and retain a talented workforce with forward-leaning technology and skills; and

(5) The new building will allow American Water and its subsidiaries to utilize green construction and sustainable building methods.[10]

On November 6, 2018, the Commission Staff submitted its Action Brief, summarizing the Staff's position on the Application. The Action Brief included the Applicants' comments in reply to Staff's position.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Application is approved subject to the requirements set forth below.

In addition, we note that under the Affiliates Act, the Commission either approves or rejects the "structure" of affiliate transactions.[11] Thus, in the instant matter, we have only approved the structure of the Lease Arrangement. Any specific costs or obligations stemming from that affiliate structure are approved or rejected when the question becomes ripe in separate proceedings under separate statutes.[12] For example, as recognized by Virginia-American in its comments, it retains the burden to demonstrate that its costs are reasonable in any rate proceeding, including demonstrating that costs allocated to Virginia-American are priced at the lower of cost or market.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-77, the Lease Arrangement is approved subject to the regulatory and reporting requirements set forth herein.

(2) The Lease Arrangement is approved for five years from the date of this Order. Should the Applicants wish to extend the Lease Arrangement beyond that date, separate approval shall be required.

(3) The Commission's approval shall have no accounting or ratemaking implications.

(4) The Commission's approval shall not preclude the Commission from exercising its authority under Va. Code § 56-76 *et seq*. hereafter.

(5) Separate Commission approval shall be required for any changes in the terms and conditions of the Lease Arrangement.

(6) The Commission reserves the right to examine the books and records of Virginia-American and any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

(7) Virginia-American shall include all transactions associated with the Lease Arrangement in its Annual Report of Affiliate Transactions ("ARAT") submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. The ARAT shall include:

(a) The case number in which the Lease Arrangement was approved;
(b) The names of all direct and indirect affiliated parties to the Lease Arrangement; and
(c) A calendar year annual schedule showing the Lease Arrangement's OWS Lease Costs charged to the Service Company and allocated to Virginia-American, by month, FERC account, and amount as they are recorded on Virginia-American's books.

(8) This case is dismissed.

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[10] Application at 9, 10.

[11] *See, e.g., Commonwealth Gas Services, Inc. v. Reynolds Metals Co.*, 236 Va. 362, 368 (1988) (citing *Roanoke Gas Co. v. Commonwealth*, 217 Va. 850 (1977)).

[12] *See, e.g., Sierra Club v. Virginia Elec. and Power Co., et al.*, Case No. PUR-2017-00061, Final Order (Sept. 19, 2017), *aff'd Sierra Club v. State Corp. Comm'n*, 2018 WL 3768754 (Aug. 9, 2018) (unpublished). In addition, nothing herein shall be construed as inconsistent with these cited cases. As explained by the Supreme Court therein, we have "assume[d] without deciding that the Affiliates Act applies to this specific proceeding." *Sierra Club v. State Corp. Comm'n*, 2018 WL 3768754, at *6 (unpublished).

CASE NO. PUR-2018-00140
OCTOBER 25, 2018

APPLICATION OF
ELITE ENERGY GROUP, INC.

For a license to conduct business as an aggregator of natural gas and electricity

ORDER GRANTING LICENSE

On August 29, 2018, Elite Energy Group, Inc. ("Elite Energy" or "Company"), filed an application with the State Corporation Commission ("Commission") for a license to conduct business an aggregator of electricity and natural gas ("Application").[1] The Company seeks authority to provide aggregation services for natural gas and electricity to commercial and industrial customers throughout the Commonwealth of Virginia.[2] 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.[3]

On September 19, 2018, the Commission issued an Order for Notice and Comment ("Notice Order") that, among other things, directed Elite Energy to serve a copy of the Notice Order upon appropriate utilities; provided an opportunity for interested persons to file written comments on the Application; and directed the Commission's Staff ("Staff") to analyze the Application and present its findings in a report ("Staff Report").

On September 28, 2018, Kentucky Utilities Company d/b/a Old Dominion Power Company in Virginia filed comments on the Application. On October 3, 2018, Dominion filed a notice of participation and comments on the Application. On October 4, 2018, Elite Energy filed proof of service in accordance with the Notice Order.

On October 10, 2018, a Staff Report was filed which summarized Elite Energy's Application and evaluated its financial and technical fitness. Staff recommended that a license by granted to Elite Energy for the provision of electricity aggregation and natural gas aggregation services to commercial and industrial customers throughout the service territories open to competition in the Commonwealth of Virginia.[4] No comments were filed on the Staff Report.

NOW THE COMMISSION, upon consideration of the Application, the Staff Report, and the applicable law, finds that Elite Energy's Application for license to conduct business as an aggregator of electricity and natural gas to commercial and industrial customers throughout the Commonwealth of Virginia should be granted, subject to all conditions in this Order.

Accordingly, IT IS ORDERED THAT:

(1) Elite Energy hereby is granted License No. A-59 to provide competitive aggregation service for electricity and natural gas to eligible commercial and industrial customers throughout the Commonwealth of Virginia. This license to act as an aggregator is subject to the provisions of the Retail Access Rules, this Order, and other applicable law.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to the license granted herein.

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[1] The Company supplemented its Application on September 13, 2018, and September 24, 2018.

[2] Although Elite Energy seeks to serve customers throughout the Commonwealth of Virginia, retail choice exists only in the service territories of Columbia Gas of Virginia, Inc., Washington Gas Light Company, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Dominion"), Appalachian Power Company, and the electric cooperatives. Moreover, retail choice for electricity is only permitted pursuant to the customer classes, load parameters, and renewable energy sources as set forth in the Code of Virginia. Access to large commercial and industrial customers in all gas distribution service territories has existed under Federal Energy Regulatory Commission authority since the mid-1980s.

[3] 20 VAC 5-312-10 *et seq.* ("Retail Access Rules").

[4] Staff Report at 5.

CASE NO. PUR-2018-00143
DECEMBER 17, 2018

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For an Annual Informational Filing

FINAL ORDER

On August 30, 2018, Virginia Natural Gas, Inc. ("VNG" or "Company") filed with the State Corporation Commission ("Commission") its expanded Annual Informational Filing for the twelve months ending December 31, 2017 ("Expanded AIF") pursuant to the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings, 20 VAC 5-201-10 *et seq.,* and the Commission's Orders issued on January 8, 2018, and April 25, 2018, in Case No. PUR-2018-00005.[1]

In December 2017, the federal *Tax Cuts and Jobs Act of 2017* (Public Law 115-97) ("TCJA") reduced the federal corporate income tax rate from 35% to 21% effective January 1, 2018. To ensure ratepayers could ultimately benefit from the corporate income tax rate reductions, the Commission issued an Order on January 8, 2018, requiring utilities subject to the TCJA to provide information about the potential effects of the TCJA on the utility's cost of service, among other requirements. In its April 25, 2018 Order, the Commission required certain utilities subject to the TCJA, including VNG, to file a rate case or expanded annual informational filing to reflect the federal income tax benefits resulting from the TCJA.

On August 30, 2018, the Company filed its Expanded AIF. VNG represented that the TCJA reduced its Virginia jurisdictional revenue requirement by $11,040,923 annually, or by 6.69%.[2] The Company requested to reduce both the customer charge and the volumetric rates for each customer class as approved in the Company's last rate case, Case No. PUE-2016-00143, by 6.69% and issue refunds to customers in the form of a one-time bill credit, to reflect the overcollection of income taxes for the period January 1, 2018, through the date of the Final Order in this proceeding (the "Refund Period").[3]

Finally, VNG requested a limited waiver from Rule 20 VAC 5-201-10 I, which requires the Company to file an original and twelve copies of Schedule 6.[4] The Company submitted two copies of the Form 10-K and the Form 10-Q for its parent companies, Southern Company Gas and The Southern Company, and requested a limited waiver of the remaining copies due to the voluminous nature of the documents.[5]

On November 16, 2018, the Commission Staff ("Staff") filed its report ("Staff Report" or "Report") on the Expanded AIF. In its Report, Staff recommended a Virginia jurisdictional base rate revenue requirement reduction of $12,357,296, or 7.5%, effective for billings rendered on and after January 1, 2019, to recognize the income tax savings resulting from the TCJA.[6] Staff further recommended that VNG issue a refund to customers as a one-time credit to customers' bills to reflect the over-collection of income taxes for the Refund Period within 90 days after the issuance of a Final Order in this proceeding.[7] Staff did not oppose the rate reduction methodology or the refund calculation proposed by the Company, but recommended the Company file its finalized refund amount with the Staff for review prior to implementation.[8]

On November 28, 2018, the Company filed its response to the Staff Report ("Response"). In its Response, the Company stated that it had no objection to the conclusions and recommendations contained in the Staff Report.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Company's request for a limited waiver of Rule 20 VAC 5-201-10 I is granted. We further find that the Company shall implement the revised rates and one-time credit as described herein, and that this case shall be dismissed.

Accordingly, IT IS SO ORDERED.

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[1] *See Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Regulatory Accounting related to the federal Tax Cuts and Jobs Act of 2017,* Case No. PUR-2018-00005, Doc. Con. Cen. No. 180440173, Order (Apr. 25, 2018); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Regulatory Accounting related to the federal Tax Cuts and Jobs Act of 2017,* Case No. PUR-2018-00005, Doc. Con. Cen. No. 180110073, Order (Jan. 8, 2018).

[2] Application at 3-4.

[3] Application at 4.

[4] Application at 7.

[5] *Id.*

[6] Report at 11.

[7] *Id.*

[8] *Id.*

CASE NO. PUR-2018-00145
DECEMBER 3, 2018

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For approval of the SAVE Rider for calendar year 2019

ORDER

On September 11, 2018, in accordance with 5 VAC 5-20-80 of the State Corporation Commission's ("Commission") Rules of Practice and Procedure ("Rules of Practice"),[1] Washington Gas Light Company ("Washington Gas" or "Company") completed an application ("Application") for approval of the Company's SAVE[2] Plan Rider for calendar year 2019 ("2019 SAVE Rider").

In its Application, Washington Gas stated that the 2019 SAVE Rider will consist of two factors computed for each customer class: (i) a Current Factor, which is based on the Company's SAVE Plan approved in Case No. PUR-2017-00102 for program expenditures projected for 2019;[3] and (ii) a Reconciliation Factor for the twelve-month period ended April 30, 2018, computed in accordance with § 56-604 E of the SAVE Act.[4]

The Company proposed a total 2019 SAVE Rider revenue requirement in the amount of $1,676,143, which consists of a Current Factor revenue requirement of $4,141,557 and a Reconciliation Factor revenue requirement of ($2,465,414). [5]

The Company proposed to apply the 2019 SAVE Rider to meter readings beginning on the first day of the January 2019 billing cycle.[6] The 2019 SAVE Rider will be included in a separate line item labeled as "All Applicable Riders" on customers' bills. As proposed, the rates (shown as $ per therm) for the Company's rate classes will be as follows: [7]

	Current Factor	Reconciliation Factor	SAVE Rider Rate
Residential	$0.0079	($0.0045)	$0.0034
Commercial and Industrial	$0.0036	($0.0032)	$0.0004
Group Metered Apartment	$0.0042	($0.0030)	$0.0012
Interruptible	$0.0015	$0.0007	$0.0022

On September 14, 2018, the Commission entered an Order for Notice and Comment, which, among other things, required WGL to provide public notice of its Application; provided interested persons an opportunity to file comments on the Application, file notices of participation, or request a hearing on the Application; and required the Staff of the Commission ("Staff") to investigate the Application and file a report ("Report" or "Staff Report") containing its findings and recommendations.

On October 18, 2018, WGL filed its proof of notice. No comments, notices of participation, or requests for hearing were filed.

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[1] 5 VAC 5-20-10 *et seq*.

[2] *See* § 56-603 *et seq.* of the Code of Virginia ("Code") ("SAVE Act").

[3] *Application of Washington Gas Light Company, For approval to amend its SAVE Plan pursuant to § 56-604 B of the Code of Virginia,* Case No. PUR-2017-00102, 2017 Ann. Rept. 546, Order (Nov. 21, 2017).

[4] Application at 1.

[5] Revised Appendix A, Schedule 1. In its Application, the Company noted that it filed an application to increase base rates on July 31, 2018 ("Base Rate Case"). The revenue requirement proposed by the Company in the Base Rate Case includes approximately $14.7 million related to costs associated with the investments in infrastructure replacements made pursuant to the Company's SAVE Plan; therefore, the Company has removed that amount from the 2019 SAVE Rider. *See* Application at 6.

[6] Application at 9 (Revised).

[7] *Id.*

Staff filed its Report on November 5, 2018. In its Report, Staff recommended the Commission approve a 2019 SAVE Rider for WGL, effective January 1, 2019, comprising a Reconciliation Factor revenue requirement of ($2,465,414) and a Current Factor revenue requirement of $3,941,406, for a total 2019 SAVE revenue requirement of $1,475,993.[8] Staff recommended that the Commission adopt the updated ratemaking treatment of the Mountaineer Gas Company portion of the SAVE program to be netted from SAVE rate base, thus removing that obligation from Virginia ratepayers.[9] Staff also recommended that the SAVE Rider revenue requirement in this proceeding be trued-up based on a final determination of the cost of removal issue in WGL's current base rate case.[10] Finally, Staff noted that should the Commission adjust WGL's proposed revenue requirement, the overall impact on customer bills should change accordingly, although Staff recommends that the currently-approved allocation factors remain in place.

On November 13, 2018, WGL filed its response to the Staff Report ("Response"). In its Response, WGL stated that it disagrees with Staff's assessment regarding the Company's tax position for SAVE under-recovery balances; however, the Company will address Staff's observation in a future proceeding, if warranted.[11] WGL indicated that it disagrees with Staff's recommendation regarding cost of removal expenditures associated with the retirement and replacement of decades-old investment.[12] WGL asserts that it is more appropriate to address this issue within the context of the Company's next Annual Informational Filing or base rate proceeding.[13] Regarding Staff's recommendation that the Mountaineer Gas Company portion of the SAVE program be netted from SAVE rate base, WGL stated that it does not disagree with Staff's recommendation for a Current Factor revenue requirement of $3,941,406, which is $200,151 less than that proposed by the Company.[14] Finally, WGL requested that the Commission issue an order authorizing the Company to implement a SAVE Rider for 2019 consisting of a revenue requirement of $1,475,993, comprising a Current Factor of $3,941,406 and a Reconciliation Factor of ($2,465,414), effective January 1, 2019 through December 31, 2019.[15]

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the Company's Application should be approved as set forth herein.

Accordingly, IT IS ORDERED THAT:

(1) The Company's 2019 SAVE Rider revenue requirement of $1,475,993, comprising a Current Factor of $3,941,406 and a Reconciliation Factor of ($2,465,414) is hereby approved. Rates consistent with this Order shall become effective, on the first day of the Company's January 2019 billing cycle, and remain in effect through December 31, 2019.

(2) WGL forthwith shall file with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance revised tariffs for the 2019 SAVE Rider, with workpapers supporting the total revenue requirement and rates, all of which shall reflect the findings and requirements set forth in this Order. The Clerk shall retain such filing for public inspection in person and on the Commission's website: http://www.scc.virginia.gov/case.

(3) This matter is dismissed.

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[8] Staff Report at 13. Staff noted in its Report that, although Staff does not take issue with WGL's tax position for SAVE under-recovery balances, Staff observes that the Company's position effectively foregoes a source of cost-free capital by not recognizing deferred taxes associated with SAVE under-recovery balances. *Id.* at 5.

[9] Staff Report at 13.

[10] *See Application of Washington Gas Light Company, For authority to increase existing rates and charges and to revise the terms and conditions applicable to gas service pursuant to § 56-237 of the Code of Virginia*, Case No. PUR-2018-00080, filed July 31, 2018.

[11] Response at 3-4.

[12] *Id.* at 4-7.

[13] *Id.* at 5. WGL clarifies, however, that it did not net out revenues expected from Mountaineer Gas in the Company's proposed 2018 SAVE Rider Current Factor because that amount had not been calculated at the time of filing and because any over- or under-collection will be trued-up in the subsequent reconciliation. *Id.* at 8.

[14] Response at 7-8.

[15] *Id.* at 8.

CASE NO. PUR-2018-00146
NOVEMBER 21, 2018

APPLICATION OF
ELECTRIC ADVISORS, INC.

For a license to conduct business as an aggregator of natural gas

ORDER GRANTING LICENSE

On September 4, 2018, Electric Advisors, Inc. ("EAI" or "Company"), filed an application with the State Corporation Commission ("Commission") for a license to conduct business as an aggregator of natural gas ("Application").[1] The Company seeks authority to provide aggregation services for natural gas to commercial and industrial customers in the service territories of Washington Gas Light Company ("WGL") and Columbia Gas of Virginia, Inc. ("CGV").[2] 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.[3]

On October 3, 2018, the Commission issued an Order for Notice and Comment ("Notice Order") that, among other things, (i) required EAI to serve the Notice Order on WGL and CGV; (ii) provided an opportunity for interested persons to comment on the Application; (iii) and directed the Commission Staff ("Staff") to investigate the Application and present its findings in a report ("Report"). On November 6, 2018, Staff filed its Report. In its Report, Staff recommended that the Commission grant a license to EAI to conduct business as an aggregator of natural gas as requested in its Application. No comments on the Application or the Staff Report were filed in this case.

NOW THE COMMISSION, upon consideration of the Application, the Staff Report, and the applicable law, finds that EAI's Application for a license to conduct business as an aggregator of natural gas to commercial and industrial customers in the service territories of WGL and CGV should be granted, subject to the conditions set forth herein.

Accordingly, IT IS ORDERED THAT:

(1) EAI hereby is granted License No. A-60 to provide competitive aggregation service for natural gas to commercial and industrial customers in the service territories of WGL and CGV. This license to act as an aggregator is subject to the provisions of the Retail Access Rules, this Order, and other applicable law.

(2) This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to the license granted herein.

[1] On September 6, 2018, EAI's Application was found to be incomplete, and the Company was notified of the deficiencies. On September 28, 2018, EAI filed supplemental information to complete its Application.

[2]Access to large commercial and industrial gas customers in all gas distribution service territories has existed under FERC authority since the mid-1980s.

[3] 20 VAC 5-312-10 *et seq.* ("Retail Access Rules").

CASE NO. PUR-2018-00148
NOVEMBER 20, 2018

APPLICATION OF
PRINCE GEORGE ELECTRIC COOPERATIVE

For authority to guaranty long-term debt of an affiliate pursuant to the provisions of Chapters 3 and 4 of Title 56 of the Code of Virginia

ORDER GRANTING AUTHORITY

On September 7, 2018, Prince George Electric Cooperative ("Prince George" or "Cooperative") filed with the State Corporation Commission ("Commission") an application ("Application") pursuant to Chapters 3 and 4 of Title 56 of the Code of Virginia ("Code")[1] requesting authority to guaranty up to $15,000,000 of long-term debt of an affiliated interest as defined by Section 56-76 of the Code.[2] Prince George paid the requisite fee of $250. On September 28, 2018, the Cooperative also filed a motion for protective order concerning confidential information provided in this case.

Prince George and its affiliate, PGEC Enterprises, LLC ("Enterprises"), were previously authorized by the Commission to enter into agreements for management services and the leasing of excess fiber optic broadband capacity from the fiber optic backbone facilities being constructed by Prince George to interconnect its substation facilities.[3] Such services and capacity would be used by Enterprises to provide broadband internet service.

[1] Code § 56-55 *et seq*.

[2] Application was made complete with supplemental information filed on October 1, 2018.

[3] *See Application of Prince George Electric Cooperative and PGEC Enterprises, LLC, for approval of affiliate agreements*, Case No. PUE-2016-00108, 2016 SCC Ann. Rept., 460, Final Order (Dec. 6, 2016).

In the present application, Prince George requests authority to guaranty ("Guaranty") up to $15,000,000 of a loan ("Loan") to Enterprises from the National Rural Utilities Cooperative Finance Corporation ("CFC"). Enterprises intends to use proceeds from the Loan to build out its broadband internet system over the next six years to serve approximately 8,000 homes using the previously authorized broadband capacity leased from Prince George. However, access to funds under the terms of the loan agreement ("Loan Agreement") negotiated with CFC require the Guaranty of Prince George.

Prince George states that there is no transactional cost to provide the Guaranty and that Enterprises will be responsible for principal and interest payments on the Loan, except in the remote instance of default. As indicated by the proforma analysis included in the financing summary attached to the Application, the credit metrics of Prince George would remain above the minimum requirements of its mortgage lien holders in the unlikely event of default. However, such credit metrics are expected to meet or exceed target levels approved by the Prince George Board of Directors ("Board") due to the planned expansion of broadband service by Enterprises. As the loan will be the direct obligation of Enterprises, it will not be reflected on the books of Prince George for ratemaking purposes. A resolution by the Board to approve the Guaranty was also included with the Application.

NOW THE COMMISSION, upon consideration of this matter and having been advised by its Staff through its action brief, is of the opinion and finds that the authority requested is in the public interest and shall be approved subject to the requirements set forth in the Appendix attached hereto.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to §§ 56-59 and 56-77 of the Code, the requested Guaranty authority is approved subject to the requirements outlined in the Appendix attached hereto.

(2) The motion of Prince George is denied as moot.

(3) The Staff shall monitor Prince George and Enterprises to ensure that codes of conduct set out in 20 VAC 5-203-40 are followed and that the prohibited practices set out in 20 VAC 5-203-30 are avoided in the course of exercising the approval granted herein.

(4) This case hereby is dismissed.

APPENDIX

1. The Commission's approval of the Guaranty by Prince George shall only extend to the Loan from CFC to Enterprises as represented in the Application. Separate Commission approval shall be required for Prince George to guaranty any other debt obligations of Enterprises or any other affiliate.

2. Separate Commission approval shall be required for the Guaranty to apply to any modification of the terms and conditions of the Loan as reflected in the Application.

3. The approval granted in this case shall have no accounting or ratemaking implications.

4. The approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq*. hereafter.

5. The Commission shall reserve the right to examine the books and records of any affiliate associated with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

6. The Applicants shall be required to maintain records demonstrating that Enterprises bears the full cost of the Loan obligations including costs associated with obtaining the Loan Guaranty on its behalf. Such records shall be available for Staff review upon request. Prince George shall bear the burden of proving, in any rate proceeding, that it charged the higher of cost or market for any Guaranty related costs incurred on behalf of Enterprises.

7. The Applicants shall submit an executed copy of the Loan Agreement and Guaranty within ninety (90) days of its execution with the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director").

8. Prince George shall submit a report to the Commission's UAF Director within 30 days of the first Guaranty payment required for the Loan. Such report should include information on the total Loan amount outstanding, total payment amount, expected duration, and terms including individual Notes and their respective interest rates under the Loan.

9. Prince George shall be required to include all transactions associated with the Guaranty in its Annual Report of Affiliate Transactions ("ARAT") submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. The ARAT shall include: (a) the case number in which the Guaranty was approved; (b) the names of all direct and indirect affiliated parties to the Guaranty; and (c) a calendar year annual schedule showing each Guaranty transaction by month, FERC account, and amount as they are recorded in Prince George's books. The ARAT shall also include documentation to verify that the requirements of Code § 56-231.34:1 and 20 VAC 5-203-30 and 40 of the Commission's regulations are being met.

CASE NO. PUR-2018-00152
OCTOBER 25, 2018

JOINT APPLICATION OF
CENTRAL VIRGINIA ELECTRIC COOPERATIVE and CENTRAL VIRGINIA SERVICES, INC.

For approval pursuant to Chapter 3 and Chapter 4 of Title 56 of the Code of Virginia

ORDER

On September 12, 2018, Central Virginia Electric Cooperative ("CVEC") and Central Virginia Services, Inc. ("CVSI") (collectively, "Applicants"), filed a joint application ("Application") with the State Corporation Commission ("Commission") under Chapters 3[1] and 4[2] of Title 56 of the Code of Virginia ("Code") for authority: (1) to incur long-term debt from the United States Department of Agriculture Rural Utilities Service; (2) to issue a letter of credit through the Cooperative Finance Corporation ("CFC"); (3) for CVEC to provide a guarantee for a lease between CVSI and CoBank; (4) for CVEC to allocate to CVSI $200,000 of its credit card limit with the CFC One Card Program; and (5) for CVEC to obtain a letter of credit from CFC on behalf of CVSI. According to the Applicants, the financing and other arrangements described in this Application will assist CVEC and CVSI in implementing the fiber project described in the application filed by CVEC and CVSI in Case No. PUR-2018-00113.

On October 3, 2018, the Commission issued an Extension Order pursuant to Code § 56-61 to extend the 25-day review period applicable to the Application an additional 30 days, through November 6, 2018.

On October 11, 2018, Nelson County Cablevision Corporation ("Nelson Cable") filed motions, comments, and a request for expeditated consideration of its filings ("Nelson Cable Filings"), in which Nelson Cable requested that the Commission: (a) permit Nelson Cable to participate as a respondent in this docket addressing the Application; (b) appoint a Hearing Examiner to rule on any discovery matters that may arise during the course of this proceeding, including any motions related to the protective treatment of confidential information; (c) shorten the discovery response time to five business days; and (d) permit Nelson Cable to file additional comments by October 23, 2018.

On October 15, 2018, the Commission issued a Procedural Order establishing certain filing dates. Pursuant thereto, on October 17, 2018, the Applicants filed a response to the Nelson Cable Filings, and on October 19, 2018, Nelson Cable filed a reply.

NOW THE COMMISSION, upon consideration hereof, is of the opinion and finds as follows.

The procedures and findings required under Chapter 3 and the Affiliates Act are distinct from other statutes. For example, the Affiliates Act, among other things: (1) directs the Commission to "approve or disapprove" an application in only 60-90 days; (2) deems an application "approved" if the Commission fails to act in that time frame; (3) gives the Commission "continuing supervisory control" over affiliate transactions; and (4) allows the Commission, unilaterally and on its own motion, to "exempt" a utility from affiliate filing requirements in whole or in part.[3] Similarly, Chapter 3, among other things: (1) directs the Commission to enter an order approving or disapproving an application in a set period of time; and (2) deems an application "approved" if the Commission fails to act in that time frame.[4]

The issue of third-party participation, as well as the type of proceeding, is left to the Commission's discretion. The General Assembly has decided that an Affiliates Act proceeding *must* be completed in only 60-90 days and that an application is automatically approved by law if the Commission fails to render a decision within that extremely short time frame. The clear legislative intent regarding the procedure that accompanies these strict limitations is found in the plain language of the statute. Specifically, unlike statutes for approving rates or facilities, neither the Affiliates Act nor Chapter 3 mandates public notice, a formal hearing, participation by interested persons, or procedural rights such as discovery for interested persons.[5]

Rather, the Affiliates Act explicitly gives the Commission the discretion to make its decisions "upon hearing, either formal or *informal*, as may be determined by the Commission."[6] As a result, Affiliates Act and Chapter 3 cases may be decided (as they typically are) based on an informal hearing comprised of the applicants' request and the Commission's review. Indeed, this is the administrative process – *i.e.*, without a formal hearing and without participation by interested persons – that the Commission typically uses to approve or deny Chapter 3 and Affiliates Act applications.[7]

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[1] Code § 56-55 *et seq.* ("Chapter 3").

[2] Code § 56-76 *et seq.* ("Affiliates Act").

[3] Code §§ 56-77 A, 56-80, and 56-77 B, respectively.

[4] Code § 56-61 (under Chapter 3, the Commission is afforded 25 days initially in which it must either approve or disapprove the application, or extend the review period. The Commission is permitted to extend this initial review period 30 days, or upon finding that 55 days is not sufficient time to fully investigate, the Commission may extend the time for a review for a specified reasonable time.

[5] *See, e.g.,* Code §§ 56-235.3 (requiring rate cases to "provide for full and fair participation in such hearings by any interested person") and 56-265.2 A 1 (requiring facility cases to provide "due notice to interested parties" and "opportunity for a hearing").

[6] Code § 56-84 (emphasis added) (Chapter 3 is silent on this point).

[7] This is also why the Commission has previously explained that, unlike the procedures "for investigating proposed changes to rate schedules, . . . [a]pplications filed under [the Affiliates Act] are generally processed *administratively* by the Commission without notice or an opportunity for hearing." *Application of Columbia Gas of Virginia, Inc.*, Case No. PUE-2007-00064, slip op. at 5, 2007 WL 2759864 at *3, Order for Notice and Comment (July 30, 2007) (emphasis added).

While Nelson Cable does not have a statutory *right* to participate as a respondent in the Commission's Chapter 3 and Affiliates Act review,[8] the Commission may, in its discretion, permit participation by interested persons based on the specific circumstances of a particular proceeding. For example, as we noted in Case No. PUR-2018-000113, there are specific statutes and rules – that only apply to cooperatives – addressing behavior among a cooperative, its affiliates, and nonaffiliated third parties.[9] Accordingly, we conditionally grant Nelson Cable's motion to participate as a respondent, to the extent that such participation does not prevent the Commission from meeting the statutory deadline in this matter.

Further, we find that the review period in this matter should be extended to December 11, 2018, pursuant to Code §§ 56-61 and 56-77. Code § 56-77 permits the Commission to extend the 60-day review period under the Affiliates Act up to 30 days. Code § 56-61 permits the Commission to extend its review under Chapter 3 for a specified reasonable period upon finding that 55 days is not sufficient. We find that additional time is needed, and that as the financial arrangements proposed herein are intertwined in a common project of CVEC and CVSI, we should extend the review period to the full length available to the Commission pursuant to Code § 56-77, i.e., through December 11, 2018.

To meet this new deadline, the Commission establishes additional procedural requirements as set forth below. The Hearing Examiner appointed to rule on discovery matters will also establish expedited procedures for handling discovery and for ensuring that such are reasonable. Finally, our ruling herein does not address the ultimate relevancy (or any other objections that the Applicants may assert) of the facts, discovery, or other issues that may be raised by Nelson Cable in this matter.

Accordingly, IT IS ORDERED THAT:

(1) Nelson Cable's motion to participate as a respondent is conditionally accepted as set forth herein.

(2) As provided by Code § 12.1-31 and 5 VAC 5-20-120, *Procedure before Hearing Examiners*, of the Rules of Practice, a Hearing Examiner is appointed to rule on any discovery matters that may arise during the course of this proceeding, including any motions related to the protective treatment of confidential information.

(3) Pursuant to Code §§ 56-61 and 56-77, the period of time for review of the issues presented by the Application is extended through December 11, 2018.

(4) On or before November 5, 2018, Nelson Cable shall file any additional comments that it wishes the Commission to consider in this case.

(5) On or before November 5, 2018, Staff of the Commission ("Staff") shall file a report in this case.

(6) On or before November 16, 2018, the Applicants shall file their reply to Nelson Cable's comments and the Staff's report.

(7) This case is continued pending further order of the Commission.

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[8] For additional informative authority, *see Sierra Club v. State Corp. Comm'n*, 2018 WL 3768754, at *6 (Aug. 9, 2018) (unpublished) ("Moreover, we agree with the Commission that it is not required to hold a formal hearing at which evidence is taken and interested parties, such as Sierra Club, are entitled to participate. . . . Therefore, Sierra Club has suffered no procedural harm because it did not have a right to participate in the [Affiliates Act] procedure in this case.") (footnote omitted).

[9] *See, e.g.,* Code § 56-231.34:1 and 20 VAC 5-203-10 *et seq*.

CASE NO. PUR-2018-00152
DECEMBER 3, 2018

JOINT APPLICATION OF
CENTRAL VIRGINIA ELECTRIC COOPERATIVE
and
CENTRAL VIRGINIA SERVICES, INC.

For approval pursuant to Chapter 3 and Chapter 4 of Title 56 of the Code of Virginia

FINAL ORDER

On September 12, 2018, Central Virginia Electric Cooperative ("CVEC") and Central Virginia Services, Inc. ("CVSI") (collectively, "Applicants"), filed a joint application ("Application") with the State Corporation Commission ("Commission") under Chapters 3[1] and 4[2] of Title 56 of the Code of Virginia ("Code") for authority: (1) to incur long-term debt from the United States Department of Agriculture Rural Utilities Service; (2) to issue a letter of credit through the Cooperative Finance Corporation ("CFC"); (3) for CVEC to provide a guarantee for a lease between CVSI and CoBank; (4) for CVEC to allocate to CVSI $200,000 of its credit card limit with the CFC One Card Program ("Credit Card Allocation"); and (5) for CVEC to obtain a letter of credit from CFC on behalf of CVSI (collectively, "Fiber Support"). According to the Applicants, the financing and other arrangements described in this Application will assist CVEC and CVSI in implementing the fiber project described in the application filed by CVEC and CVSI in Case No. PUR-2018-00113.[3]

On October 3, 2018, the Commission issued an Extension Order pursuant to Code § 56-61 to extend the 25-day review period applicable to the Application an additional 30 days, through November 6, 2018.

On October 11, 2018, Nelson County Cablevision Corporation ("Nelson Cable") filed motions, comments, and a request for expeditated consideration of its filings ("Nelson Cable Filings"), in which Nelson Cable requested that the Commission: (a) permit Nelson Cable to participate as a respondent in this docket addressing the Application; (b) appoint a Hearing Examiner to rule on any discovery matters that may arise during the course of this proceeding, including any motions related to the protective treatment of confidential information; (c) shorten the discovery response time to five business days; and (d) permit Nelson Cable to file additional comments.

On October 15, 2018, the Commission issued a Procedural Order establishing certain filing dates. Pursuant thereto, on October 17, 2018, the Applicants filed a response to the Nelson Cable Filings, and on October 19, 2018, Nelson Cable filed a reply.

On October 25, 2018, the Commission issued an Order addressing the Nelson Cable Filings and the responses thereto ("October 25 Order"). Pursuant to the October 25 Order, the Commission, in its discretion and based on the specific circumstances of this particular proceeding,[4] granted Nelson Cable's motion to participate as a respondent in this proceeding on the condition that such participation did not prevent the Commission from meeting the statutory deadline in this matter. Accordingly, the Commission established a schedule that directed the filing of a report by the Staff ("Staff Report"), additional comments by Nelson Cable ("Additional Comments"), and a reply to the Staff Report and Additional Comments by the Applicants ("Reply"); assigned a Hearing Examiner to address discovery matters and establish expedited procedures for handling discovery; and extended the statutory review period to December 11, 2018, the maximum permitted under the Code § 56-77.[5]

On November 5, 2018, the Staff Report was filed in which the Staff summarized the results of its investigation of the Application. The Staff determined that: (i) the Fiber Support arrangements described in this Application appear to be in the public interest and reflect market based rates, and (ii) the intended uses of the proceeds from the financing arrangements are consistent with the purposes set out in Chapter 3.[6] Accordingly, the Staff recommended that the Commission approve the Fiber Support arrangements, subject to the requirements outlined in the Appendix to the Staff Report.[7] Staff's recommended requirements are as follows:

1. The duration of the Commission's approval of the Credit Card Allocation should be limited to five (5) years from the date of the Order in this case. Should the Applicants wish to continue the Credit Card Allocation after that date, separate Commission approval should be required.

2. The Commission's approval of the Fiber Support should be limited to those transactions specifically identified in the agreements. Should the Applicants wish to modify the terms and conditions of any Fiber Support transaction, separate Commission approval should be required.

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[1] Code § 56-55 *et seq*. ("Chapter 3").

[2] Code § 56-76 *et seq*. ("Affiliates Act").

[3] On October 23, 2018, the Commission issued a Final Order in Case No. PUR-2018-00113 granting approval of the proposed affiliate arrangements subject to certain requirements adopted therein. *See Application of Central Virginia Electric Cooperative and Central Virginia Services, Inc., For approval of affiliate arrangements,* Case No. PUR-2018-00113, Doc. Con. Cen. No. 181050207, Final Order (Oct. 23, 2018).

[4] *See* October 25 Order at 4 (noting, for example, that there are specific statutes and rules – that only apply to cooperatives – addressing behavior among a cooperative, its affiliates, and nonaffiliated third parties. *See, e.g.,* Code § 56-231.34:1 and 20 VAC 5-203-10 *et seq*.).

[5] *See* October 25 Order at 2-5.

[6] *See* Code § 56-58.

[7] Staff Report at 8.

3. The approval granted in this case should have no accounting or ratemaking implications.

4. The Applicants should be required to maintain records demonstrating that CVSI bears the full cost of any Fiber Support transaction on its behalf. Such records should be available for Staff review upon request. CVEC should bear the burden of proving, in any rate proceeding, that it charged the higher of cost or market for all Fiber Support provided to CVSI.

5. The approval granted in this case should not preclude the Commission from exercising its authority under [the Affiliates Act] hereafter.

6. The Commission should reserve the right to examine the books and records of any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

7. The Applicants should file an executed copy of the approved Fiber Support agreements within ninety (90) days of their execution.

8. CVEC should be required to include all transactions associated with the Fiber Support agreements in its Annual Report of Affiliate Transactions ("ARAT") submitted to the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director") on May 1 of each year, subject to administrative extension by the UAF Director. The ARAT should include: (a) [t]he case number in which the Fiber Support was approved; (b) [t]he names of all direct and indirect affiliated parties to the Fiber Support; and (c) [a] calendar year annual schedule showing each Fiber Support agreement's transactions by month, FERC account, and amount as they are recorded in CVEC's books.

9. CVEC should file with the Commission within 90 days of the date of this [Order] documentation showing the requirements of Code § 56-231.34:1 and 20 VAC 5-203-30 and -40 of the Commission's regulations are being met with regard to the Fiber Support agreements.

On November 5, 2018, Nelson Cable filed its Additional Comments, which noted that the Commission had entered a Final Order in Case No. PUR-2018-00113, and requested that the Applicants and the Commission provide guidance to it by answering seven questions set out therein.[8]

On November 13, 2018, the Applicants filed their Reply to the Staff Report and Nelson Cable's Additional Comments. As to the Staff Report, the Applicants stated that they do not object to the requirements recommended by Staff.[9] The Applicants also described their plan to comply with the requirement for documentation showing that the requirements of Code § 56-231.34:1 and 20 VAC 5-203-30 and -40 will be met.[10] As to Nelson Cable's Additional Comments, the Applicants asserted in part that Nelson Cable failed to address the specific financing and other arrangements described in this Application, and that given that there are no specific arguments or facts in the record of this proceeding that support denying the Application, requested that the Commission approve the Application consistent with the recommendations in the Staff Report.[11] The Applicants' Reply also addressed Nelson Cable's request for guidance.[12]

NOW THE COMMISSION, upon consideration hereof, is of the opinion and finds that the Fiber Support arrangements described in this Application are in the public interest and, therefore, should be approved for purposes of Chapter 3 and the Affiliates Act subject to certain requirements set forth in the Appendix attached hereto.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Chapter 3 and the Affiliates Act, the Applicants hereby are granted approval to enter into the Fiber Support arrangements described in this Application subject to the requirements set forth in the Appendix attached to this Final Order.

(2) This case hereby is dismissed.

APPENDIX

1. The duration of the Commission's approval of the Credit Card Allocation shall be limited to five (5) years from the date of the Order in this case. Should the Applicants wish to continue the Credit Card Allocation after that date, separate Commission approval shall be required.

2. The Commission's approval of the Fiber Support shall be limited to those transactions specifically identified in the agreements. Should the Applicants wish to modify the terms and conditions of any Fiber Support transaction, separate Commission approval shall be required.

3. The approval granted in this case shall have no accounting or ratemaking implications.

4. The Applicants shall be required to maintain records demonstrating that CVSI bears the full cost of any Fiber Support transaction on its behalf. Such records shall be available for Staff review upon request. CVEC shall bear the burden of proving, in any rate proceeding, that it charged the higher of cost or market for all Fiber Support provided to CVSI.

5. The approval granted in this case shall not preclude the Commission from exercising its authority under the Affiliates Act hereafter.

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[8] *See* Nelson Cable's Additional Comments at 2-4.

[9] Applicants' Reply at 5.

[10] *Id.*

[11] *Id.* at 4-6.

[12] *Id.* at 6-12.

6. The Commission reserves the right to examine the books and records of any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

7. The Applicants shall file an executed copy of the approved Fiber Support agreements within ninety (90) days of their execution.

8. CVEC shall be required to include all transactions associated with the Fiber Support agreements in its ARAT submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. The ARAT shall include: (a) the case number in which the Fiber Support was approved; (b) the names of all direct and indirect affiliated parties to the Fiber Support; and (c) a calendar year annual schedule showing each Fiber Support agreement's transactions by month, FERC account, and amount as they are recorded in CVEC's books.

9. CVEC shall file with the Commission within 90 days of the date of this Order documentation showing the requirements of Code § 56-231.34:1 and 20 VAC 5-203-30 and -40 of the Commission's regulations are being met with regard to the Fiber Support agreements.

CASE NO. PUR-2018-00155
SEPTEMBER 25, 2018

APPLICATION OF
EMPOWER BROADBAND, INC.

For designation as an eligible telecommunications carrier

ORDER

On September 14, 2018, EMPOWER Broadband, Inc. ("EMPOWER" or "Company"), filed with the State Corporation Commission ("Commission") an application for designation as an eligible telecommunications carrier ("ETC") pursuant to 47 U.S.C. § 214(e), in which the Company asks that the Commission enter an order stating that the Commission declines to exercise jurisdiction over the Company for purposes of making an ETC designation in accordance with 47 U.S.C. § 214(e)(6) ("Request").

In its Request, EMPOWER states that it is a subsidiary of Mecklenburg Electric Cooperative, which has been allocated support funding by the Federal Communications Commission ("FCC") as a winner of an FCC auction to provide broadband services to residents and businesses in portions of multiple counties in Virginia. EMPOWER states that as a condition to this funding, the FCC requires that the Company seek and obtain ETC status for these areas within 180 days of the FCC's August 28, 2018 public notice announcing the winning bids.

EMPOWER states that it intends to provide solely broadband and Voice-over-Internet Protocol ("VoIP") services. The Company notes that pursuant to the applicable federal statutes, the designation of a carrier as an ETC is made by the state commission, except where the carrier is not subject to the jurisdiction of the state commission.[1] The Company asserts that the Commission may decline to exercise jurisdiction over it for purposes of making an ETC designation given the Commission's limited jurisdiction over broadband and VoIP.[2]

EMPOWER notes that in 2015, in dealing with a similar application by BARConnects, LLC ("BARConnects"), the Commission entered an Order finding that as the Commission has not asserted jurisdiction over service providers such as BARConnects, 47 U.S.C. § 214(e)(6) is applicable to the request for ETC designation, and BARConnects should make its request to the FCC to be designated as an ETC.[3] EMPOWER states that it must file its application for ETC designation with the FCC by September 27, 2018, if the Commission declines to exercise jurisdiction. Accordingly, EMPOWER requests an expedited determination as to whether the Commission will assert jurisdiction so that the Company may begin the ETC designation process with the FCC, if necessary, and entry of an order declining to exercise jurisdiction before September 27, 2018, if the Commission so determines.

NOW THE COMMISSION, upon consideration of the representations of EMPOWER and of the applicable law, is of the opinion and finds that, as the Commission has not asserted jurisdiction over service providers such as EMPOWER, 47 U.S.C. § 214(e)(6) is applicable to the Company's request for ETC designation, and EMPOWER should make its request to the FCC to be designated as an ETC. We further find that this case should be dismissed.

Accordingly, IT IS SO ORDERED.

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[1] *See* 47 U.S.C. § 214(e)(2) and (6).

[2] For example, § 56-1.3 of the Code of Virginia provides in part that "[t]he Commission shall not have jurisdiction with respect to the regulation of Voice-over-Internet protocol service, including but not limited to the imposition of regulatory fees, certification requirements, and the filing or approval of tariffs."

[3] *Application of BARConnects, LLC, For designation as an eligible telecommunications carrier pursuant to 47 U.S.C. § 214(e),* Case No. PUC-2015-00015, Doc. Con Cen. No. 150330048, Order (Mar. 30, 2015).

CASE NO. PUR-2018-00156
SEPTEMBER 25, 2018

APPLICATION OF
PGEC ENTERPRISES, LLC

For designation as an eligible telecommunications carrier

ORDER

On September 14, 2018, PGEC Enterprises, LLC ("PGEC Enterprises" or "Company"), filed with the State Corporation Commission ("Commission") an application for designation as an eligible telecommunications carrier ("ETC") pursuant to 47 U.S.C. § 214(e), in which the Company asks that the Commission enter an order stating that the Commission declines to exercise jurisdiction over the Company for purposes of making an ETC designation in accordance with 47 U.S.C. § 214(e)(6) ("Request").

In its Request, PGEC Enterprises states that it is a subsidiary of Prince George Electric Cooperative, which has been allocated support funding by the Federal Communications Commission ("FCC") as a winner of an FCC auction to provide broadband services to residents and businesses in portions of multiple counties in Virginia. PGEC Enterprises states that as a condition to this funding, the FCC requires that the Company seek and obtain ETC status for these areas within 180 days of the FCC's August 28, 2018 public notice announcing the winning bids.

PGEC Enterprises states that it intends to provide solely broadband and Voice-over-Internet Protocol ("VoIP") services. The Company notes that pursuant to the applicable federal statutes, the designation of a carrier as an ETC is made by the state commission, except where the carrier is not subject to the jurisdiction of the state commission.[1] The Company asserts that the Commission may decline to exercise jurisdiction over it for purposes of making an ETC designation given the Commission's limited jurisdiction over broadband and VoIP.[2]

PGEC Enterprises notes that in 2015, in dealing with a similar application by BARConnects, LLC ("BARConnects"), the Commission entered an Order finding that as the Commission has not asserted jurisdiction over service providers such as BARConnects, 47 U.S.C. § 214(e)(6) is applicable to the request for ETC designation, and BARConnects should make its request to the FCC to be designated as an ETC.[3] PGEC Enterprises states that it must file its application for ETC designation with the FCC by September 27, 2018, if the Commission declines to exercise jurisdiction. Accordingly, PGEC Enterprises requests an expedited determination as to whether the Commission will assert jurisdiction so that the Company may begin the ETC designation process with the FCC, if necessary, and entry of an order declining to exercise jurisdiction before September 27, 2018, if the Commission so determines.

NOW THE COMMISSION, upon consideration of the representations of PGEC Enterprises and of the applicable law, is of the opinion and finds that, as the Commission has not asserted jurisdiction over service providers such as PGEC Enterprises, 47 U.S.C. § 214(e)(6) is applicable to the Company's request for ETC designation, and PGEC Enterprises should make its request to the FCC to be designated as an ETC. We further find that this case should be dismissed.

Accordingly, IT IS SO ORDERED.

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[1] *See* 47 U.S.C. § 214(e)(2) and (6).

[2] For example, § 56-1.3 of the Code of Virginia provides in part that "[t]he Commission shall not have jurisdiction with respect to the regulation of Voice-over-Internet protocol service, including but not limited to the imposition of regulatory fees, certification requirements, and the filing or approval of tariffs."

[3] *Application of BARConnects, LLC, For designation as an eligible telecommunications carrier pursuant to 47 U.S.C. § 214(e),* Case No. PUC-2015-00015, Doc. Con Cen. No. 150330048, Order (Mar. 30, 2015).

CASE NO. PUR-2018-00157
SEPTEMBER 25, 2018

APPLICATION OF
BARCONNECTS, LLC

For designation as an eligible telecommunications carrier

ORDER

On September 14, 2018, BARConnects, LLC ("BARConnects" or "Company"), filed with the State Corporation Commission ("Commission") an application for designation as an eligible telecommunications carrier ("ETC") pursuant to 47 U.S.C. § 214(e), in which the Company asks that the Commission enter an order stating that the Commission declines to exercise jurisdiction over the Company for purposes of making an ETC designation in accordance with 47 U.S.C. § 214(e)(6) ("Request").

In its Request, BARConnects states that it is a subsidiary of BARC Electric Cooperative, which has been allocated support funding by the Federal Communications Commission ("FCC") as a winner of an FCC auction to provide broadband services to residents and businesses in portions of multiple counties in Virginia. BARConnects states that as a condition to this funding, the FCC requires that the Company seek and obtain ETC status for these areas within 180 days of the FCC's August 28, 2018 public notice announcing the winning bids.

BARConnects states that it intends to provide solely broadband and Voice-over-Internet Protocol ("VoIP") services. The Company notes that pursuant to the applicable federal statutes, the designation of a carrier as an ETC is made by the state commission, except where the carrier is not subject to the jurisdiction of the state commission.[1] The Company asserts that the Commission may decline to exercise jurisdiction over it for purposes of making an ETC designation given the Commission's limited jurisdiction over broadband and VoIP.[2]

The Company notes that in 2015, in dealing with a similar application by BARConnects, the Commission entered an Order finding that as the Commission has not asserted jurisdiction over service providers such as BARConnects, 47 U.S.C. § 214(e)(6) is applicable to the Company's request for ETC designation, and BARConnects should make its request to the FCC to be designated as an ETC.[3] BARConnects states that it must file its application for ETC designation with the FCC by September 27, 2018, if the Commission declines to exercise jurisdiction. Accordingly, BARConnects requests an expedited determination as to whether the Commission will assert jurisdiction so that the Company may begin the ETC designation process with the FCC, if necessary, and entry of an order declining to exercise jurisdiction before September 27, 2018, if the Commission so determines.

NOW THE COMMISSION, upon consideration of the representations of BARConnects and of the applicable law, is of the opinion and finds that, as the Commission has not asserted jurisdiction over service providers such as BARConnects, 47 U.S.C. § 214(e)(6) is applicable to the Company's request for ETC designation, and BARConnects should make its request to the FCC to be designated as an ETC. We further find that this case should be dismissed.

Accordingly, IT IS SO ORDERED.

[1] *See* 47 U.S.C. § 214(e)(2) and (6).

[2] For example, § 56-1.3 of the Code of Virginia provides in part that "[t]he Commission shall not have jurisdiction with respect to the regulation of Voice-over-Internet protocol service, including but not limited to the imposition of regulatory fees, certification requirements, and the filing or approval of tariffs."

[3] *Application of BARConnects, LLC, For designation as an eligible telecommunications carrier pursuant to 47 U.S.C. § 214(e),* Case No. PUC-2015-00015, Doc. Con Cen. No. 150330048, Order (Mar. 30, 2015).

CASE NO. PUR-2018-00160
NOVEMBER 30, 2018

APPLICATION OF
CROWN CASTLE FIBER LLC, CROWN CASTLE NG ATLANTIC LLC, INSITE FIBER OF VIRGINIA, LLC, NEWPATH NETWORKS, LLC, SUNESYS OF VIRGINIA, INC., and 24/7 MID-ATLANTIC NETWORK OF VIRGINIA, LLC

For approval of a consolidation pursuant to § 56-88. *et seq.* of the Code of Virginia

ORDER GRANTING APPROVAL

On October 11, 2018, Crown Castle Fiber LLC ("Crown Fiber"), Crown Castle NG Atlantic LLC ("CCNG-Atlantic"), InSITE Fiber of Virginia, LLC ("InSITE-VA"), NewPath Networks, LLC ("NewPath"), Sunesys of Virginia, Inc. ("Sunesys-VA"), and 24/7 Mid-Atlantic Network of Virginia, LLC ("24/7-VA") (together, "Licensees");[1] the Licensees' intermediate parent companies; and ultimate parent Crown Castle International Corp. ("CCIC") (collectively, "Applicants"),[2] completed the filing of an application ("Application") with the State Corporation Commission ("Commission"), pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Code"),[3] requesting approval to complete a pro forma consolidation ("Consolidation") that will result in: (1) the consolidation of CCNG-Atlantic, InSITE-VA, NewPath, Sunesys-VA, and 24/7-VA into Crown Fiber; and (2) pro forma changes in the ownership chain of Crown Fiber.

The Applicants assert that Crown Fiber will continue to have the financial, managerial, and technical resources to provide telecommunications services in Virginia following the completion of the Consolidation. The Applicants represent that Crown Fiber will remain technically and managerially qualified to provide competitive telecommunications services in Virginia. The Applicants also represent that Crown Fiber's operations will be directed by the existing corporate management, technical, and operations staff responsible for the telecommunications operations of the Licensees and their affiliates today.

[1] The Commission has issued the Licensees certificates of public convenience and necessity ("Certificates") to provide telecommunications services in Virginia. The Commission recently reissued Certificates to Crown Fiber to provide local and interexchange telecommunications services after a company name change. *See Application of Lightower Fiber Networks II, LLC, For amended and reissued certificates of public convenience and necessity to provide local exchange telecommunications services to reflect company name change*, Case No. PUR-2018-00081, Doc. Con. Cen. No. 180640303, Order Reissuing Certificates (June 29, 2018).

[2] Crown Castle Operating Company; CC Sunesys Fiber Networks LLC; InfraSource FI, LLC, Sunesys, LLC, Crown Castle Solutions LLC, Crown Castle NG Networks LLC, 24/7 Chesapeake Holdings, LLC, NewPath Networks Holding LLC, InSITE Solutions, LLC; LTS Group Holdings LLC, LTS Intermediate Holdings A LLC; LTS Intermediate Holdings B LLC; LTS Intermediate Holdings C LLC; LTS Buyer LLC; Yankee Metro Parent, Inc.; and Sidera Networks, Inc. are the Licensees' intermediate parent companies, and are also considered Applicants in this proceeding, and have provided the statutorily required verifications.

[3] Code § 56-88 *et seq*. ("Utility Transfers Act").

NOW THE COMMISSION, upon consideration of this matter and having been advised by its Staff through Staff's action brief, is of the opinion and finds that the Consolidation should be approved.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code §§ 56-88.1 and 56-90, the Applicants hereby are granted approval of the Consolidation as described herein.

(2) The Applicants shall file a report of action with the Commission's Document Control Center within thirty (30) days after the closing of the Consolidation, which shall note the date the Consolidation occurred.

(3) This case is dismissed.

CASE NO. PUR-2018-00161
DECEMBER 21, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY and DOMINION ENERGY SERVICES, INC.

For approval of a revised services agreement under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On September 28, 2018, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Company" or "DEV")[1] and Dominion Energy Services, Inc. ("Service Company" or "DES") (collectively, "Applicants"), filed an application ("2018 Application") with the State Corporation Commission ("Commission") requesting approval of a revised services agreement ("New Agreement") under Chapter 4 of Title 56 of the Code of Virginia ("Code").[2] DEV has received centralized corporate and administrative services ("Centralized Services") from the Service Company since 1999.[3]

The Applicants represent that the proposed New Agreement contains limited, non-substantive changes to the currently operative DES services agreement,[4] consisting solely of Dominion corporate name changes to reflect the Dominion corporate-wide rebranding effort. Under the proposed New Agreement, DEV will receive 22 categories of Centralized Services from the Service Company, which include: (1) Accounting; (2) Auditing; (3) Legal; (4) Information Technology, Electronic Transmission and Computer Services; (5) Software/Hardware Pooling; (6) Human Resources; (7) Operations; (8) Executive & Administrative; (9) Business Services; (10) Risk Management; (11) Corporate Planning; (12) Supply Chain; (13) Rates & Regulatory; (14) Tax; (15) Corporate Secretary; (16) Investor Relations; (17) Environmental Compliance; (18) Customer Services; (19) Energy Marketing; (20) Treasury/Finance; (21) External Affairs; and (22) Office Space and Equipment services. DEV can modify its selection of Centralized Services at any time by giving the Service Company 30 days' written notice. The Centralized Services will be billed at cost without a return component. The term of the New Agreement will be two years, extending from January 1, 2019, to December 31, 2020.

Since 2011, the Commission has expressed concern with the DEV-DES service agreement, specifically:

> [T]he difficulty in verifying [DES] charges to [DEV] due to: (i) the lack of reporting capabilities within Dominion's SAP [enterprise software system ("SAP")], (ii) the lack of detailed information on [DEV's] books, and (iii) the complex conversion process from SAP's natural chart of accounts ("natural accounts") to the Federal Energy Regulatory Commission ("FERC") Uniform System of Accounts ("FERC accounts" or "USoA").[5]

Consequently, the Commission directed in its PUE-2010-00144 Order that:

> (9) [DEV] shall work with Staff to provide appropriate verification to satisfy [DEV's] burden in proceedings where such information is relevant thereto. In addition, as discussed in [DEV's] March 3, 2011 Comments, [DEV] and [DES] shall (1) assist Staff in verifying and auditing [DES] charges, and (2) engage an independent auditor to review [DES] costs and allocation methodologies with the continuing involvement of, and on terms acceptable to, Staff.[6]

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[1] Effective May 10, 2017, the Company's parent, Dominion Resources, Inc., changed its name to Dominion Energy, Inc. ("Dominion"). In Virginia, the Company's d/b/a name changed to Dominion Energy Virginia. The Company's legal name remains Virginia Electric and Power Company.

[2] Code § 56-76 *et seq*. ("Affiliates Act").

[3] *See Joint Petition of Virginia Electric and Power Company, et al., For certain exemptions from the requirements of § 56-77 A of the Code of Virginia of 1950, as amended, and for approval and termination of agreements under Chapter 4, Title 56, Code of Virginia of 1950, as amended*, Case No. PUA-1999-00068, 1999 S.C.C. Ann. Rept. 210, Order Approving, In Part, and Denying, In Part, Petitioners' Requests (Dec. 29, 1999).

[4] *See Application of Virginia Electric and Power Company and Dominion Resources Services, Inc., For approval of a Revised Services Agreement under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2016-00101, 2016 S.C.C. Ann. Rept. 454, Order Granting Approval (Dec. 7, 2016) ("PUE-2016-00101 Order").

[5] *Application of Virginia Electric and Power Company and Dominion Resources Services, Inc., For approval of a Revised Services Agreement under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2010-00144, 2011 S.C.C. Ann. Rept. 410, 411, Order Granting Approval (Mar. 9, 2011) ("PUE-2010-00144 Order").

[6] *Id*. at 412.

In response, the Company hired PricewaterhouseCoopers LLP ("PwC"), which prepared a confidential expert report ("Expert Report") with recommendations concerning DES' charges ("Recommendations"), which was submitted to the Commission Staff ("Staff") in Case No. PUE-2016-00101.[7]

The Commission subsequently required in its PUE-2016-00101 Order that:

> The Company shall submit a detailed report [("Detailed Report")] in its next Affiliates Act application for further approval of the services agreement between [DEV] and [DES] that includes the following: (1) a discussion of the Company's review of the recommendations included in the Expert Report; (2) an explanation of which recommendations the Company implemented in the short term and how such recommendations increase the transparency and verifiability of [DES] charges to [DEV]; and (3) an update on the status of the Company's implementation of the long-term recommendations included [in] the Expert Report.[8]

In the 2018 Application, the Company provided a Detailed Report, marked as Attachment E, to satisfy the PUE-2016-00101 Order requirement, which lists the nine PwC Expert Report Recommendations for improving DES' process for charging service costs to DEV.[9] In response to the Expert Report, the Service Company adopted in 2018 certain of the PwC Recommendations.[10] The Applicants further represent that Dominion implemented a new fixed asset and tax system in late 2018, and DES is in the process of upgrading the current SAP enterprise software system to a new SAP S/4 HANA system with an expected implementation date of the first quarter of 2019.[11] The Applicants state further that "S/4 HANA provides the technical framework and is the first step towards the Service Company developing a solution that would enhance FERC account transparency in the general ledger."[12]

NOW THE COMMISSION , upon consideration of this matter and having been advised by its Staff through Staff's Action Brief, is of the opinion and finds that the proposed New Agreement is in the public interest and shall be approved subject to certain requirements listed in the Appendix attached hereto.

Based on the Applicants' representations, DEV and DES appear to be taking positive steps toward resolving the Commission's concerns with verifying DES' charges to DEV under the New Agreement. Given that the changes began in 2018 and are still in the process of being implemented, however, it remains to be seen whether the proposed changes will address these concerns adequately.

Therefore, in addition to the standard Affiliates Act requirements listed in the Appendix attached hereto, we will require DEV to include a status update report ("Status Report"), describing the Applicants' progress towards implementing the Detailed Report's measures to address the Commission's concerns with the New Agreement, in its Annual Report of Affiliate Transactions submitted to the Director of the Division of Utility Accounting and Finance each year. The Applicants shall also be required to maintain records, which shall be available to Staff upon request, to support any statements or claims made in the Detailed Report and Status Report.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-77 of the Code, the New Agreement hereby is approved subject to the requirements listed in the Appendix attached hereto.

(2) This case is dismissed.

APPENDIX

1) DEV shall be required to include a Status Report, describing the Applicants' progress towards implementing the Detailed Report's measures to address the Commission's concerns with the New Agreement, in its Annual Report of Affiliate Transactions ("ARAT") submitted to the Director of the Division of Utility Accounting and Finance ("UAF Director") each year. The Applicants shall also be required to maintain records, which shall be available to Staff upon request, to support any statements or claims made in the Detailed Report and Status Report.

2) The Commission shall approve the New Agreement for two years, from January 1, 2019, through December 31, 2020. Should the Applicants wish to extend the New Agreement beyond that date, separate approval shall be required.

3) The Commission's approval shall have no accounting or ratemaking implications.

4) The Commission's approval shall be limited to the specific Centralized Services identified in the New Agreement. Should DEV wish to obtain additional services not specifically identified in the New Agreement, separate approval shall be required.

5) Separate Commission approval shall be required for the Service Company to provide Centralized Services to DEV under the New Agreement by the engagement of affiliated third parties.

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[7] *See* Attachment E to 2018 Application, Expert Report.

[8] PUE-2016-00101 Order, Doc. Con. Cen. No. 161210298, Appendix at 1.

[9] *See* Attachment E to 2018 Application.

[10] *Id.*

[11] *Id.*

[12] *See* Applicants' Comments dated December 7, 2018, attached to the Commission Staff's Action Brief, filed simultaneously with this Order.

6) DEV shall be required to maintain records demonstrating that the Service Company costs charged to DEV are cost beneficial to Virginia ratepayers. For all Service Company costs charged to DEV where a market may exist, DEV shall investigate whether comparable market prices are available and, if they exist, DEV shall compare the market price to cost and pay the lower of cost or market to the Service Company. Records of such investigations and comparisons shall be available to Staff upon request. DEV shall bear the burden of proving, in any rate proceeding, that the Service Company costs charged to DEV are priced at the lower of cost or market where a market for such services exists.

7) The approval granted in this case shall not preclude the Commission from exercising its authority under Va. Code § 56-76 *et seq*. hereafter.

8) Separate Commission approval shall be required for any changes in the terms and conditions of the New Agreement.

9) The Commission reserves the right to examine the books and records of DEV and any affiliate in connection with the approval granted in this case, whether or not such affiliate is regulated by this Commission.

10) DEV shall file an executed copy of the New Agreement within thirty (30) days after the effective date of the Order Granting Approval in this case, subject to administrative extension by the Commission's UAF Director.

11) DEV shall include all transactions associated with the New Agreement in its ARAT submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. The ARAT shall include:

(a) The case number in which the New Agreement was approved;
(b) The names of all direct and indirect affiliated parties to the New Agreement; and
(c) A calendar year annual schedule showing the New Agreement's transactions by month, FERC account, and amount as they are recorded on DEV's books.

CASE NO. PUR-2018-00162
DECEMBER 19, 2018

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY
and
DOMINION GENERATION, INC., DOMINION ENERGY KEWAUNEE, INC., DOMINION ENERGY NUCLEAR CONNECTICUT, INC., DOMINION ENERGY TECHNICAL SOLUTIONS, INC., DOMINION ENERGY TRANSMISSION, INC., and DOMINION ENERGY FUEL SERVICES, INC.

For approval of Revised Affiliate Services Agreements and future exemptions from the filing and prior approval requirements under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On September 28, 2018, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("DEV" or "Company"),[1] Dominion Generation, Inc., Dominion Energy Kewaunee, Inc., Dominion Energy Nuclear Connecticut, Inc., Dominion Energy Technical Solutions, Inc., Dominion Energy Transmission, Inc., and Dominion Energy Fuel Services, Inc. (excluding DEV, collectively, "Affiliates") (including DEV, collectively, "Applicants"), filed an Application with the State Corporation Commission ("Commission"), pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code")[2] and Requirement (1) of the Appendix to the Commission's December 7, 2016 Order Granting Approval in Case No. PUE-2016-00102,[3] requesting approval of revised separate Affiliate Services Agreements under which each of the Affiliates will continue to provide needed services to DEV at the Company's election ("Revised Agreements"). The Applicants request approval of the Revised Agreements for a two-year term with an effective date of January 1, 2019.[4]

In addition, for other affiliates not identified in the Application ("Future Affiliates") that would annually bill less than $500,000 for any one service, and less than $2 million in total services, to DEV, the Company requests that the Commission approve the same exemptions from future filing and prior approval requirements under the Affiliates Act granted in Case No. PUE-2016-00102, so long as the Future Affiliates execute the Revised Form Affiliate Services Agreement in the form set forth in the Application ("Revised Form Agreement").[5]

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[1] Effective May 10, 2017, the Company's parent, Dominion Resources, Inc., changed its name to Dominion Energy, Inc. In Virginia, the Company's d/b/a name changed to Dominion Energy Virginia. The Company's legal name remains Virginia Electric and Power Company.

[2] Code § 56-76 *et seq*. ("Affiliates Act").

[3] *Application of Virginia Electric and Power Company, and Dominion Energy, Inc., Dominion Energy Kewaunee, Inc., Dominion Nuclear Connecticut, Inc., Dominion Technical Solutions, Inc., Dominion Transmission, Inc., and Virginia Power Energy Marketing, Inc., For approval of Revised Affiliate Services Agreements and future exemptions from the filing and prior approval requirements under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2016-00102, 2016 S.C.C. Ann. Rept. 456, Order Granting Approval (Dec. 7, 2016).

[4] Concurrent with the instant Application, the Company also filed a separate application with the Commission in Case No. PUR-2018-00161, requesting approval of a revised Services Agreement, effective January 1, 2019, with Dominion Energy Services, Inc. ("DES"). DES currently provides centralized services to the Company pursuant to a DES Services Agreement approved by the Commission in Case No. PUE-2016-00101. *See Application of Virginia Electric and Power Company and Dominion Resources Services, Inc., For approval of a Revised Services Agreement under Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2016-00101, 2016 S.C.C. Ann. Rept. 454, Order Granting Approval (Dec. 7, 2016).

[5] The Applicants represent that the Revised Form Agreement has limited revisions consistent with those described in the Application for the Revised Agreements.

The Applicants represent that they are not proposing substantive changes to the current Affiliate Services Agreements previously approved for a two-year term ending December 31, 2018. Specifically, other than the new effective date of January 1, 2019, the only other change being proposed is to reflect the corporate name changes of the Company and the Affiliates in each of the Revised Agreements. This revision is also the only change that is being proposed in the Revised Form Agreement. The Applicants state that the Revised Agreements reflect a two-year term consistent with the Company's companion filing for approval of a revised DES Services Agreement in Case No. PUR-2018-00161.

The Commission Staff ("Staff") investigated the Application and prepared an Action Brief dated December 11, 2018. Therein, the Staff recommended approval of the Revised Agreements and the Revised Form Agreement subject to certain requirements set out in an Appendix to the Action Brief. The Staff also noted that they had shared a draft of the Action Brief with the Applicants, and the Applicants had no objection to the Staff's recommendation or requirements.

NOW THE COMMISSION, upon consideration of this matter and the recommendation of its Staff, is of the opinion and finds that the Revised Agreements, the Revised Form Agreement, and the requested exemption from the filing and prior approval requirements under the Affiliates Act, are in the public interest and should be approved subject to certain requirements set forth in the Appendix attached hereto.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 56-77, the Applicants are hereby granted approval of the Revised Agreements and the Revised Form Agreement, subject to the requirements set forth in the Appendix attached to this Order.

(2) Pursuant to Code § 56-77 B, the Applicants are hereby granted the requested exemption from the filing and prior approval requirements under the Affiliates Act of affiliate services agreements with any Future Affiliates, provided that the Future Affiliate executes the Revised Form Agreement in the form set forth in the Application and that such transactions are reported in the Company's Annual Report of Affiliate Transactions, subject to the requirements set forth in the Appendix attached to this Order.

(3) This case is dismissed.

APPENDIX

(1) The Commission's approval of the Revised Agreements and the Revised Form Agreement shall be effective as of January 1, 2019, and shall extend for two (2) years from the effective date. Should the Applicants wish to continue under the Revised Agreements and/or continue to use the Revised Form Agreement beyond the two-year period, separate Commission approval shall be required.

(2) DEV shall monitor billings for transactions for which the requested exemption from the filing and prior approval requirements is granted in this case to ensure that, if it appears as though billings will exceed $500,000 for any one service or $2 million in total, an application is filed with the Commission for approval under the Affiliates Act prior to such billings actually exceeding $500,000 for any one service or $2 million in total.

(3) The Commission shall reserve the right to revoke the requested exemption granted in this case at any time that such revocation is deemed to be in the public interest.

(4) The Commission's approval granted in this case shall have no accounting or ratemaking implications.

(5) The Commission's approval shall be limited to the specific services identified in the Revised Agreements. Should DEV wish to obtain additional services from Affiliates other than those specifically identified in the Revised Agreements, separate Commission approval shall be required. DEV shall be required to seek separate Commission approval of any changes to the selected services provided by Future Affiliates to DEV under each of the respective Revised Form Agreements if such services are more than $500,000 per service per year to DEV for the receipt of such services or $2 million in total per year.

(6) DEV shall be required to provide written notice to the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director") within fifteen (15) days of any election, by either DEV or the Affiliates, of new services not currently selected in each of the respective Revised Agreements, regardless of the cost of such services. In the case where new services are selected, DEV shall include that information in its Annual Report of Affiliate Transactions ("ARAT").

(7) Separate Affiliates Act approval shall be required for any of the Affiliates to provide services to DEV through the engagement of any affiliated third parties under the Revised Agreements.

(8) Separate Commission approval shall be required for any changes in the terms and conditions of the Revised Agreements, including changes in the services provided, allocation methodologies, service category descriptions, and successors or assigns.

(9) The approval granted in this case shall not preclude the Commission from exercising its authority under Va. Code § 56-76 et seq., hereafter.

(10) The Commission shall reserve the right to examine the books and records of any affiliate in connection with the approval granted in this case whether or not such affiliate is regulated by this Commission.

(11) DEV shall be required to maintain records demonstrating that the services provided by the Affiliates are cost beneficial to Virginia ratepayers. For all services provided by the Affiliates where a market may exist, DEV shall investigate whether there are alternative sources from which it could purchase such services. If an alternative source exists, DEV shall compare the market price to the Affiliates' charges and pay the lower of cost or market. Records of such investigations and comparisons shall be available for Staff review upon request. DEV shall bear the burden of proving, in any rate proceeding, that DEV paid the Affiliates the lower of cost or market for all services received under the Revised Agreements.

(12) The Applicants shall file with the Commission signed and executed copies of each of the Revised Agreements within thirty (30) days of the effective date of the Order in this case, subject to administrative extension by the UAF Director.

(13) All transactions between the Affiliates/Future Affiliates and DEV under the Revised Agreements and the requested exemption shall be included in DEV's ARAT, submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. All DEV ARAT reporting shall include, but not be limited to, the following information:

(a) The most recent Case Number under which the Agreement was approved;
(b) The name and type of activity performed by each Affiliate/Future Affiliate under the Agreement; and,
(c) A schedule, in Excel electronic spreadsheet format with formulas intact, listing the prior year's transactions by month, type of service, FERC account, and dollar amount (as the transaction is recorded on the utility's books).

(14) All requirements regarding the Revised Agreements between DEV and the Affiliates shall also apply to transactions between DEV and Future Affiliates to which the exemption from the filing and prior approval requirements under the Affiliates Act applies.

(15) Signed and executed copies of all agreements involving Future Affiliates and DEV, for which an exemption from the filing and prior approval requirement is granted in this case, shall be submitted with DEV's ARAT.

CASE NO. PUR-2018-00163
OCTOBER 16, 2018

IN THE MATTER OF
XO VIRGINIA, LLC

Notice of election to be regulated as a competitive telephone company

ORDER

On September 21, 2018, XO Virginia, LLC ("XO") filed with the State Corporation Commission ("Commission") a written notice of its election to be regulated as a competitive telephone company pursuant to Chapters 340 and 376 of the 2014 Virginia Acts of Assembly.

Chapter 2.1 of Title 56 of the Code of Virginia ("Code")[1] became effective July 1, 2014. Pursuant to Code § 56-54.3, "[a]ny telephone company meeting the definition of a competitive telephone company may elect to be regulated as a competitive telephone company pursuant to the provisions of this chapter by providing written notice to the Commission of such election." Pursuant to Code § 56-54.2, a competitive telephone company is defined as:

(i) an incumbent local exchange telephone company whose residential dial tone lines (a) were deemed competitive by the Commission throughout the company's incumbent service territory prior to January 1, 2014, or (b) are declared competitive by the Commission throughout its incumbent service territory on or after January 1, 2014, in a proceeding pursuant to § 56-235.5 or
(ii) a competitive local exchange telephone company.

A competitive local exchange telephone company is defined by Code § 56-54.2 to include "a competing telephone company . . . that was granted a certificate on or after January 1, 1996, pursuant to [Code] § 56-265.4:4 . . . ."

The Staff of the Commission ("Staff") has determined that XO meets the definition of a competitive telephone company as defined by Code § 56-54.2 as XO was granted a certificate by the Commission pursuant to Code § 56-264.4:4 to provide local exchange telecommunications services.[2]

NOW THE COMMISSION, upon consideration of this matter and having been advised by its Staff, is of the opinion and finds that XO is eligible to elect to be regulated as a competitive telephone company pursuant to Code § 56-54.2 *et seq*., and that such election becomes effective October 21, 2018. The applicant is a "competitive telephone company" by operation of law.

Accordingly, IT IS ORDERED THAT:

(1) Effective October 21, 2018, XO shall be regulated as a competitive telephone company pursuant to the provisions of Code § 56-54.2 *et seq*.

(2) This case is dismissed.

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[1] Code § 56-54.2 *et seq*.

[2] *See Application of NEXTLINK Virginia, L.L.C., For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services;* Case No. PUC-1998-00065, 1998 S.C.C. 269, Final Order (July 28, 1998)*; Application of XO Virginia, LLC, For changes in certificates of public convenience and necessity following corporate name change,* Case No. PUC-2001-00001, 2001 S.C.C. Ann. Rept. 304, Order (Feb. 5, 2001).

CASE NO. PUR-2018-00174
NOVEMBER 16, 2018

APPLICATION OF
CENTRAL VIRGINIA ELECTRIC COOPERATIVE

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On October 22, 2018, Central Virginia Electric Cooperative ("CVEC") filed an application with the State Corporation Commission ("Commission") under Chapter 3[1] of Title 56 of the Code of Virginia for authority to issue long-term debt ("Application"). CVEC has paid the requisite filing fee of $250.

CVEC is seeking approval of a guaranteed loan of $30,500,000 from Federal Financing Bank ("FFB") which will be guaranteed by Rural Utility Service. CVEC states that these loans will be used to finance construction as detailed in CVEC's approved Form 740C. Some of the items included in the Form 740C include distribution and transmission projects necessary to extend facilities to new members as well as continue serving existing members. It also includes projects to upgrade facilities in areas with growing needs and to replace aged conductors in areas with higher reliability risk. The term of the loan can be between 1 year to 35 years with CVEC having the option to pick its term with each advance of the note. The interest rate will be determined at the time of each loan advance and will match the term of maturity that CVEC chooses. FFB charges an interest rate of the Treasury's cost of money plus one-eighth of a percent (.125%). The going rate for a 30-year note was 3.55% as of November 8, 2018.

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.

Accordingly, IT IS ORDERED THAT:

(1) CVEC is authorized to borrow up to $30.5 million from the FFB, all in the manner, under the terms and conditions, and for the purposes set forth in the Application.

(2) Within thirty (30) days of the date of any advance of funds from the FFB, CVEC shall file with the Commission's Division of Utility Accounting and Finance a Report of Action, which shall include the amount of the advance, the maturity term selected, and the corresponding interest rate.

(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.

[1] Code § 56-55 *et seq.*

CASE NO. PUR-2018-00176
DECEMBER 14, 2018

APPLICATION OF
ENGIE RESOURCES LLC

For licenses to conduct business as a competitive service provider of natural gas and electricity

ORDER GRANTING LICENSES

On October 29, 2018, ENGIE Resources LLC ("ENGIE" or "Company") filed an application with the State Corporation Commission ("Commission") for licenses to conduct business as a competitive service provider of natural gas and electricity ("Application").[1] The Company seeks authority to provide competitive service for natural gas and electricity to commercial and industrial customers in the service territories of Washington Gas Light Company ("WGL"), Columbia Gas of Virginia, Inc. ("CGV"), Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("DEV"), and Appalachian Power Company ("APCo").[2] 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").[3]

On November 8, 2018, the Commission issued an Order for Notice and Comment ("Notice Order") which, among other things, directed ENGIE to serve a copy of the Notice Order upon appropriate utilities; provided an opportunity for interested persons to file written comments on the Application; and directed the Commission's Staff ("Staff") to analyze the Application and present its findings in a report ("Staff Report").

[1] Along with its Application, ENGIE filed a motion on October 29, 2018, for a protective order concerning financial information deemed confidential and provided under seal. On November 15, 2018, a Hearing Examiner appointed to the case issued a protective ruling.

[2] Retail choice exists only in the service territories of WGL, CGV, DEV, APCo, and the electric cooperatives. Moreover, retail choice for electricity is only permitted pursuant to the customer classes, load parameters, and renewable energy sources as set forth in the Code of Virginia. Access to large commercial and industrial gas customers in all gas distribution service territories has existed under FERC authority since the mid-1980s.

[3] On November 8, 2018, ENGIE filed supplemental information regarding it signature attestation.

On November 16, 2018, ENGIE filed proof of service.

On November 26, 2018, Kentucky Utilities Company d/b/a Old Dominion Power Company in Virginia filed comments on the Application.

On November 29, 2018, a Staff Report was filed which summarized ENGIE's Application and evaluated its financial and technical fitness. Staff recommended that licenses be granted to ENGIE to conduct business as a competitive service provider of electricity and natural gas in the service territories of WGL, CGV, DEV, and APCo. Staff further recommended that ENGIE be required to file proof of firm delivery service (rather than interruptible service) at least thirty days prior to serving any essential human needs customer, as assurance that it will be able to meet the requirements of those customers.

NOW THE COMMISSION, upon consideration of the Application, the Staff Report, and the applicable law, finds that ENGIE's Application for licenses to conduct business as a competitive service provider of natural gas and electricity to commercial and industrial customers in the service territories of WGL, CGV, DEV, and APCo should be granted, subject to the conditions herein.

Accordingly, IT IS ORDERED THAT:

(1) ENGIE hereby is granted License No. G-52 to provide competitive natural gas service to commercial and industrial customers in the service territories of WGL and CGV. This license to act as a competitive service provider is subject to the provisions of the Retail Access Rules, this Order, and other applicable law.

(2) ENGIE hereby is granted License No. E-40 to provide competitive electric service to commercial and industrial customers in the service territories of DEV and APCo. This license to act as a competitive service provider is subject to the provisions of the Retail Access Rules, this Order, and other applicable law.

(3) ENGIE shall submit to the directors of the Commission's Division of Public Utility Regulation and Utility Accounting and Finance evidence of sufficient firm capacity necessary to serve each essential human needs natural gas customer, with such information to be submitted at least 30 days prior to the provision of natural gas to such customer.

(4) These licenses are not valid authority for the provision of any product or service not identified within the licenses.

(5) This case shall remain open for consideration of any subsequent amendments or modifications to the license granted herein.

CASE NO. PUR-2018-00178
DECEMBER 20, 2018

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.

For authority to issue long-term debt and to participate in an intrasystem money pool arrangement with an affiliate

ORDER GRANTING AUTHORITY

On October 31, 2018, Columbia Gas of Virginia, Inc. ("CGV" or "Company"), filed an application with the State Corporation Commission ("Commission") under Chapters 3[1] and 4[2] of Title 56 of the Code of Virginia ("Code") seeking authority: (i) to issue long-term debt to an affiliate and (ii) to borrow up to $140 million in short-term debt through participation in an intrasystem money pool arrangement with an affiliate. The amount of short-term debt requested in the application is in excess of twelve percent (12%) of CGV's total capitalization, as defined in § 56-65.1 of the Code. The Company paid the requisite fee of $250.

CGV proposes to issue up to $115 million of new long-term promissory notes ("Notes") to NiSource Inc. ("NiSource") between January 1, 2019, and December 31, 2020. The proceeds from the Notes will be used to fund a portion of the Company's 2018-2020 construction program, which is projected to total approximately $312 million. The interest rate on any Notes issued to NiSource will be determined by directly referencing the prevailing yield on U.S. utility bonds as reported by Bloomberg Finance L.P. for utilities with a credit risk profile equivalent to that of NiSource on the dates such Notes are issued. The term of Notes would have a maturity of up to thirty (30) years.

In addition, CGV proposes to continue to participate, as a borrower only, in the NiSource System Money Pool ("Money Pool") under the NiSource System Money Pool Agreement for the period January 1, 2019, through December 31, 2020. CGV requests authority to borrow up to $140 million in short-term debt through the Money Pool. CGV states that the Money Pool proceeds will be used to meet peak short-term cash requirements, including the funding of construction expenditures, gas purchases, and gas storage. CGV states that although short-term debt projections indicate a peak day borrowing of approximately $87 million, $140 million of short-term borrowing authority is requested to provide a reserve of borrowing capacity that may be needed for gas purchases during periods of unforeseen volatility in gas prices and abnormally cold weather.

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.

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[1] Va. Code § 56-55 *et seq.*

[2] Va. Code § 56-76 *et seq.*

ACCORDINGLY, IT IS ORDERED THAT:

(1) CGV is hereby granted approval of the authority requested in the application as described herein subject to the requirements set forth in the Appendix attached to this Order.

(2) This matter shall remain subject to the continued review, audit, and appropriate directive of the Commission.

APPENDIX

1. The Company is hereby authorized to issue up to $115 million of Notes to NiSource for the period January 1, 2019, through December 31, 2020, under the terms and conditions and for the purposes set forth in the application.

2. The Company is hereby authorized to borrow up to the aggregate maximum balance of $140 million of short-term indebtedness through the Money Pool for the period January 1, 2019, through December 31, 2020, for the purposes and under the terms and conditions as set forth in the application.

3. Commission approval shall be required for any subsequent changes in the terms and conditions, as well as participating members, of the Money Pool.

4. CGV shall file with the Clerk of the Commission, quarterly reports of action no later than May 31, August 30, November 30, and February 28, during the 2019 and 2020 calendar years to report on its Money Pool activities during the previous calendar quarter. Such reports shall include a monthly schedule of daily short-term borrowings by CGV, the average monthly balance, the average monthly interest rate, and the monthly maximum amount of short-term debt outstanding.

5. CGV shall file a preliminary report of action with the Clerk of the Commission within ten (10) days after the issuance of any Notes pursuant to Appendix Paragraph (1), to include the issuance date, amount of the issue, the interest rate, the maturity date, a brief explanation of reasons for the term of maturity chosen, and a copy of the Bloomberg Index information used to determine the interest rate on each respective Note.

6. CGV shall file a final report of action with the Clerk of the Commission no later than February 28, 2021. The final report shall provide the same type of information in Appendix Paragraph (3) for CGV short-term borrowing activity from the Money Pool during the last calendar quarter of 2020. The final report shall also provide a summary of all Notes issued pursuant to Appendix Paragraph (1) during the entire period of authority to include for each respective issue:

(a) The issuance date, amount issued, interest rate, date of maturity, proceeds to CGV; and
(b) A brief description of how the proceeds were used.

7. The authority granted herein shall not preclude the Commission from applying the provisions of §§ 56-78 and 56-80 of the Code hereafter.

8. 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.

9. The approval granted in this case shall have no ratemaking implications.

10. This matter shall remain under continued review, audit, and appropriate directive of the Commission.

CASE NO. PUR-2018-00179
DECEMBER 21, 2018

APPLICATION OF
ATMOS ENERGY CORPORATION and ATMOS ENERGY HOLDINGS, INC.

For authority to incur short term debt and to lend and borrow short-term funds to and from its affiliates.

ORDER

On October 31, 2018, Atmos Energy Corporation ("Atmos" or "Company") and Atmos Energy Holdings, Inc. ("AEH") (collectively, "Applicants"), filed an application ("Application") with the State Corporation Commission ("Commission") under Chapters 3[1] and 4[2] of Title 56 of the Code of Virginia ("Code") requesting authority to incur short-term indebtedness up to a maximum of $1.95 billion for the period January 1, 2019, through December 31, 2019. The amount of short-term debt requested in the Chapter 3 part of application is in excess of 12% of total capitalization as defined in § 56-65.1 of the Code and thus requires prior Commission approval. Atmos also requests authority under Chapter 4 to lend and borrow short-term funds to and from AEH in an amount not to exceed $200 million at any one time during 2019. Applicants paid the requisite fee of $250.

Pursuant to the Chapter 3 portion of the Application, Atmos proposes to incur short-term indebtedness by making drawdowns under its existing credit facility, through intercompany borrowings, or through the use of its commercial paper program. Currently, Atmos has a $1.50 billion credit facility in place that has an accordion feature that could allow borrowings up to $1.75 billion ("Credit Facility"). According to the Application, borrowings under Atmos's Credit Facility will bear interest at floating rates based on the type of loan Atmos elects, either a Base Rate Loan or a Eurodollar Loan. Under

[1] Code § 56-55 *et seq.* ("Chapter 3")

[2] Code § 56-76 *et seq.* ("Chapter 4")

Atmos's commercial paper program, the interest rate is set at the time of the advance and is based on capital market conditions at that time. Atmos states that the proceeds will be used to fund seasonal gas purchases, finance the ongoing capital improvement program, refinance maturing long-term debt, and for other corporate purposes.

Pursuant to the Chapter 4 portion of the Application, Atmos proposes to continue to borrow from and lend to AEH, its wholly owned subsidiary, through a $200 million short-term cash credit facility ("Affiliate Facility") for the period January 1, 2019, through December 31, 2019. AEH can also use the Affiliate Facility to lend funds to its wholly-owned subsidiaries.

NOW THE COMMISSION, upon consideration of this matter and having been advised by the Staff of the Commission ("Staff") in Staff's Action Brief, and upon consideration of the Applicants' comments ("Comments") thereon, is of the opinion and finds as follows. We find that the Chapter 3 portion of the Application, for Atmos to incur short-term indebtedness up to a maximum of $1.95 billion for the period January 1, 2019, through December 31, 2019, will not be detrimental to the public interest and is approved.

However, we are concerned that the Chapter 4 Application does not demonstrate a specific need for the Affiliate Facility, as AEH does not generate income or have financing needs of its own, Instead, Atmos appears to employ AEH (and the Affiliate Facility) as a conduit for providing indirect financing and/or credit support to other Atmos affiliates ("Other Affiliates").[3] We are further concerned that the Chapter 4 Application: (1) does not include the Other Affiliates as Applicants; (2) does not explain why the Affiliate Facility is preferable to direct financing between Atmos and the Other Affiliates; (3) does not discuss the terms and conditions of AEH's financing arrangements with the Other Affiliates; and (4) does not discuss the Other Affiliates' financing requirements and repayment capabilities.

Therefore, given the Applicants' concern over the potential loss of credit support, we will grant the Applicants interim authority to operate under the Affiliate Facility, pending the re-filing of a new Chapter 4 application within sixty (60) days of the effective date of this order, and the Commission's determination thereof, which demonstrates the specific need for the Affiliate Facility, and (1) includes all direct and indirect Affiliate Facility participants as Applicants; (2) explains why the Affiliate Facility is preferable to direct financing between Atmos and the Other Affiliates; (3) discusses the terms and conditions of AEH's financing arrangements with the Other Affiliates; and (4) discusses the Other Affiliates' financing requirements and repayment capabilities.

Accordingly, IT IS ORDERED THAT:

(1) Atmos is hereby authorized to incur short-term indebtedness up to $1.95 billion at any one time between January 1, 2019, and December 31, 2019, under the terms and conditions and for the purposes set forth in the Application.

(2) The Applicants are granted interim authority to operate under the Affiliate Facility, pending the Commission's determination of a new Chapter 4 application to be refiled within sixty (60) days of the effective date of this order, which demonstrates the specific need for the Affiliate Facility, and (1) includes all direct and indirect Affiliate Facility participants as Applicants; (2) explains why the Affiliate Facility is preferable to direct financing between Atmos and the Other Affiliates; (3) discusses the terms and conditions of the Other Affiliates' current financing arrangements with AEH/Atmos; and (4) discusses the Other Affiliates' financing requirements and repayment capabilities.

(3) Applicants shall file with the Commission quarterly reports of action no later than May 16, 2019, August 15, 2019, and November 15, 2019, reporting on its short-term debt activities during the previous calendar quarter. Such reports shall include a monthly schedule of daily short-term borrowings of Atmos, the average monthly balance, the average monthly interest rate, and the monthly maximum amount of short-term debt outstanding.

(4) Applicants shall submit to the Commission a final report of action on or before February 28, 2020, providing the information required in Ordering Paragraph (3) for the fourth calendar quarter of 2019. The final report of action also shall include a summary schedule of fees paid and amortized by Atmos for its Credit Facility used to support short-term indebtedness authorized for 2019.

(5) The approval granted in this case shall have no ratemaking implications. Specifically, it shall not guarantee the recovery of any costs directly or indirectly related to the Credit Facility.

(6) Should Applicants wish to obtain authority beyond year 2019, Atmos shall file an application requesting such authority no later than October 31, 2019.

(7) This matter shall remain under continued review, audit, and appropriate directive of the Commission.

[3] *See* Staff's action brief and the Applicants' Comments thereon.

CASE NO. PUR-2018-00182
DECEMBER 21, 2018

APPLICATION OF
VIRGINIA NATURAL GAS, INC.
Principal Applicant
and
SOUTHERN COMPANY GAS, AGL SERVICES COMPANY, and SOUTHERN COMPANY GAS CAPITAL CORPORATION
Affiliate Applicants

For authority to issue short-term debt, long-term debt and common stock to an affiliate under Chapters 3 and 4, Title 56 of the Code of Virginia

ORDER GRANTING AUTHORITY

On November 15, 2018, Virginia Natural Gas, Inc. ("VNG"), Southern Company Gas ("SCG"), AGL Services Company ("AGL Services"), and Southern Company Capital Corporation (collectively, "Applicants"), filed an Application with the State Corporation Commission ("Commission") under Chapters 3[1] and 4[2] of Title 56 of the Code of Virginia ("Code") requesting authority for VNG to participate in a Utility Money Pool, to issue and sell common stock to an affiliate and to issue long-term debt to an affiliate. The amount of short-term debt proposed in the Application exceeds twelve percent of the total capitalization as defined in § 56-65.1 of the Code. Applicants paid the requisite fee of $250.

More specifically, Applicants request authorization for VNG to: (i) issue short-term debt up to an aggregate balance of $150 million through participation in the Utility Money Pool administered by AGL Services; (ii) issue long-term debt to SCG in an amount not to exceed $250 million; and (iii) issue and sell common stock to SCG in an amount not to exceed $300 million, all for the period January 1, 2019, through December 31, 2019.

Applicants' requested level of short-term debt borrowing authority through the Utility Money Pool is the same as previously requested and authorized in Case No. PUR-2017-00155.[3] Applicants represent that the requested authority for Utility Money Pool borrowings of up to $150 million is a maximum and does not reflect VNG's actual short-term borrowing requirements. However, Applicants state that the level of short-term borrowing requested will provide the flexibility needed by VNG to finance its operations on a short-term basis until management deems it appropriate to secure permanent, long-term financing based on capital market conditions and other criteria.

All short-term borrowings will be in accordance with the Utility Money Pool Agreement, which was originally approved by the Commission's Order Granting Authority in Case No. PUE-2004-00132.[4] With respect to the Utility Money Pool, loans to participants will be made in the form of open account advances for periods of less than 12 months. Borrowings will be payable on demand together with all interest accrued thereon. Interest on borrowings will accrue daily at a rate that will be determined based on the source of funds available in the Utility Money Pool.

If Utility Money Pool borrowings in a given month solely consist of surplus funds from participants ("Internal Funds"), the daily interest rate will be equal to the high-grade unsecured 30-day commercial paper rate of major corporations sold through dealers as quoted in *The Wall Street Journal*. If Utility Money Pool borrowings in a given month solely consist of proceeds from bank borrowings or the issuance of commercial paper ("External Funds"), the daily rate will reflect the weighted average cost of External Funds. In months when borrowings are supported by Internal Funds and External Funds, the rate will reflect a composite rate, equal to the weighted average cost of Internal Funds and External Funds.

The cost of compensating balances and fees paid to banks to maintain credit lines that support the availability of External Funds to the Utility Money Pool will be allocated to borrowing parties in proportion to their respective daily outstanding borrowing of External Funds. Borrowing parties will borrow pro rata from each fund source in the same proportion that the respective funds from each source bear to the total amount of funds available to the Utility Money Pool.

With respect to long-term debt issued by VNG to SCG, any terms and conditions thereon will mirror the terms and conditions of debt issued by SCG. If SCG does not issue long-term debt within one year from the date of the long-term debt issued by VNG, the rate of interest on that corresponding issue of VNG debt will be determined utilizing the interest rate on the comparable term U.S. Treasury Securities as reported in the H.15 Federal Reserve Statistical Release nearest to the time of the loan takedown, plus an appropriate credit spread for SCG's existing long-term debt rating. However, such VNG debt rate will be adjusted to match SCG's cost of borrowing if SCG subsequently issues long-term debt within one year after the VNG loan is drawn.

For common stock, VNG requests authority to issue up to 5,989 shares of common stock without par value to SCG. 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 total number of shares authorized. The common stock will be sold at the book value of VNG's common equity as of its most recent balance sheet date immediately prior to the sale date.

Applicants state that the proposed issuance of long-term debt and common equity will be used to reduce short-term borrowings, to fund distribution system capital improvement projects, to pay or refinance other obligations of VNG, and for other proper public utility purposes.

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[1] Code § 56-55 *et seq*.

[2] Code § 56-76 *et seq*.

[3] *Application of Virginia Natural Gas, Inc., Southern Company Gas, and AGL Services Company, and Southern Company Gas Capital Corporation, For authority to issue short-term debt, long-term debt, and common stock to an affiliate,* Case No. PUR-2017-00155, 2017 S.C.C. Ann. Rept. 577, Order Granting Authority (Dec. 11, 2017).

[4] *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,* Case No. PUE-2004-00132, 2004 S.C.C. Ann. Rept. 539, Order Granting Authority (Dec. 3, 2004).

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.

Accordingly, IT IS ORDERED THAT:

(1) VNG is authorized to participate in the Utility Money Pool and to incur short-term indebtedness in excess of twelve percent of capitalization not to exceed $150 million, for the period January 1, 2019, through December 31, 2019, under the terms and conditions and for the purposes set forth in the Application, and subject to the requirements set forth in the Appendix attached to this Order.

(2) VNG is hereby authorized to issue long-term debt to SCG in an amount not to exceed $250 million and to issue and sell common stock to SCG in an amount not to exceed $300 million for the period January 1, 2019, through December 31, 2019, under the terms and conditions and for the purposes set forth in the Application, and subject to the requirements set forth in the Appendix attached to this Order.

(3) This matter is continued subject to the continuing review, audit, and appropriate directive of the Commission.

APPENDIX

(1) Applicants shall seek additional Commission authority to alter or amend the terms and conditions set forth in the Application for participation in the Utility Money Pool or to change Utility Money Pool participants.

(2) Should Applicants seek to extend the authority for VNG to participate in the Utility Money Pool beyond December 31, 2019, Applicants shall file an application requesting such authority no later than November 15, 2019.

(3) Approval of this Application shall have no implications for ratemaking purposes.

(4) Approval of this Application does not preclude the Commission from applying the provisions of §§ 56-78 and 56-80 of the Code.

(5) Applicants shall provide the Commission's Division of Utility Accounting and Finance with at least thirty (30) days' advance notice of the prospective amount and date of any dividend payment by VNG to any affiliate.

(6) 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.

(7) Applicants shall file quarterly reports of action within sixty (60) days of the end of each calendar quarter following the date of this Order, to include:

(a) A monthly schedule of Utility Money Pool borrowings, segmented by borrower (whether VNG or an 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, file a preliminary report with the Clerk of the Commission. 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 to the Commission. Such report shall include the information noted in Appendix Paragraph (8) above, the cumulative amount of securities issued to date for each type of security and the amount of authorized but unissued securities that remain, a general statement concerning the purposes for which the securities were issued, a summary of all issuance costs incurred to date for each respective security issued, and a balance sheet reflecting the actions taken.

(10) Applicants shall file their final report of action with the Commission on or before March 4, 2020, to include all of the information outlined in Appendix Paragraphs (7) and (9) above, summarizing the financings entered into pursuant to Appendix Paragraphs (1) and (2) above during the fourth calendar quarter of 2019.

CASE NO. PUR-2018-00189
DECEMBER 21, 2018

APPLICATION OF
PRINCE GEORGE ELECTRIC COOPERATIVE

For authority to enter into a Letter of Credit Agreement on behalf of an Affiliated Entity under Chapters 3 and 4 of Title 56 of the Code of Virginia

ORDER GRANTING AUTHORITY

On December 5, 2018, Prince George Electric Cooperative ("PGEC" or "Cooperative") completed an application ("Application")[1] with the State Corporation Commission ("Commission") pursuant to Chapters 3 and 4 of Title 56 of the Code of Virginia ("Code"),[2] requesting authority to allow PGEC to requisition a letter of credit ("LOC") under a LOC Reimbursement Agreement ("LOC Agreement") with National Rural Utilities Cooperative Finance Corporation ("CFC") on behalf of the Cooperative's wholly owned subsidiary, PGEC Enterprises, LLC ("Enterprises").

PGEC notes that the Cooperative and Enterprises were previously authorized by the Commission to enter into agreements for Enterprises to lease excess fiber optic bandwidth capacity from PGEC and for PGEC to provide management and related services needed for Enterprises to offer broadband service.[3] In addition, the Cooperative and Enterprises were previously authorized by the Commission to allow PGEC to guaranty up to $15 million in long-term debt to be borrowed by Enterprises from CFC in order to expand the broadband internet services mentioned above.[4]

The Application states that Enterprises was awarded financial support for broadband internet service offerings, in the amount of approximately $1.5 million per year for ten years, as a result of participating in the Connect America Fund Phase II Auction ("CAFII").[5] As security to repay the grant funding if the recipients do not comply with the terms of the grant, PGEC represents that all winning bidders of the CAFII are required to have an irrevocable LOC for the benefit of the Universal Service Administrative Company before grant funds can be received. Therefore, the Petitioners state that the LOC Agreement with CFC is necessary for PGEC to secure and obtain the CAFII grant on behalf of Enterprises. As stated in the Financing Summary, there are no interest costs associated with the LOC Agreement; however, PGEC is required to pay a fee of 75 basis points on the amounts of the LOC, which Enterprises commits to pay. As further stated in the Financing Summary, although there are no required repayment terms for the grant funds, Enterprises must establish and adhere to a buildout milestone schedule.

NOW THE COMMISSION, upon consideration of this matter and having been advised by its Staff through its Action Brief, is of the opinion and finds that the authority requested is in the public interest and shall be approved subject to the requirements set forth in the Appendix attached hereto.

Accordingly, IT IS ORDERED THAT:

(1) PGEC is hereby authorized to enter into a LOC Agreement to secure and obtain the CAFII grant on behalf of Enterprises, under the terms and conditions and for the purposes described in the Application and clarified in Staff's Action Brief, subject to the requirements set forth in the Appendix to this Order.

(2) This case hereby is dismissed.

APPENDIX

1. The Commission's approval of the LOC Agreement shall be limited to six (6) years from the date that it is executed pursuant to the authority granted in this case. Should PGEC and Enterprises wish to continue the LOC Agreement after that date, separate Commission approval shall be required.

2. The Commission's approval of the LOC Agreement shall be limited to the terms and conditions specifically identified in the Application and as further clarified by the Cooperative, as described in Staff's Action Brief. If the Cooperative wishes to modify the terms and conditions approved herein, separate Commission approval shall be required.

3. The approval granted in this case shall have no accounting or ratemaking implications.

4. The approval granted in this case shall not preclude the Commission from exercising its authority under Code § 56-76 *et seq.* hereafter.

5. The Commission shall reserve the right to examine the books and records of any affiliate associated with the approval granted in this case, whether or not such affiliate is regulated by the Commission.

6. PGEC and Enterprises shall submit an executed copy of the LOC Agreement within ninety (90) days of its execution with the Commission's Director of the Division of Utility Accounting and Finance ("UAF Director").

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[1] PGEC filed the Application on December 3, 2018, and submitted the required filing fee on December 5, 2018.

[2] Code §§ 56-55 *et seq.* and 56-76 *et seq.*

[3] *See Application of Prince George Electric Cooperative and PGEC Enterprises, LLC, For approval of affiliate agreements,* Case No. PUE-2016-00108, 2016 S.C.C. Ann. Rept. 460, Order Granting Approval (Dec. 8, 2016).

[4] *See Application of Prince George Electric Cooperative, For authority to guaranty long-term debt of an affiliate pursuant to the provisions of Chapters 3 and 4 of Title 56 of the Code of Virginia,* Case No. PUR-2018-00148, Doc. Con. Cen. No. 181140013, Order Granting Authority (Nov. 20, 2018).

[5] Application at 3.

7. PGEC shall be required to include all transactions and costs associated with the LOC Agreement in its Annual Report of Affiliate Transactions ("ARAT") submitted to the UAF Director on May 1 of each year, subject to administrative extension by the UAF Director. The ARAT shall include the following:

a. The case number in which the LOC Agreement was approved;
b. The name of all direct and indirect affiliated parties to the LOC Agreement; and
c. A calendar year annual schedule showing the LOC Agreement transaction by month, FERC account, and the amount of annual basis point and the associated basis point fees on the LOC.

CASE NO. PUR-2018-00197
DECEMBER 14, 2018

APPLICATION OF
APPALACHIAN POWER COMPANY, *et al.*

For approvals pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING INTERIM AUTHORITY

On September 17, 2013, Appalachian Power Company ("APCo" or "Company") and eight of its affiliates (collectively, "Applicants") filed for approval of ten assignments, amendments and agreements (collectively, "Transactions") from the State Corporation Commission ("Commission") pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Affiliates Act") in Case No. PUE-2013-00103.[1] On December 16, 2013, the Commission issued an Order Granting Approval in that proceeding, which approved the Applicants' application subject to certain requirements, including a five-year limitation on the approval of most Transactions.[2]

On December 13, 2018, APCo filed a motion in the present proceeding for interim authority to continue to engage in the Transactions pursuant to the terms of the Transactions as approved by the Commission in Case No. PUE-2013-00103, pending the filing of a full application under the Affiliates Act and until such time as the Commission has an opportunity to act upon the application ("Motion").[3] In the Motion, APCo states that it is currently reviewing the Transactions to determine which are still applicable and whether any changes are necessary going forward, but that it anticipates filing an application in early 2019.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that APCo's request for interim authority to engage in the approved Transactions, pending a final order on the Company's forthcoming application, should be granted.[4]

Accordingly, IT IS ORDERED THAT:

(1) This case hereby is docketed and assigned Case No. PUR-2018-000197.

(2) APCo hereby is granted interim authority to engage in the approved Transactions pending a final order of the Commission.

(3) This case is continued generally pending further order of the Commission.

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[1] *Application of Appalachian Power Company, et al., For approvals pursuant to the Act Governing Regulation of Relations with Affiliated Interests, Va. Code §§ 56-76 et seq.*, Case No. PUE-2013-00103, Doc. Con. Cen. No. 130910370, Application (Sept. 17, 2013).

[2] *Application of Appalachian Power Company, et al., For approvals pursuant to the Act Governing Regulation of Relations with Affiliated Interests, Va. Code §§ 56-76 et seq.*, Case No. PUE-2013-00103, 2013 S.C.C. Ann. Rept. 455, Order Granting Authority (Dec. 16, 2013).

[3] APCo is also seeking expedited consideration of the Motion.

[4] The Commission finds that APCo shall file an application for approval of all necessary authority related to the Transactions on or before February 4, 2019. The approval granted herein terminates upon the entry of the Commission's final order in this proceeding.

DIVISION OF SECURITIES AND RETAIL FRANCHISING

CASE NO. SEC-2008-00063
FEBRUARY 20, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
CHARLES ELSTON,
Defendant

CONSENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Charles Elston ("Elston" or "Defendant") pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia ("Code"). Based on the Division's allegations as discussed herein regarding the Defendant's purported violations of the Act, and following the Defendant's agreement to the entry of this Consent Order ("Order"), the Commission permanently enjoins Elston from violating the Act and directs the Defendant to pay restitution to investors in the amount of $29,937.42. On July 15, 2008, the Commission issued a Rule to Show Cause ("Rule") against the Defendant.[1] The Rule alleged, among other things that: (i) Elston, through two business entities — Firm Grip and Firm Grip Financial — offered a program whereby investors would enter into an investment contract, pay an initial lump sum payment to Firm Grip and Firm Grip Financial and, in exchange for that initial lump sum payment, Firm Grip Financial, with no additional involvement from the investor, would pay off the investor's mortgage; (ii) investors' mortgages were not paid as promised, nor were the investors able to get their original investment back from Firm Grip or Firm Grip Financial; (iii) neither Firm Grip, Firm Grip Financial, nor Elston were registered with the Division to sell securities in the Commonwealth of Virginia ("Virginia"), nor were they exempt from registration.

With respect to Elston, the Rule alleged that he: (i) violated § 13.1-507 of the Act when he offered and sold securities, in the form of investment contracts, that were neither registered under the Act nor exempt from registration; (ii) violated § 13.1-502 (2) of the Act by omitting certain material facts necessary to make the statements made to potential investors, in light of the circumstances under which they were made, not misleading in that he failed to provide adequate risk warnings to potential investors and failed to provide material company information, including the fact that an individual associated with Firm Grip had filed for bankruptcy; (iii) violated § 13.1-502 (3) of the Act by engaging in any transaction, practice or course of business which operates or would operate as a fraud or deceit upon the purchaser in that he continued to sell investments after being informed by the Division that the investments needed to be registered and that the program did not appear to be able to meet its obligations to investors; and (iv) violated § 13.1-504 A of the Act by selling securities issued by Firm Grip without being duly registered with the Division as an agent of the issuer.

On January 20, 2011, Elston agreed to the entry of a Settlement Order ("2011 Settlement").[2] As part of the 2011 Settlement, among other things, Elston agreed to divide funds he received as salary and commissions from Firm Grip in the total amount of $70,000 and make equal payments to each identified investor of Firm Grip.

After the 2011 Settlement was entered, Elston contacted the Division, represented that he was having difficulty making the bi-monthly payments under the 2011 Settlement, and requested an amended repayment schedule. After considering Elston's request, the Division agreed to alternative settlement terms that still would require him to return a total of $70,000 to investors but would extend his payment dates.

On August 21, 2012, the Commission entered an Amended Settlement Order ("Amended Order") based on the terms agreed to by Elston. The Amended Order extended the payment terms without altering the total amount due. As in the 2011 Settlement, Elston, in the Amended Order, agreed to pay restitution to 25 investors in the amount of $2,800 each, less all amounts already paid under the 2011 Settlement, at a rate of $187.50 each, every three months.[3]

Elston, however, did not make the extended restitution payments as required by the Amended Order. Pursuant to the terms of the Amended Order, Elston was required to complete all restitution payments to investors, in the total amount of $70,000, by January 2015. To date, Elston has only paid a total of $40,062.58 in restitution to investors under the terms of the 2011 Settlement and the Amended Order.

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[1] *Commonwealth of Virginia ex rel., State Corp. Comm'n v. Firm Grip Bus. Mgmt. and Holding Co., LLC*, Case No. SEC-2007-00072; *Commonwealth of Virginia ex rel., State Corp. Comm'n v. Firm Grip Fin. Servs., LLC*, Case No. SEC-2008-00064; *Commonwealth of Virginia ex rel., State Corp. Comm'n v. Elston*, Case No. SEC-2008-00063. The Rule also named as additional defendants Firm Grip Business Management and Holding Company, LLC ("Firm Grip"), Firm Grip Financial Services, LLC ("Firm Grip Financial"), Michael Miles, Nicole Gray, and Rose Elston. These additional defendants are not named in this order for the following reasons. Firm Grip and Firm Grip Financial are no longer active entities. A default judgment was entered against Michael Miles after he failed to satisfy the terms of a separate amended settlement order. *Commonwealth of Virginia ex rel., State Corp. Comm'n v. Miles*, SEC-2008-00045, Doc. Con. Cen. No. 120440018, Final Order (Apr. 30, 2012). Nicole Gray entered a settlement order with the Commission in 2008, and a final order was entered in 2009 when she completed the requirements of that settlement order. *Commonwealth of Virginia ex rel., State Corp. Comm'n v. Gray*, SEC-2007-00074, Final Order (Oct. 8, 2009).

[2] *Commonwealth of Virginia ex rel., State Corp. Comm'n v. Elston*, Case No. SEC-2008-00063, 2011 S.C.C. Ann. Rept. 560, Settlement Order (Jan. 20, 2011) (Attachment 2). Rose Elston was a party to the original Settlement Order entered by the Defendants in 2011, but she passed away prior to the Amended Settlement Order and was not included as part of that order.

[3] The Amended Order also authorized the distribution to investors of $117,318 in funds seized from the Defendant by law enforcement in 2008 and released after entry of the 2011 Settlement ("Seized Funds"). Pursuant to the Amended Order, the distribution of these Seized Funds was separate from and in addition to the $2,800 in restitution due to each of the 25 investors. The Defendant distributed the Seized Funds to investors.

After discussions with the Division of his inability to comply with the restitution provisions of the Amended Settlement Order, Elston agreed to the entry of an order directing him to pay restitution to the investors in the amount of $29,937.42. In addition, Elston agreed to be permanently enjoined from violating the Act in the future.

NOW THE COMMISSION, upon the request of the Division and with the consent of the Defendant is of the opinion and finds that the Defendant should be permanently enjoined from violating the Act in the future. In addition, the Defendant should pay restitution to investors in the amount of $29,937.42.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to §13.1-519 of the Act, Elston is permanently enjoined from any future violations of the Act..

(2) Pursuant to § 13.1-521 C of the Act, , Elston shall pay a total restitution amount of $29,937.42 to 25 investors in the sums identified in Attachment A to this Consent Order.

(3) Pursuant to 5 VAC 5-20-170 of the Commission's Rules of Practice and Procedure, Attachment A to this Consent Order shall be filed under seal to protect the identities of the twenty-five (25) investors listed therein.

(4) The Commission shall retain jurisdiction in this matter for all purposes, including the initiation of a rule to show cause proceeding, or take such other action it deems appropriate, on account fo the Defendant's failure to comply with the provisions of this Consent Order.

NOTE: A copy of the Admission and Consent form 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. SEC-2013-00038
FEBRUARY 28, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
MARTIN PALACIOS, AND KEY WEST YOGURT INTERNATIONAL, INC.,
Defendants

JUDGMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Martin Palacios ("Palacios") and Key West Yogurt International, Inc. ("Key West") (collectively, "Defendants"), pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq*. of the Code of Virginia. Based upon the Division's allegations as discussed herein regarding the Defendants purported violations, and following the Defendants' agreement to entry of this Judgment Order ("Order"), the Commission permanently enjoins the Defendants from violating the Act and directs the Defendant to pay a penalty in the amount of $547,750. This penalty will be waived if the Defendants pay restitution within 5 years of entry of this Order, to the 20 investors who previously received offers of rescission from the Defendants.

On May 18, 2016, the Commission entered a Settlement Order[1] against the Defendants based upon allegations made by the Division; specifically, the Division alleged that the Defendants had violated §§ 13.1-507 and 13.1-504 of the Act.

With respect to Palacios, the Settlement Order alleged that he: (i) violated § 13.1-507 of the Act when he offered and sold securities in the form of Key West stock to 20 investors in Virginia ("Investors"), even though that stock was neither registered under the Act nor exempt from registration and (ii) violated § 13.1-504 A of the Act by selling securities in the form of Key West stock without being duly registered with the Division as an agent of the issuer.

With respect to Key West, the Settlement Order alleged that it: (i) violated § 13.1-507 by selling unregistered securities in the form of Key West stock to the Investors and (ii) violated § 13.1-504 B of the Act by employing Palacios as an unregistered agent.

As a part of the Settlement Order, the Defendants agreed to pay the Treasurer of Virginia $547,750 in monetary penalties. Under certain prescribed conditions, these penalties were to be waived if the Defendants offered rescission to the Investors, as well as paid rescission within one year of each Investor's acceptance of the rescission offer.

After the Settlement Order was entered, the Defendants made an offer of rescission to the Investors. All of the Investors accepted the rescission offer. However, the Defendants failed to make payments to the Investors within the one year period as required by the Settlement Order.

[1] Doc. Con. Cen. No. 160540256.

After discussions with the Division regarding their inability to comply with the terms of the Settlement Order, the Defendants agreed to the Commission's entry of a judgment order, among other things, directing them to pay restitution to the Investors in the amount of $547,750. In addition, the Defendants agreed to be permanently enjoined from violating the Act in the future. Further, the Defendants agreed that as a part of the judgment order that: (i) the Defendants admitted to 20 violations of §13.1-507 of the Act by offering and selling unregistered securities to the Investors for offers and sales of Key West stock between 2010 and 2011; (ii) Palacios admitted to 20 violations of §13.1-504 A of the Act by acting as unregistered agent of the issuer Key West; and (iii) Key West admitted to 20 violations of §13.1-504 B of the Act when Key West employed Palacios as an unregistered agent. Further, the Defendants admitted that they violated the Commission's Settlement Order by failing to make rescission payments to the Investors within one year of their acceptance of the rescission offer. A copy of the Consent to Entry of Judgment Order is attached hereto and incorporated herein by reference.

NOW THE COMMISSION, upon the request of the Division and the consent of the Defendant is now of the opinion and finds that the Defendants: (i) violated §§ 13.1-507 and 504 of the Act, (ii) violated the conditions of the Settlement Order, and (iii) should be permanently enjoined from violating the Act in the future. In addition, the Defendants should pay a civil penalty in the amount of $547,750, which amount shall be waived if the Defendants pay restitution to the Investors in the amount of $547,750 within 5 years of the entry of this Order.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 13.1-519 of the Act, the Defendants are permanently enjoined from any future violations of the Act.

(2) Pursuant to § 13.1-521 A of the Act, the Defendants are directed to pay a civil penalty of $547,750, to be waived pursuant to § 13.1-521 C of the Act if the Defendants pay restitution to each of the Investors within 5 years of the entry of this Order.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the initiation of a rule to show cause proceeding, or take such other action it deems appropriate, because the Defendants' failure to comply with the provisions of this Order.

NOTE: A copy of the Consent to Entry of Judgment Order is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. SEC-2016-00014
JUNE 1, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
LINCOLN FINANCIAL SECURITIES CORPORATION,
Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Lincoln Financial Securities Corporation ("LFSC") pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq*. of the Code of Virginia ("Code").

LFSC is a New Hampshire corporation registered with the Commission as a broker-dealer and investment advisor.

LFSC has been registered in Virginia as a broker-dealer since 1981 and as an investment advisor since 1977. Randy Z. Watts ("Watts") was a registered representative for LFSC and was continuously registered from June 2007 through November 2015 (hereinafter, "relevant time period") at 25 South Kent Street, Winchester, Virginia 22601. Watts was the principal for an entity named Watts Financial Group, LLC ("Watts Financial"). Watts Financial was a Virginia limited liability company that was registered with the Commission from July 2004 until October 2016.

The Division alleges that beginning in 2009, Watts devised a scheme in which he defrauded clients, long-time friends, and elderly residents of the Winchester community by selling them a variety of bogus investments he called "fixed rate investments." Watts often included the names of real financial institutions to these bogus investments to give his investors a false sense of comfort and to give the investments an air of legitimacy. Watts had the investors write checks payable to either Watts Financial or directly to him. Watts then deposited the funds into one of his personal or business checking accounts, accounts over which Watts had sole control. During the relevant time period, Watts misappropriated approximately $400,000 from at least 12 Virginia investors.

The Division further alleges that during the relevant time period, LFSC was aware of ongoing financial difficulties Watts was experiencing. Despite placing Watts on heightened supervision plans on two separate occasions because of federal tax liens filed against him, LFSC failed to adequately supervise and monitor Watts' securities activities that led to the client abuses.

The Division further alleges that, in certain instances, LFSC failed to verify independently the information provided to it by Watts. Most notably, during an audit of Watts in 2013, LFSC failed to independantly identify sources of funds deposited into the Watts Financial checking account, an account whose statements LFSC admits reviewing. Watts told LFSC that the deposits were the proceeds of loans from a personal friend, and he provided LFSC with copies of promissory notes. Had LFSC independently verified the information and documents provided by Watts, LFSC would have discovered evidence of Watts' improper conduct while under LFSC's supervision and may have been able to prevent Watts from continuing to solicit funds from additional unwitting investors between 2013 and 2015.

It should be noted that once LFSC discovered the fraud perpetrated by Watts, LFSC repaid investors for their losses. In addition, LFSC fully cooperated and assisted with the Division's investigation.

Based on the investigation, the Division alleges that LFSC violated 21 VAC 5-20-260 (A) and 21 VAC 5-20-260 (B) of the Commission's Rules on Supervision of Agents, 21 VAC-5-20-10 *et seq*., by failing to supervise diligently the securities activities of Watts during his affiliation with LFSC.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-519 of the Act to issue temporary or permanent injunctions; by § 13.1-521 of the Act to impose a civil penalty; and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendant neither admits nor denies the allegations herein but admits to the Commission's jurisdiction and authority to enter into this Settlement Order ("Order").

As a proposal to settle all matters arising from these allegations, the Defendant has made an offer of settlement to the Commission wherein the Defendant will abide by and comply with the following terms and undertakings:

(1) The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Ten Thousand Dollars ($10,000) in monetary penalties;

(2) The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Ten Thousand Dollars ($10,000) to defray the costs of investigation; and

(3) The Defendant will not violate the Act in the future.

The Division has recommended that the Commission accept the offer of settlement of the Defendant.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Division, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) The Defendant shall fully comply with the aforesaid terms and undertakings of this settlement.

(3) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

NOTE: A copy of the Admission and Consent form 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. SEC-2016-00063
JUNE 22, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
37TH PARALLEL PROPERTIES INVESTMENT GROUP, LLC, and CHAD DOTY,
Defendants

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of 37th Parallel Properties Investment Group, LLC ("37th Parallel") and Chad Doty ("Doty," collectively, the "Defendants") pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq*. of the Code of Virginia ("Code").

37th Parallel is a Nevada limited liability company, and Doty is a Virginia resident and managing member of 37th Parallel.

The Division alleges that from 2009 through 2015, the Defendants offered and sold membership interests in at least 14 different limited liability company ("LLC") offerings purportedly relying on an exemption from registration pursuant to Regulation D, Rule 506 ("Rule 506"). The Defendants failed in a number of the offerings to follow the requirements for compliance under Rule 506, including failing to make the appropriate notice filings under 21 VAC 5-45-20 of the Commission's Rules on Filing Requirements and Issurer-Agent Exemption ("Rule").

In addition, the Division alleges that from 2010 through 2015, the Defendants offered and sold securities in the form of promissory notes ("Notes") to 99 investors as part of a program used to raise capital for the purchase of targeted real estate properties. The Division alleges that the Notes sold by the Defendants are subject to regulation under the Act.

The Division further alleges that Doty was not properly registered to offer and sell securities in Virginia and was in violation of § 13.1-504 A (i) of the Act by transacting business in Virginia as an agent of an issuer (37th Parallel) when he offered and sold membership interests and the Notes.

However, it appears from the Division's investigation that there are no allegations of fraud regarding the securities offers and sales made by the Defendants.

Based on the investigation, the Division alleges that the Defendants violated Rule 21 VAC 5 45-20 of the Commission's Rules on Filing Requirements and Issuer-Agent Exemption, 21 VAC-5-45-10 *et seq*., and § 13.1-504 A (i) of the Act by transacting business in Virginia as an agent of an issuer.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-519 of the Act to issue temporary or permanent injunctions; by § 13.1-521 of the Act to impose a civil penalty; and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendants neither admit nor deny the allegations herein but admit to the Commission's jurisdiction and authority to enter into this Settlement Order ("Order").

As a proposal to settle all matters arising from these allegations, the Defendants have made an offer of settlement to the Commission wherein the Defendants will abide by and comply with the following terms and undertakings:

(1) The Defendants will pay a monetary penalty to the Treasurer of Virginia, contemporaneously with the entry of this Order, in the amount of One Thousand Dollars ($1,000) for each alleged non-exempt securities sale in violation of the Act. The total monetary penalty is Eight Thousand Dollars ($8,000), representing the first Note program sale and sales of membership interests in seven of the Defendants' LLC offerings;

(2) The Defendants will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Ten Thousand Dollars ($10,000) to defray the costs of investigation;

(3) The Defendants will retroactively notice file with the Division for securities sales sponsored by the Defendants in the 14 LLC offerings and the first note program. The Defendants will provide a copy of this Order to the investors for any active LLC;

(4) The Defendants have made certain required filings with the Division for additional LLC interest and Note sales. If any investor(s) of these LLCs requests a copy of this Order, the Defendants must provide same;

(5) The Defendants have agreed to discontinue the promissory note program by winding down the program for current investors as the Notes become due; and

(6) Going forward, the Defendants will make the appropriate notice filings pursuant to Rule 21 VAC 5-45-20 and will not violate the Act in the future.

The Division has recommended that the Commission accept the offer of settlement of the Defendants.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Division, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) The Defendants shall fully comply with the aforesaid terms and undertakings of this settlement.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate, on account of the Defendants' failure to comply with the terms and undertakings of the settlement.

NOTE: A copy of the Admission and Consent form 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. SEC-2017-00025
JUNE 29, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
GREGORY DEAN BODOH, and DOMINION RETIREMENT INCOME PLANNING, LTD.,
Defendants

FINAL ORDER

On May 24, 2018, the Staff of the Division of Securities and Retail Franchising ("Division") of the State Corporation Commission ("Commission") filed a Motion to Dismiss ("Motion") this case on the basis that (a) Defendant Gregory Dean Bodoh ("Bodoh") was killed in a vehicular accident on January 21, 2018; (b) Defendant Dominion Retirement Income Planning, Ltd. ("DRIP"), is no longer an active company; and (c) DRIP's website has been deactivated. No opposition was filed in response to the Motion. On May 31, 2018, the Hearing Examiner entered a report ("Report") recommending that the Commission adopt the findings made therein, grant the Division's Motion, and dismiss the case from the docket.

On June 15, 2018, counsel for Bodoh and DRIP filed comments to the Report ("Comments") asking that the Report note, in the section providing the history of the case, "that [Bodoh and DRIP] filed an Answer to the Rule, denying any wrongdoing or liability, on December 15, 2017."[1]

[1] Comments at 1.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that we should adopt the recommendations in the Report, and that the "History of the Case" section of the Report should be amended as requested by counsel for Bodoh and DRIP.

Accordingly, IT IS SO ORDERED, and this case is dismissed.

CASE NO. SEC-2017-00032
JULY 25, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
WINGS TO GO, INC.
Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Wings to Go, Inc. ("WTG" or "Defendant"), pursuant to § 13.1-567 of the Virginia Retail Franchising Act ("Act"), § 13.1-557 *et seq*. of the Code of Virginia ("Code").

WTG is a Delaware corporation based in Laurel, Maryland, that offers and sells franchise restaurants specializing in Buffalo-style chicken wings and sauces. WTG was initially registered as a Virginia franchise in 1991 and has been intermittently registered between 1991 and 2016. The Division alleges that the Defendant offered and sold at least one restaurant franchise to be operated in the Commonwealth of Virginia ("Virginia") in 2004 to a franchisee ("New Franchisee") when the franchise was not registered with the Division.

Additionally, the Division alleges that WTG renewed at least two restaurant franchises located in Virginia in 2016 to two franchisees ("Renewing Franchisees") when the franchise was not registered with the Division and could not claim an exemption from registration because of prior material changes in the Defendant's business. These changes included the criminal conviction of the Defendant's former chief executive officer for embezzling funds and subsequent changes in the Defendant's management team. The Division alleges that the Defendant's failure to formally disclose this information during the renewal process also amounted to a material omission.

Further, the Division alleges that WTG failed to provide the New Franchisee and the Renewing Franchisees a Franchise Disclosure Document ("FDD") cleared for use by the Division in connection with the unregistered sale and renewals. A cleared FDD provides material information to prospective franchisees in order for them to make an informed decision regarding the purchase of a franchise. As no properly cleared FDD was provided to the New or Renewing Franchisees during the offer, sale or renewal of their respective franchises, the Division alleges that regulatory oversight was circumvented.

Based on the investigation, the Division alleges the Defendant violated § 13.1-560 of the Act by selling or offering to sell franchises in Virginia without being registered under the provisions of the Act. The Division further alleges that the Defendant violated § 13.1-563.2 of the Act by failing to inform the Renewing Franchisees of a material fact or change to the franchise and § 13.1-563.4 by failing to provide the New and Renewing Franchisees with properly cleared FDDs in conjunction with the renewal, offer and sale of the franchises.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-562 of the Act to revoke a defendant's registration, by § 13.1-568 of the Act to issue temporary or permanent injunctions, by § 13.1-570 of the Act to impose certain monetary penalties and to request a defendant make rescission and restitution, and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendant neither admits nor denies the allegations made herein but admits to the Commission's jurisdiction and authority to enter this Settlement Order ("Order"). Further, the Defendant asserts that it no longer has any franchises in Virginia.

As a proposal to settle all matters arising from these allegations, the Defendant has made an offer of settlement to the Commission wherein the Defendant will abide by and comply with the following terms and undertakings:

(1) The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Five Thousand Dollars ($5,000) in monetary penalties.

(2) The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Two Thousand Five Hundred Dollars ($2,500) to defray the costs of investigation.

(3) The Defendant will not violate the Act in the future.

The Division has recommended that the Commission accept the offer of settlement of the Defendant.

NOW THE COMMISSION , having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Division, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) The Defendant shall fully comply with the aforesaid terms and undertakings of this settlement.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding or taking such other action it deems appropriate on account of the Defendants' failure to comply with the terms and undertakings of the settlement.

NOTE: A copy of the Admission and Consent form 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. SEC-2017-00038
MAY 9, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
HILTON CLAUDE MOORE,
Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Hilton Claude Moore ("Moore or Defendant") pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq*. of the Code of Virginia ("Code").

Moore is a resident of the Commonwealth of Virginia ("Virginia") and currently resides in the Fredericksburg area. Moore has never been registered as an investment advisor in Virginia.

The Division alleges that in 2016 Moore offered investment advisory services in Virginia and nationwide from his Virginia location. Moore used YouTube, a video-sharing website, to demonstrate visual examples of his trading ability. Moore's videos depicted a software platform named PaxForex. PaxForex facilitates trades on foreign exchange markets. As Moore's YouTube page attracted a larger audience, Moore began instructing his YouTube followers to open accounts with PaxForex. Moore would receive a payment from PaxForex if the new users mentioned Moore's name when opening an account.

Moore also began to operate an online chatroom through Google Hangout. Moore presented to his YouTube followers an offer to access his chatroom for a monthly fee. Moore would use the chatroom to instruct clients on when to trade, what currency pairs to trade, and provided additional foreign exchange advice. Moore saw an increase in his chatroom clientele at the same time as his YouTube videos showed Moore trading over $100,000 in a personal PaxForex account.

Chatroom clients began asking Moore to log in and trade in their personal accounts. Moore agreed to provide this service for a higher fee. Moore made trades on behalf of clients in the chatroom, and at least one client lost the majority of their investment. While Moore traded in the accounts of his clients, Moore lost between $15,000 to $30,000 of the funds under his control.

Moore's clients questioned inconsistencies between real-time trading results and results from Moore's YouTube videos. Moore admitted to Division investigators that the videos uploaded to his YouTube channel were fictitious in nature. Moore further admitted that the uploaded videos were recordings of a demo account with no monetary risk. Moore explained that he would edit the videos to give the impression that the trades were more profitable.

Based on the investigation, the Division alleges the Defendant violated § 13.1-503(A)(4) of the Act by engaging in dishonest or unethical practices; and § 13.1-504 of the Act by providing investment advice without being properly registered in Virginia.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-506 of the Act to revoke a defendant's registration, by § 13.1-519 of the Act to issue temporary or permanent injunctions, and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendant admits to the allegations made herein and further admits to the Commission's jurisdiction and authority to enter this Settlement Order ("Order").

As a proposal to settle all matters arising from these allegations, the Defendant has made an offer of settlement to the Commission wherein the Defendant will abide by and comply with the following terms and undertakings:

(1) The Defendant is permanently enjoined from offering and selling securities, registering as an Investment Advisor, Investment Advisor Representative, Broker Dealer, or Registered Representative in and from the Commonwealth of Virginia.

The Division has recommended that the Commission accept the offer of settlement of the Defendant.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Division, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The Defendant is permanently enjoined from offering and selling securities, registering as an Investment Advisor, Investment Advisor Representative, Broker Dealer, or Registered Representative in and from the Commonwealth of Virginia.

(2) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, 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.

(3) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

NOTE: A copy of the Admission and Consent form 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. SEC-2017-00045
MARCH 8, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
BLOOP FROZEN YOGURT, LLC, and JOSHUA OPPENHEIMER
Defendants

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Bloop Frozen Yogurt, LLC ("Bloop") and Joshua Oppenheimer ("Oppenheimer," collectively, the "Defendants") pursuant to § 13.1-567 of the Virginia Retail Franchising Act ("Act"), § 13.1-557 *et seq*. of the Code of Virginia ("Code").

Bloop was a Virginia limited liability company with a last known address of 1035 Avalon Drive, Forest, Virginia 24551, and Oppenheimer is a Virginia resident and managing member of Bloop.

The Division alleges that from 2012 through 2013, Bloop and Oppenheimer offered and sold at least two unregistered Bloop franchises to be operated in Virginia to two Virginia residents. The Defendants failed to provide the franchisees with the franchise disclosure document ("FDD") and franchise agreement required under the Act. The franchisees, among other things, were charged at least $45,000 in unauthorized franchise fees.

Based on the investigation, the Division alleges the Defendants violated § 13.1-560 of the Act by selling or offering to sell franchises in Virginia without being registered under the provisions of the Act. The Division further alleges that the Defendants violated § 13.1-563.2 of the Act by failing to provide the franchisees with properly cleared FDDs in conjunction with the offer and sale of the franchises.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-562 of the Act to revoke a defendant's registration, by § 13.1-568 of the Act to issue temporary or permanent injunctions, by § 13.1-570 of the Act to impose certain monetary penalties and to request a defendant make rescission and restitution, and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendants admit that they failed to register the franchise pursuant to the Act and admit to the Commission's jurisdiction and authority to enter this Settlement Order ("Order").

As a proposal to settle all matters arising from these allegations, the Defendants have made an offer of settlement to the Commission wherein the Defendants will abide by and comply with the following terms and undertakings:

(1) The Defendants will pay 25% restitution to the two Virginia franchisees in the amounts of Six Thousand Two-Hundred Fifty Dollars ($6,250) and Five Thousand Dollars ($5,000), respectively, within 90 days of the entry of this Order;

(2) The Defendants will pay 25% additional restitution to the two Virginia franchisees in the amounts of Six Thousand Two-Hundred Fifty Dollars ($6,250) and Five Thousand Dollars ($5,000), respectively, within 180 days of the entry of this Order;

(3) The Defendants will pay 50% restitution to the two Virginia franchisees in the amounts of Twelve Thousand Five Hundred Dollars ($12,500) and Ten Thousand Dollars ($10,000), respectively, within one year of the entry of this Order; and

(4) The Defendants will not violate the Act in the future.

The Division has recommended that the Commission accept the offer of settlement of the Defendants.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Division, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) The Defendants shall fully comply with the aforesaid terms and undertakings of this settlement.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate, on account of the Defendants' failure to comply with the terms and undertakings of the settlement.

NOTE: A copy of the Admission and Consent form 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. SEC-2017-00047
JUNE 20, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
LARADA SCIENCES, INC., and CLAIRE ROBERTS,
Defendants

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Larada Sciences, Inc. ("Larada Sciences"), and Claire Roberts ("Roberts," and collectively, "Defendants") pursuant to § 13.1-567 of the Virginia Retail Franchising Act ("Act"), § 13.1-557 *et seq*. of the Code of Virginia ("Code").

Larada Sciences is a Utah corporation. At all relevant times, Roberts was the principal of Larada Sciences. Larada Sciences conducts business in Virginia and elsewhere under the franchise name Lice Clinics of America ("LCA"). Larada Sciences, through LCA, offers and sells franchises providing lice removal services to the public. Larada Sciences licenses to its franchisees the right to use a patented, FDA-approved, heated-air device ("Device") in conducting lice removal services from their clinics. The franchisees pay to Larada Sciences a refundable deposit for each Device they are licensed to use during the term of their respective franchise agreement. Larada Sciences has never been registered with the Division to sell or offer to sell a franchise in the Commonwealth of Virginia ("Virginia").

Despite being unregistered, the Division alleges that beginning in 2014 through July 2017, Larada Sciences entered into franchising agreements with eight (8) Virginia franchisees ("Virginia Franchisees") for operation in Virginia.

Further, the Division alleges that Larada Sciences failed to provide the Virginia Franchisees a Franchise Disclosure Document ("FDD") cleared for use by the Division in connection with the unregistered sales. A cleared FDD provides material information to prospective franchisees in order for them to make an informed decision regarding the purchase of a franchise. As no properly cleared FDD was provided to the Virginia Franchisees, the Division alleges that regulatory oversight was circumvented.

Based on the investigation, the Division alleges the Defendants violated § 13.1-560 of the Act on at least eight occasions by selling or offering to sell franchises in Virginia without being registered under the provisions of the Act. The Division further alleges that the Defendants violated § 13.1-563 of the Act on at least eight occasions by failing to provide the Virginia Franchisees with properly cleared FDDs in conjunction with the offer and sale of the franchises.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-562 of the Act to revoke a defendant's registration, by § 13.1-568 of the Act to issue temporary or permanent injunctions, by § 13.1-570 of the Act to impose certain monetary penalties and to request a defendant make rescission and restitution, and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendants neither admit nor deny the allegations made herein but admit to the Commission's jurisdiction and authority to enter this Settlement Order ("Order").

As a proposal to settle all matters arising from these allegations, the Defendants have made an offer of settlement to the Commission wherein the Defendants will abide by and comply with the following terms and undertakings:

(1) The Defendants will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Two Thousand Five Hundred Dollars ($2,500) to defray the costs of investigation.

(2) The Defendants will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Thirteen Thousand Dollars ($13,000) in monetary penalties.

(3) The Defendants shall make a rescission offer to the Virginia Franchisees along with an offer to refund each Virginia Franchisee's initial costs within thirty (30) days of the entry of this Order. For purposes of this Order, "initial costs," as it relates to each Virginia Franchisee, shall mean the (i) initial License Payment (territory fee) the Virginia Franchisee paid to the Defendants, (ii) the Device deposits the Virginia Franchisee paid to the Defendants, provided the Device each deposit covers is returned to Larada Sciences in accordance with the terms of the Virginia Franchisee's franchise agreement, and (iii) Larada Science's cost of repurchasing any LCA-branded products from the Virginia Franchisee. Each Virginia Franchisee will have a period of ninety (90) days from receipt to accept Defendants' rescission offer and refund offer. If a Virginia Franchisee accepts the Defendants' rescission offer and refund offer within the ninety (90)-day period, the Defendants shall rescind and enter into a mutual termination agreement with the Virginia Franchisee(s) and

provide the Virginia Franchisee(s) with a refund of its initial costs within thirty (30) days of the Virginia Franchisee(s)' acceptance of the offer. Additionally, the Defendants will provide to the Division a signed affidavit containing the date each Virginia Franchisee received the rescission offer and refund offer, the Virginia Franchisee's response, and, if applicable, the amount and date the refund payment was sent to the Virginia Franchisee within one hundred fifty (150) days of the entry of this Order.

(4) The Defendants will provide a copy of this Order to the Virginia Franchisees within thirty (30) days of the entry of this Order.

(5) The Defendants will not violate the Act in the future.

The Division has recommended that the Commission accept the offer of settlement of the Defendants.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Division, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) The Defendants shall fully comply with the aforesaid terms and undertakings of this settlement.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate, on account of the Defendants' failure to comply with the terms and undertakings of the settlement.

NOTE: A copy of the Admission and Consent form 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. SEC-2017-00050
FEBRUARY 2, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Revisions to the Rules Governing the Virginia Retail Franchising Act

ORDER ADOPTING AMENDED RULES

By order entered on October 11, 2017, all interested persons were ordered to take notice that the State Corporation Commission ("Commission") would consider the adoption of a revision to Chapter 110 of Title 21 of the Virginia Administrative Code ("Regulations"). On October 18, 2017, the Division of Securities and Retail Franchising ("Division") sent the Order to Take Notice of the proposed Regulations to all registrants and applicants and to all interested parties pursuant to the Virginia Retail Franchising Act ("Act"), § 13.1-557 *et seq*. of the Code of Virginia, regarding the exemption for Substantial Investment in a Franchise ("Substantial Investment Exemption"). The Order to Take Notice describes the proposed amendments and afforded interested parties an opportunity to file written comments or requests for hearing by December 1, 2017.

The Commission received three comments on the proposed Substantial Franchise Exemption, one from the Franchise Practice Group of the law firm of Gray Plant Mooty ("Gray Plant Mooty");[1] one from Regina Amolsch, of the law firm of Plave Koch PLC ("Amolsch");[2] and one from Keith Kanouse.[3] In general, the commenters supported the Commission's adoption of the proposed exemption. There were no requests for hearing.

Commenters provided comments regarding: (i) the threshold investment amount; (ii) the actual initial investment as well as expanding the exemption to eliminate the notice filing and disclosure to potential franchisees; (iii) the definition of the term "single unit franchise," (iv) adding the terms "or affiliates" after the term "franchisee representative;" and (v) redacting "in a type of business operated under the franchise" from the proposed exemption.

On January 16, 2018, the Division filed a response to the comments made on the proposed amendments.[4] Based upon those comments, the Division recommended that the Commission adopt certain requested revisions to the proposed Regulations, including: (i) reducing the threshold investment amount to claim the exemption from $5 million to $3 million; (ii) clarifying the term "actual minimum initial investment" to be those expenses designated in Item 7 of the franchise disclosure document; (iii) adding the language "or affiliates" after the term "franchisee representative;" and (iv) redacting the language "in a type of business operated under the franchise" from the proposed exemption.

The Division however, did not recommend that the Commission adopt the proposed amendments regarding the term "single unit franchise," nor did the Division recommend that the Commission expand the exemption to eliminate the notice filing provision and disclosure to potential franchisees.

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[1] Comments filed on November 30, 2017, Doc. Con. Cen. No. 171139340.

[2] Comments filed on December 1, 2017, Doc. Con. Cen. No. 171210003.

[3] The Division sent Mr. Kanouse a written response to his comments on November 28, 2017. His comments were not relevant to the proposed rules.

[4] Response of the Division of Securities and Retail Franchising to the Proposed Amendments to the Virginia Franchise Rules, Doc. Con. Cen. No. 180110203.

NOW THE COMMISSION, upon consideration of the proposed amendments to the Regulations, as modified, the recommendation of the Division, and the record in this case, finds that the proposed amendments to the Regulations, as modified herein, should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The proposed regulations, as modified herein, attached hereto and made a part hereof are hereby ADOPTED effective March 1, 2018.

(2) 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 the Franchise Rules 2017 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. SEC-2017-00051
APRIL 30, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
COMMUNICLIQUE, INC. and ANDREW BRENT POWERS,
Defendants

ORDER GRANTING MOTION FOR TEMPORARY INJUNCTION

On March 23, 2018, the State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") filed a Motion for Temporary Injunction ("Motion") asking the Commission to use its authority under § 13.1-519 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia ("Code"), to impose a temporary injunction and enjoin Andrew Brent Powers and CommuniClique, Inc. ("CommuniClique" and collectively, the "Defendants"), or any of their affiliates or agents from offering and selling securities, in violation of the Act, until the conclusion of the pending case. In support of its Motion, the Division alleged, among other things, that the Defendants have violated and continue to violate § 13.1-502 (2) of the Act by making several misrepresentations about CommuniClique's financial status and operations during the offer and sale of its stock.

On March 26, 2018, the Hearing Examiner issued a ruling requiring the Defendants to respond to the Division's Motion on or before March 30, 2018, and requiring the Division to file its reply to any response on or before April 4, 2018. The Defendants failed to file a timely response to the Motion, negating the need for the Division to file a reply.

On April 2, 2018, the Hearing Examiner issued a ruling finding that the Division had established the basis for the entry of a temporary injunction against the Defendants. Among other things, the Hearing Examiner found the Division had demonstrated that: (1) the Defendants have misrepresented and continue to misrepresent to investors (at least as of October 2017) material information regarding CommuniClique's key customers, revenues, year-over-year percentage revenue, and valuation in violation of § 13.1-502 (2) of the Act; (2) the Defendants lack sufficient resources, excluding funds obtained from other investors, to make restitution or otherwise rectify the potential for ongoing harm; (3) the Defendants' failure to produce financial and operation documentation in response to Division requests, and a Commission subpoena calls into question the overall financial viability of the CommuniClique enterprise; and (4) it appears likely that harm would result if the Defendants' activities are not enjoined through the pendency of this case ("Ruling").[1] Accordingly, the Hearing Examiner certified her Ruling to the Commission and recommended that the Commission enter a temporary injunction order as requested by the Division.

NOW THE COMMISSION, upon consideration of the Division's Motion and the Hearing Examiner's Ruling and recommendation in this matter, is of the opinion and finds that a temporary injunction should be issued against the Defendants until such time as the Commission finds it appropriate to modify or terminate the temporary injunction.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 13.1-519 of the Act, the Defendants are enjoined from offering and selling securities in and from the Commonwealth of Virginia and are enjoined from engaging other agents or affiliates to offer or sell securities on their behalf, until further Order of the Commission.

(2) This matter is continued and the Hearing Examiner shall conduct all further affairs in this case as outlined and authorized in the Rule to Show Cause.

[1] Neither the Defendants nor the Division filed comments to the Ruling.

CASE NO. SEC-2017-00051
AUGUST 30, 2018

COMMONWEALTH OF VIRGINIA , *ex rel.*
STATE CORPORATION COMMISSION
v.
COMMUNICLIQUE, INC. and ANDREW BRENT POWERS,
Defendants

JUDGMENT ORDER

On March 16, 2018, the State Corporation Commission ("Commission") entered a Rule to Show Cause ("Rule") against CommuniClique, Inc. ("CommuniClique"), and Andrew Brent Powers ("Powers," collectively, the "Defendants") based upon allegations presented by the Commission's Division of Securities and Retail Franchising ("Division") that, starting at least in January 2016, the Defendants represented to potential and existing investors that CommuniClique's revenues continued to grow from a notable customer base and that its valuation continued to rise. However, the Division asserted that information produced to the Division by independent third-parties, including CommuniClique's purported customers, its bank, and its identified appraiser, contradicted these statements, and disclosed that no such revenues, customer base or valuations existed.[1]

Accordingly, the Division alleged that CommuniClique and Powers made material misrepresentations to investors while offering and selling securities in violation of § 13.1-502 (2) of Virginia Securities Act, § 13.1-501 *et seq.* of the Code of Virginia ("Code"). Additionally, the Division alleged that the Defendants' failure to cooperate with the Division's investigation by failing to respond to a Commission issued subpoena constituted a violation of § 12.1-13 of the Code.

In the Rule, the Commission, among other things, assigned this matter to a Hearing Examiner to conduct further proceedings on behalf of the Commission, directed the Defendants to file a responsive pleading on or before April 6, 2018, and scheduled a hearing in this matter to commence on June 12, 2018 ("Hearing"). The Defendants subsequently requested, and the Hearing Examiner granted, an extension to file responsive pleadings until April 23, 2018.[2]

The Defendants did not file a response to the Rule as required on or before April 23, 2018. The Division filed a Motion for Default Judgment, which the Hearing Examiner granted on May 24, 2018. However, the existing Hearing date was maintained for purposes of allowing the Division to present evidence supporting its requested penalties and relief as authorized by the Act.

The Hearing was convened on June 12, 2018, in Richmond, Virginia. The Division and its counsel appeared as directed by the Rule. The Defendants failed to appear, either in person or through counsel, despite receiving notice of hearing.

During the Hearing, the Division offered the testimony of one of its investigators, Tom Bayly. During his testimony, Mr. Bayly (1) provided the background and case history for this matter, (2) summarized his conversations with and interviews of the Defendants, investors, and other witnesses, (3) provided an analysis of the financial data obtained in this case, (4) discussed the relevance and applicability of the submitted exhibits, and, (5) identified how the Division asserted this evidence supported its allegations that (a) the Defendants had violated § 13.1-502 (2) of the Act by making at least three separate misrepresentations regarding CommuniClique's revenues, customer base and valuation during the offer and sale of at least 36 securities since January 2016, and, (b) had violated § 12.1-13 of the Code by failing to respond to the Commission's subpoena.

On July 13, 2018, the Hearing Examiner issued her Report.[3] In her Report, the Hearing Examiner summarized the case's procedural background as well as the substantive evidence submitted in the pleadings and during the Hearing. After analyzing the submitted evidence, and finding the Defendants additionally in default for failing to appear at the Hearing, the Hearing Examiner found and recommended that: (1) the testimony and documentary evidence submitted by the Division proved by clear and convincing evidence the Defendants committed at least one hundred eight (108) violations of § 13.1-502 (2) of the Act,[4] (2) pursuant to § 13.1-521 of the Act, the Defendants' actions warranted assessment of the maximum civil penalties authorized of $10,000 per violation, for a total penalty assessment of $1,080,000, (3) pursuant to § 13.1-521 of the Act, the Defendants should be required to make restitution totaling $9,890,293 to the investors identified by the Division during the Hearing, (4) pursuant to § 13.1-519 of the Act, the Defendants should be permanently enjoined from offering and selling securities in and from the Commonwealth of Virginia and from engaging other agents or affiliates to offer and sell securities in and from the Commonwealth of Virginia on their behalf, (5) pursuant to § 13.1-518 of the Act, the Defendants should be required to pay the Division's costs of investigation totaling $10,000, (6) the Defendants violated § 12.1-13 of the Code by failing to comply with a subpoena issued by the Commission, and, (7) the Defendants should be assessed a penalty of $10,000 for failing to comply with the Commission's subpoena and violating § 12.1-13 of the Code. [5]

The Hearing Examiner further recommended that the Commission enter an order adopting the findings and recommendations of her Report. Comments to the Hearing Examiner's Report were due on or before August 3, 2018. Neither the Division nor the Defendants filed comments.

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[1] A full recitation of the procedural history in this case is summarized in the Hearing Examiner's July 13, 2018 Report ("Report") (Doc. Con. Cen. No. 180720202).

[2] The Defendants were represented by counsel when they filed their Motion for Extension of Time to File a Responsive Pleading ("Extension Motion"). However, counsel subsequently withdrew from the case on April 20, 2018 - three days before the Defendants' response was due. *See* Extension Motion, Doc. Con. Cen. No.100420052 and Notice of Withdrawal, Doc. Con. Cen. No. 180440096.

[3] *See* Report.

[4] Report at 5.

[5] Report at 6.

NOW THE COMMISSION, upon consideration of the matter, is of the opinion and finds that the Hearing Examiner's findings and recommendations are reasonable, supported by the evidentiary record, and should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the July 13, 2018, Hearing Examiner's Report are hereby adopted.

(2) Pursuant to § 13.1-521 A of the Act, and in accordance with the Commission's regulatory duties and powers, a judgment is entered for the Commonwealth jointly and severally against the Defendants for their violations of the Act.

(3) The Defendants are jointly and severally assessed civil penalties totaling $1,080,000 pursuant to § 13.1-521 of the Act.

(4) The Defendants are directed to jointly and severally make restitution to the identified investors in the amount of $9,890,293 pursuant to § 13.1-521 of the Act.

(5) The Defendants are directed to jointly and severally pay the Division's costs of the investigation in the amount of $10,000, pursuant to § 13.1-518 of the Act.

(6) The Defendants are permanently enjoined from offering and selling securities in and from the Commonwealth of Virginia and from engaging other agents or affiliates to offer and sell securities in and from the Commonwealth of Virginia on their behalf.

(7) In accordance with the Commission's regulatory duties and powers, a judgment is entered for the Commonwealth against the Defendants for their violation of § 12.1-13 of the Code and a penalty of $ 10,000 is imposed jointly and severally against the Defendants as authorized by the Code.

(8) The case is dismissed.

CASE NO. SEC-2017-00052
JANUARY 25, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
CRITTER CONTROL, INC.
Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Critter Control, Inc. ("Critter Control" or "Defendant") pursuant to § 13.1-567 of the Virginia Retail Franchising Act ("Act"), § 13.1-557 *et seq*. of the Code of Virginia ("Code").

Critter Control is a Michigan corporation doing business in the Commonwealth of Virginia ("Virginia"). Critter Control offers and sells franchises providing pest control services nationwide.

Critter Control was registered as a Virginia franchise between July 22, 1991 and June 14, 2013, when its registration lapsed with the Division. Since June 2013, Critter Control has not had a franchise registered with the Division. However, despite being unregistered, the Division alleges that in February 2015 and June 2017, Critter Control offered or sold pest control franchises to two different Virginia franchisees ("Virginia Franchisees") for operation in Virginia.

Further, the Division alleges that Critter Control failed to provide the Virginia Franchisees a Franchise Disclosure Document ("FDD") cleared for use by the Division in connection with the unregistered sale. A cleared FDD provides material information to prospective franchisees in order for them to make an informed decision regarding the purchase of a franchise. As no properly cleared FDD was provided to the Virginia Franchisees during the 2015 and 2017 offers and sales of franchises, the Division alleges that regulatory oversight was circumvented.

Based on the investigation, the Division alleges the Defendant violated § 13.1-560 of the Act by selling or offering to sell franchises in Virginia without being registered under the provisions of the Act. The Division further alleges that the Defendant violated § 13.1-563 of the Act by failing to provide the Virginia Franchisees with properly cleared FDDs in conjunction with the offer and sale of the franchises.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-562 of the Act to revoke a defendant's registration, by § 13.1-568 of the Act to issue temporary or permanent injunctions, by § 13.1-570 of the Act to impose certain monetary penalties and to request a defendant make rescission and restitution, and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendant, neither admits nor denies the allegations made herein, but admits to the Commission's jurisdiction and authority to enter this Settlement Order ("Order").

As a proposal to settle all matters arising from these allegations, the Defendant has made an offer of settlement to the Commission wherein the Defendant will abide by and comply with the following terms and undertakings:

(1) The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Three Thousand Five Hundred Dollars ($3,500) to defray the costs of investigation.

(2) The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Twenty Thousand Dollars ($20,000) in monetary penalties.

(3) The Defendant will provide a copy of this Order to the Virginia Franchisees within thirty (30) days of the entry of this Order.

(5) The Defendant will not violate the Act in the future.

The Division has recommended that the Commission accept the offer of settlement of the Defendant.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Division, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) The Defendant shall fully comply with the aforesaid terms and undertakings of this settlement.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate, on account of the Defendant's failure to comply with the terms and undertakings of the settlement.

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

CASE NO. SEC-2017-00053
JANUARY 22, 2018

PETITION OF
WELLS FARGO CLEARING SERVICES, LLC d/b/a WELLS FARGO ADVISORS,
Petitioner,
v.
COMMONWEALTH OF VIRGINIA *ex rel.*
STATE CORPORATION COMMISSION
and
FINANCIAL INDUSTRY REGULATORY AUTHORITY,
Respondents.

ORDER

On October 9, 2017, Wells Fargo Clearing Services, LLC d/b/a/Wells Fargo Advisors ("Wells Fargo") filed a Petition[1] requesting that the Commission and the Financial Industry Regulatory Authority ("FINRA") expunge all references to a customer complaint from the CRD records of their former agent, Steffanie Burgevin.[2] The Petition stated that the record should be expunged because (1) there is no regulatory value in including this customer complaint in the record; and (2) the expungement should be allowed in the interest of justice and equity.

FINRA Rule 2080(a) provides that members or associated persons (broker-dealers and agents, respectively, under the Virginia Securities Act) who seek expungement of information from the CRD system arising from disputes with customers must obtain an order from a court of competent jurisdiction directing such expungement or confirming an arbitration award containing expungement relief.[3]

On November 14, 2017, the Commission issued a Scheduling Order that provided an opportunity for the Division of Securities and Retail Franchising ("Division") and FINRA to respond to the Petition and also allowed the Petitioner to file a reply to any response.

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[1] Wells Fargo Petition for Expungement of the Central Registration Depository Record ("CRD") of the Financial Regulatory Authority, Inc. Associated Person Steffanie Burgevin.

[2] A registered agent in Virginia is known as an associated person for purposes of licensing on the CRD system. Ms. Burgevin's CRD No. is 246849. The customer complaint is Occurrence No. 1881508 on the CRD system.

[3] FINRA Manual, FINRA Rules 2000 Duties and Conflicts, 2080 Obtaining an Order of Expungement of Customer Dispute Information from the Central Registration Depository (CRD) System ("Rule 2080"), Adopted by SR-NASD 2002-158, eff. April 12, 2004, amended by SR-NASD 2003-200, eff. April 12, 2004, amended by SR-FINRA 2009-016, eff. August 17, 2009.

On December 8, 2017, Wells Fargo filed a Stipulation Regarding Expungement ("Stipulation") signed by Wells Fargo and FINRA.[4] Wells Fargo and FINRA stipulated, among other things, that Ms. Burgevin's CRD record[5] includes information regarding a lawsuit filed against Wells Fargo in May 2016, in which Richard R. Pickeral ("Pickeral") alleged that he had entered into a contract with Wells Fargo when he accepted an offer made by Ms. Burgevin regarding payments he would receive from an annuity he purchased through Wells Fargo ("Disclosure").[6]

Additionally, the Stipulation asserts that FINRA reviewed the allegations and arguments in the Petition, along with other information provided, and agreed with Wells Fargo that Pickeral's allegations were false.[7] Based upon these stipulations, FINRA confirmed it did not oppose the expungement of the Disclosure, pursuant to FINRA Rule 2080(b)(1)(C), from the CRD system.

On December 19, 2017, the Division filed its response.[8] In its response the Division took no position on Wells Fargo's and FINRA's assessment of the substance of the customer complaint but stated that it had fully reviewed the Petition and the Stipulation provided by Wells Fargo in this matter as it pertains to the request for expungement. Given the customer's allegations and the circumstances surrounding that complaint, the Division does not oppose the expungement of this particular CRD record, Occurrence No. 1881508.

NOW THE COMMISSION, upon consideration of this matter, the documents presented, and the record herein, is of the opinion and finds that the expungement requested by Wells Fargo should be granted.

Accordingly, IT IS ORDERED THAT:

(1) The Petition is granted.

(2) This matter is dismissed from the Commission's docket, and the papers herein shall be placed in the file for ended causes

[4] Stipulation, Doc. Con. Cen. No. 171210113.

[5] Complaint Occurrence No. 1881508, filed May 13, 2016.

[6] Stipulation at 1.

[7] *Id.* at 2.

[8] Response of the Division of Securities and Retail Franchising to Wells Fargo Clearing Services, LLC's Petition for Expungement, Doc. Con. Cen. No. 171220155.

CASE NO. SEC-2017-00065
APRIL 20, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
DAVI NAILS SALON AND SPA, LLC,
Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of DaVi Nails Salon and Spa, LLC ("DaVi Nails") pursuant to § 13.1-567 of the Virginia Retail Franchising Act ("Act"), § 13.1-557 *et seq*. of the Code of Virginia ("Code").

DaVi Nails is a Utah limited liability company with a last known address of 1559 West 3860 South, West Valley City, UT 84119 and David Truong ("Truong") is the business manager of DaVi Nails. DaVi Nails offers and sells franchises providing nail services to the public and generally operates in Walmart stores and other shopping centers.

The Division alleges that DaVi Nails intermittently has registered its franchise under the Act since April 13, 2011, but on April 4, 2017, DaVi Nails sold one franchise to be operated in Virginia during a period of time when DaVi Nails franchise was not registered with the Division, in violation of § 13.1-560 of the Act.

Further, the Division alleges that DaVi Nails also violated § 13.1-563.4 of the Act when it failed to provide the Virginia franchisee a Franchise Disclosure Document ("FDD") reviewed and cleared for use by the Division when it offered and sold one franchise to be operated in Virginia. This violation occurred while Truong was the business manager for DaVi Nails.

Based on the investigation, the Division alleges the Defendant violated § 13.1-560 of the Act by selling or offering to sell a franchise in Virginia without being registered under the provisions of the Act. The Division further alleges that the Defendant violated § 13.1-563.4 of the Act by failing to provide the franchisee with properly cleared FDDs in conjunction with the offer and sale of the franchise.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-562 of the Act to revoke a defendant's registration, by § 13.1-568 of the Act to issue temporary or permanent injunctions, by § 13.1-570 of the Act to impose certain monetary penalties and to request a defendant make rescission and restitution, and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendant admits to the Commission's jurisdiction and authority to enter this Settlement Order ("Order").

As a proposal to settle all matters arising from these allegations, the Defendant has made an offer of settlement to the Commission wherein the Defendant will abide by and comply with the following terms and undertakings:

(1) The Defendant will offer rescission to the Virginia franchisee as follows:

a. Within thirty (30) days of the date of entry of this Order, DaVi Nails will make a written offer of rescission sent by certified mail to the Virginia franchisee, which will include an offer to return the initial franchise fees. The rescission offer will contain a provision that gives the franchisee thirty (30) days from the date of receipt to provide DaVi Nails with written notification of its decision to accept or reject the offer.

b. The Defendant will provide to the Division a copy of the rescission offer for its review at least ten (10) days prior to sending it to the franchisee.

c. The Defendant will include with the written offer of rescission a copy of the Order.

d. If the rescission offer is accepted, the Defendant will forward payment to the franchisee within fifteen (15) days of receipt of the acceptance.

e. Within ninety (90) days from the date of entry of the Order, DaVi Nails will submit to the Division an affidavit, executed by Truong, containing the date on which the franchisee received the offer of rescission, the franchisee's response, and, if applicable, the payment amount and the date that payment was sent to the franchisee.

(2) Truong will attend and complete the International Franchise Association's Franchise Compliance Training Program. Truong will provide a certificate of completion to the Division after completion of the course no later than 12 months from the entry of the Order;

(3) The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Twenty Thousand Dollars ($20,000) in monetary penalties;

(4) The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of One Thousand Dollars ($1,000) to defray the costs of investigation; and

(5) The Defendant will not violate the Act in the future.

The Division has recommended that the Commission accept the offer of settlement of the Defendant.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Division, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) The Defendant shall fully comply with the aforesaid terms and undertakings of this settlement.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate, on account of the Defendant's failure to comply with the terms and undertakings of the settlement.

NOTE: A copy of the Admission and Consent form 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. SEC-2018-00003
JANUARY 31, 2018

APPLICATION OF
THE LUTHERAN CHURCH - MISSOURI SYNOD FOUNDATION POOLED TRUST FUND III

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia

ORDER OF EXEMPTION

This matter came before the State Corporation Commission ("Commission") for consideration by written application of The Lutheran Church - Missouri Synod Foundation Pooled Trust Fund III ("Lutheran Pooled Trust Fund III"), which the Commission received on January 3, 2018, with attached exhibits. The application requested that interests in Lutheran Pooled Trust Fund III 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 the officers, directors and employees of The Lutheran Church – Missouri Synod Foundation ("Foundation"), the trustee of Lutheran Pooled Trust Fund III, be exempted from the agent registration requirements of the Act.

Based upon the information submitted, the following facts appear to exist, in addition to others not enumerated herein: (i) Lutheran Pooled Trust Fund III was established by Foundation, a Missouri nonprofit corporation formed not for private profit but exclusively for charitable and religious purposes; (ii) Lutheran Pooled Trust Fund III is a pooled income fund within the meaning of Section 642(c)(5) of the Internal Revenue Code of 1986 and the

Foundation will furnish to donors an Information Statement to provide disclosure concerning the operational and other aspects of a fund to Lutheran Pooled Trust Fund III, in which the total amount of funds are not determinable at this time, as filed as a part of the application; (iii) the officers, directors and employees of the Foundation intend to solicit funds that will be transferred to the pooled income fund; and (iv) the officers, directors and employees of the Foundation will not be compensated based on the funds transferred to the pooled income fund.

Based on the facts asserted by Lutheran Pooled Trust Fund III in the written application and exhibits, and upon the recommendation of the Division of Securities and Retail Franchising, pursuant to the provisions of § 13.1-514.1 B of the Act, the Commission is of the opinion and finds, and does hereby ADJUDGE AND ORDER that the securities described above are exempt from the securities registration requirements of the Act and that the Foundation's officers, directors and employees are exempt from the agent registration requirements of § 13.1-504 of the Act.

CASE NO. SEC-2018-00004
FEBRUARY 20, 2018

APPLICATION OF
SOLERA NATIONAL BANCORP, INC.

For registration of securities pursuant to § 13.1-510 of the Code of Virginia

ORDER EFFECTING REGISTRATION OF SECURITIES BY QUALIFICATION

This matter came before the State Corporation Commission ("Commission") for consideration by written application of Solera National Bancorp, Inc. ("Solera"), dated November 14, 2017, with exhibits attached thereto and as subsequently amended, requesting that Subscription Rights, and the shares of common stock underlying the rights ("Rights") be registered by qualification pursuant to § 13.1-510 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq*. of the Code of Virginia. The requisite fee of Two Hundred Fifty Dollars ($250) has been paid.

Based upon the information submitted, the following facts, in addition to others not enumerated herein, appear to exist: (i) Solera is a Delaware corporation that was incorporated to organize and serve as the holding company for Solera National Bank. Solera's primary objective as a community bank is to serve the financial needs of small businesses and individuals; and (ii) Solera intends to offer and sell 5,450 Rights for an aggregate amount of $39,513. The Rights and the shares underlying the Rights will be offered and sold by an officer of Solera who will not be compensated for his or her efforts.

NOW THE COMMISSION, based on the facts asserted by Solera in the written application and exhibits, and upon the recommendation of the Division of Securities and Retail Franchising ("Division"), is of the opinion and finds, and does hereby ADJUDGE and ORDER, that the securities described above are registered for offer and sale in Virginia through an Offering Circular, a copy of which is filed as a part of the record, by such persons who are registered under the Act.

No change shall be made in the Offering Circular reflecting a material change in the conditions or terms of Solera's offering without prior submission to the Division and acceptance by the Commission.

CASE NO. SEC-2018-00007
SEPTEMBER 20, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
RESULTS AUCTIONS, LLC, and CLIFTON RAY KADERLI,
Defendants

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Results Auctions, LLC ("RA") and Clifton Ray Kaderli ("Kaderli," collectively, the "Defendants") pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq*. of the Code of Virginia ("Code").

RA is a Virginia limited liability company with a last known address of 116 North Loudoun Street, Winchester, Virginia 22601, and Kaderli is the owner and managing member of RA. RA was organized for the purpose of offering and selling securities in the form of promissory notes, allowing it to pool investor funds and purchase inventories of firearms from auctions and estates.

The Division alleges that in 2014 the Defendants offered and sold unregistered securities to a Virginia investor ("Virginia Investor") without themselves registered to offer and sell securities in Virginia. The Defendants failed to disclose the existence of this Virginia Investor to the Division when resolving similar alleged violations addressed in the Commission's Settlement Ordering Case No. SEC-2013-00011.[1]

Based on the investigation, the Division alleges the Defendants violated § 13.1-504 (B) of the Act by employing an unregistered agent in the offer and sale of securities and § 13.1-507 of the Act by offering or selling securities that were not registered under the Act or exempt from registration.

[1] *Commonwealth of Virginia, ex rel., State Corporation Commission v. Results Tax Liens Management, LLC, Results Auctions, LLC, Clifton Ray Kaderli, LLC, Greg A. Buttler, and Adolf Crosby Wood*, Case No. SEC-2013-00011, 2014 S.C.C. Ann. Rept. 508, Settlement Order (Mar. 13, 2014).

If the provisions of the Act are violated, the Commission is authorized by § 13.1-519 of the Act to issue temporary or permanent injunctions, by § 13.1-521 (A) of the Act to impose a civil penalty, by § 13.1-521 (C) of the Act to order the defendant make rescission and restitution, and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendants neither admit nor deny the allegations herein but admit to the Commission's jurisdiction and authority to enter into this Settlement Order ("Order").

As a proposal to settle all matters arising from these allegations, the Defendants have made an offer of settlement to the Commission wherein the Defendants will abide by and comply with the following terms and undertakings:

(1) The Defendants will pay Seventy-nine Thousand Two Hundred Fifty-five Dollars and Ninety Cents ($79,255.90) in restitution to the Virginia Investor in the form of certified funds within five (5) years of this Order as follows:

a. Within one hundred twenty (120) days of the entry of this Order, the Defendants will pay Five Thousand Dollars ($5,000) in restitution to the Virginia Investor;

b. By the 30th of each month, for the next consecutive fifty-nine (59) months, the Defendants will pay One Thousand Two Hundred Fifty Dollars ($1,250) to the Virginia Investor, and following these payments, a payment in month sixty (60) of Five Hundred Five Dollars and Ninety Cents ($505.90);

c. Within fifteen (15) days of each payment identified in (a) and (b) above, the Defendants will submit to the Division a copy of the payment transmittal, or other proof of payment to the Virginia Investor, containing the date in which payment was made, and the payment amount to the Virginia Investor.

The Division has recommended that the Commission accept the offer of settlement of the Defendants.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Division, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) The Defendants shall fully comply with the aforesaid terms and undertakings of this settlement.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate on account of the Defendants' failure to comply with the terms and undertakings of the settlement.

NOTE: A copy of the Admission and Consent form 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. SEC-2018-00010
MARCH 19, 2018

APPLICATION OF
NATIONAL COVENANT PROPERTIES

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia

ORDER OF EXEMPTION

This matter came before the State Corporation Commission ("Commission") for consideration by written application of National Covenant Properties ("NCP"), which the Commission received on March 1, 2018, with attached exhibits. The application requested that 5-Year Fixed Rate Renewable Certificates, 30-Month Fixed Rate Renewable Certificates, Variable Rate Certificates, Demand Investment Accounts, Individual Retirement Account Certificates, Health Savings Account Certificates, and 403(b) Certificates (collectively, the "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 the officers of NCP be exempted from the agent registration requirements of the Act.

Based upon the information submitted, the following facts appear to exist, in addition to others not enumerated herein: (i) NCP is an Illinois corporation operating not for private profit but exclusively for religious, charitable, and educational purposes; (ii) NCP intends to offer and sell the Certificates in an approximate aggregate amount of up to $125,000,000 on terms and conditions as more fully described in the Offering Circular filed as a part of the application; (iii) said securities are to be offered and sold by officers of NCP who will not be compensated for their sales efforts; and (iv) NCP will discontinue issuer transactions for all Certificates previously exempted by the Commission upon the grant of the exemption for the offering of the Certificates described herein.

Based on the facts asserted by NCP in the written application and exhibits, and upon the recommendation of the Division of Securities and Retail Franchising, pursuant to the provisions of § 13.1-514.1 B of the Act, the Commission is of the opinion and finds, and does hereby ADJUDGE and ORDER that the securities described above are exempt from the securities registration requirements of the Act and that the officers of NCP are exempt from the agent registration requirements of § 13.1-504 of the Act.

CASE NO. SEC-2018-00014
APRIL 18, 2018

APPLICATION OF
CHRISTIAN FINANCIAL RESOURCES, INC.

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia

ORDER OF EXEMPTION

This matter came before the State Corporation Commission ("Commission") for consideration by written application of Christian Financial Resources, Inc. ("CFR"), which the Commission received on March 30, 2018, with attached exhibits. The application requested that CFR's Demand Certificates and Time Certificates (collectively, "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 the officers and employees of CFR be exempted from the agent registration requirements of the Act.

Based upon the information submitted, the following facts appear to exist, in addition to others not enumerated herein: (i) CFR is a Florida corporation operating not for private profit but exclusively for religious and charitable purposes; (ii) CFR intends to offer and sell the Certificates in an approximate aggregate amount of up to $350 million on terms and conditions as more fully described in the Offering Circular filed as a part of the application; (iii) said securities are to be offered and sold by officers and employees of CFR who will not be compensated for their sales efforts; and (iv) CFR will discontinue issuer transactions for all certificates previously exempted by the Commission upon the grant of the exemption for the offering of the Certificates described herein.

Based on the facts asserted by CFR in the written application and exhibits, and upon the recommendation of the Division of Securities and Retail Franchising, pursuant to the provisions of § 13.1-514.1 B of the Act, the Commission is of the opinion and finds, and does hereby ADJUDGE and ORDER, that the securities described above are exempt from the securities registration requirements of the Act and that the officers and employees of CFR are exempt from the agent registration requirements of § 13.1-504 of the Act. IT IS FURTHER ORDERED that CFR will discontinue issuer transactions for all certificates previously exempted by the Commission.

CASE NO. SEC-2018-00015
APRIL 17, 2018

APPLICATION OF
COLUMBIA UNION REVOLVING FUND

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia

ORDER OF EXEMPTION

This matter came before the State Corporation Commission ("Commission") for consideration by written application of Columbia Union Revolving Fund ("CURF"), which the Commission received on April 3, 2018, with attached exhibits. The application requested that CURF's 90-day Demand Promissory Notes ("Notes") 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 appear to exist, in addition to others not enumerated herein: (i) the CURF is a Delaware corporation operating not for private profit but exclusively for religious, charitable and educational purposes; (ii) the CURF intends to offer and sell the Notes in an approximate aggregate amount of up to $40 million on terms and conditions as more fully described in the Offering Circular filed as a part of the application; (iii) said securities are to be offered and sold by registered agents of the CURF; and (iv) the CURF will discontinue issuer transactions for all notes previously exempted by the Commission upon the grant of the exemption for the offering of the Notes described herein.

Based on the facts asserted by the CURF in the written application and exhibits, and upon the recommendation of the Division of Securities and Retail Franchising, pursuant to the provisions of § 13.1-514.1 B of the Act, the Commission is of the opinion and finds, and does hereby ADJUDGE and ORDER, that the securities described above are exempt from the securities registration requirements of the Act. IT IS FURTHER ORDERED that the CURF will discontinue issuer transactions for all notes previously exempted by the Commission.

CASE NO. SEC-2018-00017
APRIL 20, 2018

APPLICATION OF
MISSION INVESTMENT FUND OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia

ORDER OF EXEMPTION

This matter came before the State Corporation Commission ("Commission") for consideration by written application of Mission Investment Fund of the Evangelical Lutheran Church in America ("MIF"), which the Commission received on April 4, 2018, with attached exhibits. The application requested that MIF's Demand Investments, Fixed and Adjustable Interest Term Investments, MIF4KIDZ Investments, and IRA/CESA/HSA program (collectively, "Mission Investments") be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 *et seq*. of the Code of Virginia.

Based upon the information submitted, the following facts appear to exist, in addition to others not enumerated herein: (i) MIF is a Minnesota corporation operating not for private profit but exclusively for religious purposes; (ii) MIF intends to offer and sell the Mission Investments in an approximate aggregate amount of up to $400 million on terms and conditions as more fully described in the Offering Circular filed as a part of the application; (iii) said securities are to be offered and sold by registered agents of MIF who will not be compensated for their sales efforts; and (iv) MIF will discontinue issuer transactions for all other securities previously exempted by the Commission upon the grant of the exemption for the offering of the Mission Investments described herein.

Based on the facts asserted by MIF in the written application and exhibits, and upon the recommendation of the Division of Securities and Retail Franchising, pursuant to the provisions of § 13.1-514.1 B of the Act, the Commission is of the opinion and finds, and does hereby ADJUDGE and ORDER that the securities described above are exempt from the securities registration requirements of the Act. IT IS FURTHER ORDERED that MIF will discontinue issuer transactions for all securities previously exempted by the Commission.

CASE NO. SEC-2018-00018
APRIL 26, 2018

APPLICATION OF
CAPITAL IMPACT PARTNERS

For registration of securities pursuant to § 13.1-510 of the Code of Virginia

ORDER EFFECTING REGISTRATION OF SECURITIES BY QUALIFICATION

This matter came before the State Corporation Commission ("Commission") for consideration by written application of Capital Impact Partners ("Capital") dated March 30, 2018, with attached exhibits, requesting that Capital Impact Investment Notes ("Notes") be registered by qualification pursuant to § 13.1-510 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq*. of the Code of Virginia. The requisite fee of Five Hundred Dollars ($500) has been paid.

Based upon the information submitted, the following facts, in addition to others not enumerated herein, appear to exist: (i) Capital is a District of Columbia corporation formed on December 30, 1982; and (ii) Capital intends to offer and sell Notes for an aggregate amount of up to $125 million. The Notes will be offered and sold by registered broker-dealers.

NOW THE COMMISSION, based on the facts asserted by Capital in the written application and exhibits, and upon the recommendation of the Division of Securities and Retail Franchising, is of the opinion and finds, and does hereby ADJUDGE and ORDER that, the securities described above are registered for offer and sale in the Commonwealth of Virginia through a prospectus, a copy of which is filed as a part of the record.

CASE NO. SEC-2018-00019
MAY 23, 2018

APPLICATION OF
THE SOLOMON FOUNDATION

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia

ORDER OF EXEMPTION

This matter came before the State Corporation Commission ("Commission") for consideration by written application of The Solomon Foundation ("Foundation"), which the Commission received April 16, 2018, with attached exhibits. The application requested that the Foundation's Demand Certificates and Time Certificates (collectively, "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 officers and employees of the Foundation be exempted from the agent registration requirements of the Act.

Based upon the information submitted, the following facts appear to exist, in addition to others not enumerated herein: (i) the Foundation is a Colorado corporation operating not for private profit but exclusively for religious, charitable, benevolent and educational purposes; (ii) the Foundation intends to offer and sell the Certificates in an approximate aggregate amount of up to $300 million on terms and conditions as more fully described in the Offering Circular filed as a part of the application; (iii) said securities are to be offered and sold by officers and employees of the Foundation who will not be compensated for their sales efforts; and (iv) the Foundation will discontinue issuer transactions for all securities previously exempted by the Commission upon the grant of the exemption for the offering of the Certificates described herein.

Based upon the facts asserted by the Foundation in the written application and exhibits, and upon the recommendation of the Division of Securities and Retail Franchising, the Commission is of the opinion and finds, and does hereby ADJUDGE and ORDER, pursuant to the provisions of § 13.1-514.1 B of the Act, that the securities described above are exempt from the securities registration requirements of the Act and that the officers and employees of the Foundation are exempt from the agent registration requirements of § 13.1-504 of the Act. IT IS FURTHER ORDERED that the Foundation will discontinue issuer transactions for all securities previously exempted by the Commission.

CASE NO. SEC-2018-00024
JUNE 22, 2018

APPLICATION OF
CATHOLIC UNITED INVESTMENT TRUST

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia

ORDER OF EXEMPTION

This matter came before the State Corporation Commission ("Commission") for consideration by written application of Catholic United Investment Trust ("CUIT"), which the Commission received May 14, 2018, as amended, with attached exhibits. The application requested that CUIT's Fund One, Fund Two, Fund Three, and Fund Four shares (collectively, "Shares") 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 appear to exist, in addition to others not enumerated herein: (i) CUIT is a nonprofit organization established under a trust agreement dated February 18, 1983, exclusively for religious, charitable and educational purposes; (ii) CUIT was converted by operation of law to a Delaware statutory trust on December 30, 2011; (iii) CUIT serves member religious organizations of the Roman Catholic Church which are eligible to be listed in *The Official Catholic Directory* published by P.J. Kenedy & Sons and are exempt from federal income tax under § 501(c)(3) of the Internal Revenue Code; (iv) CUIT intends to offer and sell Shares to eligible Roman Catholic-related entities in Virginia up to a maximum aggregate amount of $100,000,000 on terms and conditions more fully described in the Offering Memorandum filed as a part of the application; and (v) the Shares are to be offered and sold only by broker-dealers registered under the Act.

Based on the facts asserted by CUIT in the written application, as amended, and exhibits, and upon the recommendation of the Division of Securities and Retail Franchising, the Commission 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 are exempt from the securities registration requirements of the Act.

CASE NO. SEC-2018-00034
SEPTEMBER 17, 2018

COMMONWEALTH OF VIRGINIA, *ex. rel.*
STATE CORPORATION COMMISSION
v.
JON MARK DABAREINER,
Defendant

SETTLEMENT ORDER

The Division of Securities and Retail Franchising ("Division") of the State Corporation Commission ("Commission") conducted an investigation of Jon Mark Dabareiner ("Defendant") pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), §§ 13.1-501 *et seq*. of the Code of Virginia. Based upon the investigation, the Division alleges that the Defendant acted as an investment advisor representative while not properly registered with the Division to do so. Specifically, the Division alleges that between November 2017 and August 2018, while the Defendant was not registered with the Division as an investment advisor representative, the Defendant (a) consulted with clients and rendered advice regarding securities; (b) managed portfolios or accounts for clients; (c) determined which recommendations or advice regarding securities should be given; (d) prepared reports or analyses concerning securities; and (e) solicited, offered or negotiated investment advisory services. The Division alleges that each of these activities separately violated § 13.1-504 of the Act. The Defendant neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Settlement Order ("Order").

If the standards of the statute are met, the Commission is authorized by § 13.1-506 of the Act to revoke the Defendant's registration, by § 13.1-519 of the Act to issue temporary or permanent injunctions, by § 13.1-518 A of the Act to impose costs of investigation, by § 13.1-521 A of the Act to impose certain monetary penalties, by § 13.1-521 C of the Act to order the Defendant to make rescission and restitution, and by § 12.1-15 of the Code of Virginia to settle matters within its jurisdiction.

As a proposal to settle all matters arising from these allegations, the Defendant has made an offer of settlement to the Commission wherein the Defendant will abide by and comply with the following terms and undertakings:

(1) Within thirty (30) days of the date of entry of this Order, the Defendant will pay to the Treasurer of the Commonwealth of Virginia the amount of Eight Thousand Dollars ($8,000) in monetary penalties.

(2) Within thirty (30) days of the date of the entry of this Order, the Defendant will pay to the Treasurer of the Commonwealth of Virginia the amount of Five Thousand Dollars ($5,000) to cover the Division's costs of investigation in this matter.

(3) Within ninety (90) days of the date of the entry of this Order, the Defendant shall attend compliance training with Lombard Advisers, Inc.'s ("Lombard"), outside compliance consultant, Beth Perry. Within ten (10) days of completing this training, the Defendant shall provide the Division with an affidavit identifying that the required training has been completed and identifying the dates of completion. Dabareiner also will attend Lombard's annual training and compliance conference in October 2018.

The Division has recommended that the Commission accept the offer of settlement of the Defendant.

The Commission, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Division, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

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

(2) The Defendant fully complies with the aforesaid terms and undertakings of this settlement; and

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding or taking such other action it deems appropriate on account of the Defendant's failure to comply with the terms and undertakings of the settlement.

NOTE: A copy of the Admission and Consent form 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. SEC-2018-00037
SEPTEMBER 7, 2018

APPLICATION OF
TCAL CHURCH d/b/a THE COMMUNITY AT LAKE RIDGE

For registration of securities pursuant to § 13.1-510 of the Code of Virginia

ORDER EFFECTING REGISTRATION OF SECURITIES BY QUALIFICATION

This matter came before the State Corporation Commission ("Commission") for consideration by written application of TCAL Church d/b/a The Community at Lake Ridge ("TCAL Church") dated May 16, 2018, as amended, and with attached exhibits, requesting that First Mortgage Bonds Series 2018 ("Bonds") be registered by qualification pursuant to § 13.1-510 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq*. of the Code of Virginia. The requisite fee of Five Hundred Dollars ($500) has been paid.

Based upon the information submitted, the following facts, in addition to others not enumerated herein, appear to exist: (i) TCAL Church is a Texas nonprofit corporation formed on January 14, 2009, and (ii) TCAL Church intends to offer and sell Bonds for an aggregate amount of up to $6,950,000. The Bonds will be issued in denominations of $250 or multiples thereof with a minimum purchase of $1000. The Bonds will be offered and sold by registered broker-dealers.

NOW THE COMMISSION, based on the facts asserted by TCAL Church in the written application and exhibits, and upon the recommendation of the Division of Securities and Retail Franchising, is of the opinion and finds, and does hereby ADJUDGE and ORDER that, the securities described above are registered for offer and sale in the Commonwealth of Virginia through a prospectus, a copy of which is filed as a part of the record.

CASE NO. SEC-2018-00039
SEPTEMBER 27, 2018

APPLICATION OF
LUTHERAN CHURCH EXTENSION FUND - MISSOURI SYNOD

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia

ORDER OF EXEMPTION

This matter came before the State Corporation Commission ("Commission") for consideration by written application of Lutheran Church Extension Fund - Missouri Synod ("LCEF"), which the Commission received on August 24, 2018, with attached exhibits. The application requested that LCEF's Young Investor ("Y.I.") Stamps, Dedicated Certificates, Family Emergency StewardAccount Certificates, StewardAccount Certificates, Y.I. StewardAccount Certificates, FlexPlus Certificates, Fixed-Rate Term Notes, Floating-Rate Term Notes, Congregation Demand Certificates, Congregation StewardAccount Certificates, Congregation Cemetery Care StewardAccount Certificates, Congregation Fixed-Rate Endowment Certificates, and Congregation Floating-Rate Endowment Certificates (collectively, the "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 the officers of LCEF be exempted from the agent registration requirements of the Act.

Based upon the information submitted, the following facts appear to exist, in addition to others not enumerated herein: (i) LCEF is a Missouri corporation operating not for private profit but exclusively for religious, charitable and educational purposes; (ii) LCEF intends to offer and sell the Certificates in an approximate aggregate amount of up to $75 million on terms and conditions as more fully described in the Offering Circular filed as a part of the application; (iii) said securities are to be offered and sold by officers of LCEF who will not be compensated for their sales efforts; and (iv) LCEF will discontinue issuer transactions for all other securities previously exempted by the Commission upon the grant of the exemption for the offering of the Certificates described herein.

Based on the facts asserted by LCEF in the written application and exhibits, and upon the recommendation of the Division of Securities and Retail Franchising, pursuant to the provisions of § 13.1-514.1 B of the Act, the Commission is of the opinion and finds, and does hereby ADJUDGE and ORDER that the securities described above are exempt from the securities registration requirements of the Act and that LCEF's officers are exempt from the agent registration requirements of § 13.1-504 of the Act. IT IS FURTHER ORDERED that LCEF will discontinue issuer transactions for all securities previously exempted by the Commission.

CASE NO. SEC-2018-00042
OCTOBER 12, 2018

APPLICATION OF
THE ALLIANCE DEVELOPMENT FUND, INC.

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia

ORDER OF EXEMPTION

This matter came before the State Corporation Commission ("Commission") for consideration by written application of The Alliance Development Fund, Inc. ("ADF"), which the Commission received on September 13, 2018, with attached exhibits. The application requested that ADF's Investment Certificates ("Certificates"), ADF's Agreements, ADF's Retirement Agreements, and ADF's 403 (b) Agreements (collectively, "Agreements") 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 the officers and employees of ADF be exempted from the agent registration requirements of the Act.

Based upon the information submitted, the following facts appear to exist, in addition to others not enumerated herein: (i) ADF is a nonprofit corporation organized under the laws of Colorado, exclusively for religious purposes; (ii) ADF intends to offer and sell the Certificates and Agreements in an approximate aggregate amount of up to $100 million on terms and conditions as more fully described in the Offering Circular filed as a part of the application; and (iii) said securities are to be offered and sold only by officers and employees of ADF who will receive no direct or indirect remuneration in connection with the offer and sale of said securities.

Based on the facts asserted by ADF in the written application and exhibits, and upon the recommendation of the Division of Securities and Retail Franchising, pursuant to the provisions of § 13.1-514.1 B of the Act, the Commission is of the opinion and finds, and does hereby ADJUDGE and ORDER that the securities described above are exempt from the securities registration requirements of the Act and that ADF's officers and employees are exempt from the agent registration requirements of § 13.1-504 of the Act.

CASE NO. SEC-2018-00047
NOVEMBER 1, 2018

APPLICATION OF
THE BAPTIST FOUNDATION OF OKLAHOMA d/b/a/ WATERSEDGE ADVISORS

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia

ORDER OF EXEMPTION

This matter came before the State Corporation Commission ("Commission") for consideration by written application of The Baptist Foundation of Oklahoma d/b/a WatersEdge Advisors ("WEA"), which the Commission received on September 21, 2018, with attached exhibits. The application requested that the Enhanced Cash Fund Investments ("Demand Notes") and the Church Building Loan Term Investments ("Term Notes"), (collectively, the "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 the officers and employees of WEA be exempted from the agent registration requirements of the Act.

Based upon the information submitted, the following facts appear to exist, in addition to others not enumerated herein: (i) WEA is an Oklahoma corporation operating not for private profit but exclusively for religious, charitable and educational purposes; (ii) WEA intends to offer and sell the Notes in an approximate aggregate amount of up to $150 million on terms and conditions as more fully described in the Offering Circular filed as a part of the application; and (iii) said securities are to be offered and sold by officers and employees of WEA who will not be compensated for their sales efforts.

Based on the facts asserted by WEA in the written application and exhibits, and upon the recommendation of the Division of Securities and Retail Franchising, pursuant to the provisions of the Act, the Commission is of the opinion and finds, and does hereby ADJUDGE and ORDER that the securities described above are exempt from the securities registration requirements of the Act and that WEA's officers are exempt from the agent registration requirements of § 13.1-504 of the Act.

DIVISION OF UTILITY AND RAILROAD SAFETY

CASE NO. URS-2012-00449
MAY 24, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
VIRGINIA NATURAL GAS , INC.,
Defendant

FINAL ORDER

By entry of the Order of Settlement dated April 15, 2013, the State Corporation Commission ("Commission") accepted the offer of settlement of Virginia Natural Gas, Inc. ("VNG" or "Company"), for alleged violations of the minimum gas pipeline safety standards,[1] which the Commission is authorized to enforce under § 56-257.2 of the Code of Virginia. The Commission retained jurisdiction over this case.

Contemporaneously entered with the Order of Settlement ("Settlement Order") was the Company's executed Admission and Consent document, signed by a representative of VNG, whereby the Company consented to the form, substance, and entry of the Settlement Order.

The Undertaking Paragraphs of the Settlement Order provided that a portion of the penalty may be suspended and subsequently vacated, in whole or in part, by the Commission upon the Company's compliance with the provisions of the Settlement Order.

The Company has satisfactorily complied with the terms and undertakings as outlined in the Settlement Order, and affidavits documenting that the specified remedial actions have been completed were filed by the Company on August 6, 2013, and August 15, 2016. Along with the latter affidavit, which had been due on or before August 1, 2016, VNG filed a Motion for Leave to File Affidavit Out of Time ("Motion").

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that the Company's Motion should be granted, the remaining penalty amount of One Hundred Forty Thousand Four Hundred Dollars ($140,400) should be vacated, and this case should be dismissed.

Accordingly, IT IS ORDERED THAT:

(1) The Company's Motion hereby is granted.

(2) The remaining penalty amount of One Hundred Forty Thousand Four Hundred Dollars ($140,400) hereby is vacated.

(3) This case hereby is dismissed.

[1] *See* Parts 191, 192, 193, and 199 of Title 49 of the Code of Federal Regulations.

CASE NO. URS-2014-00404
FEBRUARY 28, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
VIRGINIA NATURAL GAS, INC.,
Defendant

FINAL ORDER

On December 4, 2017, the State Corporation Commission's ("Commission") Chief Hearing Examiner issued a comprehensive 148-page report ("Report") setting forth detailed findings and recommendations in the instant Rule to Show Cause proceeding against Virginia Natural Gas, Inc. ("VNG" or "Company"). On January 17, 2018, VNG filed comments on the Report. On January 18, 2018, the Commission's Division of Utility and Railroad Safety ("Division") filed comments on the Report.

NOW THE COMMISSION, upon consideration of the record in this proceeding, is of the opinion and finds as follows.

The Commission adopts the findings and recommendations in the Chief Hearing Examiner's Report, except as provided herein.

Violations

The Commission finds that the Division proved Count 54 by clear and convincing evidence. This count relates to the Burnett's Way gas leak and specifically to the Operations Procedure Manual ("OPM") 6.1.4 that requires the Company to keep public bystanders away from dangerous areas created by the gas leak. Although VNG had one Field Service Representative ("FSR") monitoring the area outside the work zone with a combustible gas indicator ("CGI"),[1] the record evidence is that gas from the leak was migrating over a stretch of ground and roadway more than 100 feet long and could have escalated

[1] *See, e.g.,* Tr. 1695, 1701-1704 (Murphy).

at any time.[2] That the CGI readings taken in the far lane of the road identified concentrations of gas that were below the lower explosive level did not render the area, into which the gas extended,[3] safe for bystanders. Moreover, the record is clear that the Company failed to establish an appropriate safety perimeter, if any, to keep bystanders away from this area.[4] To the contrary, bystanders walked and drove – unaccompanied and in close proximity – by the leak.[5] Such bystanders were not kept from travelling within feet of the leak, including the location where VNG's FSR had identified a gas concentration of 100 percent in the air.[6] This finding increases the penalty by $51,000.[7]

Similarly, the Commission finds that the Division proved Counts 55 and 57 by clear and convincing evidence. These counts also relate to the Burnett's Way gas leak. Count 55 addresses the Company's OPM 6.3.5 that requires VNG to place safeguards to prevent possible ignition of leaking gas, and Count 57 addresses 49 C.F.R. § 192.751(a) that requires operators to "take steps to minimize the danger of accidental ignition . . . ." The evidence is clear that vehicles are possible ignition sources[8] and that VNG allowed vehicles to pass within a few feet of the leak.[9] Again, as noted above, the area where the gas was migrating was large and the Company failed to establish and clearly define a safety perimeter to assure compliance with its OPM and the pipeline safety code requirements.[10] These findings increase the penalty by $102,000.[11]

Additionally, the Commission notes that the interactions between the on-site Division inspector and Company personnel during the leak evidence more than a mere "failure in communication" as referenced by the Chief Hearing Examiner.[12] It is troubling that the Company failed to recognize and fully appreciate the authority and responsibilities vested in the Division inspector. The Company's incident commander understandably asked the Division inspector, who was not dressed in Personal Protective Equipment, to leave the work area and to move his idling vehicle away from the area.[13] However, had the incident commander communicated with the Division inspector and advised him of the steps the Company was taking, and discussed the Division inspector's additional suggestions to assure the safety of the area, the incident could have been handled far more collaboratively. Such collaboration advances the critical interest of public safety in all situations.[14] This lack of communication, however, was not an alleged violation and no additional penalty is assessed.

Internal Procedures

The Commission has already ruled in this proceeding that internal procedures adopted by the Division are just that – internal procedures – and do not bind the Commission regarding proceeding to or issuance of a rule to show cause, or of potentially meeting the requirements of Code § 56-257.2 B.[15] The Chief Hearing Examiner further found that the Division's failure to follow all of its internal procedures does not create a legal basis to dismiss an alleged violation that has been otherwise proven by clear and convincing evidence. As we have already said, many years ago this Commission explicitly declined to adopt the Pipeline and Hazardous Materials Safety Administration ("PHMSA") procedures as mandatory legal requirements in every case alleging a pipeline safety violation.[16] Furthermore, the due process afforded to VNG in this proceeding meets, and arguably exceeds, that afforded to a defendant under the procedures used by PHMSA. Accordingly, we agree with the Chief Hearing Examiner that, as required by Code § 56-257.2 B, the Commission has exercised its authority "in a manner that is not inconsistent with . . . federal regulations [promulgated under 45 U.S.C. § 60101 *et seq*., as amended] and pipeline safety laws."[17]

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[2] *See, e.g.,* Ex. 20; Tr. 321 (VanderPloeg).

[3] *See, e.g.,* Ex. 20.

[4] *See, e.g.,* Tr. 339 (VanderPloeg); 1682-1688 (Raines).

[5] *See, e.g.,* Tr. 329-331 (VanderPloeg); Ex. 18; Ex. 20.

[6] *See, e.g.,* Tr. 1701, 1715 (Murphy).

[7] *See, e.g.,* Report at 116-117.

[8] *See, e.g.,* Tr. 227, 331 (VanderPloeg).

[9] *See, e.g.,* Ex. 20.

[10] *See, e.g.,* Ex. 18; Tr. 339 (VanderPloeg); 1682-1688 (Raines).

[11] Report at 119, 123.

[12] Report at 116.

[13] *See, e.g.,* Tr. 1655 (Raines).

[14] The record contains assertions indicating a lack of professionalism against both the Division and the Company in these matters. Respectful, professional collaboration is an important aspect of all phases of gas pipeline safety, and the Commission expects no less from the Division and all gas operators.

[15] Order on Certified Ruling at 2 (Mar. 3, 2017). *See Commonwealth of Virginia, ex rel. 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. PUE-1989-00052, 1989 S.C.C. Ann. Rep. 312, Order Vacating Previous Order and Adopting Standard Regulations and Procedures Pertaining to Gas Pipeline Safety in Virginia (July 6, 1989).

[16] *Id.* at 3.

[17] Report at 12-13.

Nor does the Commission find that the Division's failure to follow, at an early stage, each and every internal procedure with regard to a specific allegation has denied VNG the due process of law required by either the U.S. Constitution's 14th Amendment or the Constitution of Virginia, nor does it render a specific allegation "arbitrary and capricious" as a matter of law, requiring automatic dismissal if such allegation has otherwise been proven by clear and convincing evidence. Such a standard represents a high burden of proof that the Division must meet. We should never forget that the purpose of gas pipeline safety regulation is to protect the public from accidents that can kill people and destroy property. It is not a paper drill to be judged on whether all preliminary internal procedural boxes were checked by the Division, as long as ample due process, including prior notice of all alleged violations, is afforded to the defendant, as it unquestionably was herein.[18]

Size of Penalties

Finally, we have adopted the Chief Hearing Examiner's determinations of penalties for each violation proven by clear and convincing evidence and, thus, reject VNG's arguments to the contrary. The Division asks for larger penalties; however, we believe that the Chief Hearing Examiner's penalties recommended in this case are reasonable and should help to deter future safety violations. In contrast to settlement orders in which no admissions nor findings of fact are contained, the violations proven herein do represent findings of fact, so if these penalties do not ultimately accomplish their purpose, future penalties will be larger, always keeping in mind that the paramount goal is to protect the public safety.[19]

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the December 4, 2017 Chief Hearing Examiner's Report are hereby adopted in part and reversed in part, as discussed herein.

(2) VNG's Motion to Dismiss is denied.

(3) Judgment is entered in favor of the Commonwealth and against VNG, and a civil penalty of Four Hundred Thirty-Two Thousand Dollars ($432,000) shall be imposed on VNG.

(4) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Massoud Tahamtani, Director, Division of Utility and Railroad Safety, State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23218. Case No. URS-2014-00404 shall be referenced in any document transmitting payment of the penalties imposed herein.

(5) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether VNG has transmitted the payment of the penalties imposed herein.

(6) This case is dismissed.

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[18] For transparency, internal procedures of the Division prior to the issuance of a Rule to Show Cause are now published on the Commission's website.

[19] The Commission emphasizes that the findings in this matter are limited to the unique circumstances of the instant case. Further, and as recommended by the Chief Hearing Examiner: (a) VNG and the Division shall work together to develop a reasonable plan to facilitate the inspection of relief stacks on VNG's system without jeopardizing other ongoing safety activities; (b) the Division shall work in collaboration with the Virginia Gas Operators Association, including VNG, to develop enhanced Operator Qualification programs; and (c) VNG shall enhance its Operations Procedure Manual to assure that the Corrosion Department is advised whenever an anode is installed for any reason. Report at 147.

CASE NO. URS-2014-00404
JUNE 26, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
VIRGINIA NATURAL GAS, INC.,
Defendant

SETTLEMENT ORDER

On February 28, 2018, the State Corporation Commission ("Commission") issued a Final Order in this matter ("Final Order"). On March 29, 2018, Virginia Natural Gas, Inc. ("VNG" or "Company") filed a Notice of Appeal.

In order to further the goal of preserving and advancing gas pipeline safety in the Commonwealth, the Commission's Division of Utility and Railroad Safety ("Division") and VNG filed the attached Joint Motion to propose the following as final resolution of this proceeding:

(1) The Company shall pay a civil penalty in the amount of One Hundred Thirty-Two Thousand Dollars ($132,000) on or before ten (10) days from the entry of this Settlement Order. The payment shall be made by check, payable to the Treasurer of Virginia, and directed to the attention of Steven C. Bradley, Director, Division of Utility and Railroad Safety, State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23218-1197. This payment shall not be recovered in the Company's rates. The remainder of the civil penalty in the Final Order is suspended pending compliance with the provisions of this Settlement Order.

(2) The Company, in consultation with the Division, shall take the following actions to promote and enhance gas pipeline safety in the Commonwealth.

(a) On or before fourteen (14) months from the date of this Settlement Order, VNG will invest Three Hundred Thousand Dollars ($300,000) in the following safety-related activities in the Commonwealth:

(i) VNG will increase its Public Awareness Program ("PAP") relative to notification and education of possible hazards associated with unintended releases from a gas pipeline.

(ii) VNG will increase its outreach efforts and training specifically designed for third-party emergency responders.

(iii) VNG will increase its employee response training, including procedures related to communicating with the Division, emergency responders, and the public regarding potential hazards to life and property.

(iv) VNG will continue to work with its Corrosion Control department to revise its Operations Procedure Manual to further clarify when and what types of anodes are required to be installed during leak repair operations. Records of anode installations will be available for analysis by the Corrosion Control department as needed through the Company's records.

(v) VNG will develop a schedule to inspect all district regulator station discharge stacks to ensure the safe ventilation of gas, as well as a longer-term plan and timeline for any infrastructure improvements to the discharge stacks deemed appropriate after consultation with the Division.

(vi) VNG will evaluate whether to convert any of its pressure regulator station discharge stacks from a "hot stack" to a "cold stack" configuration to reduce the number of pressurized gas-carrying facilities that are located above ground, and develop a longer-term plan and timeline for any infrastructure improvements deemed appropriate after consultation with the Division.

(vii) VNG will continue its cross-bore investigation and remediation program to address areas where historical cross-bores may be present and shall, after consultation with the Division, present in or before its next general rate case a longer-term plan to complete execution of this program.

(viii) VNG will continue its Source Record Validation ("SRV") process to transition historical paper records to electronic records in order to allow greater access to historical records which may impact pipeline safety and shall, after consultation with the Division, present in or before its next general rate case a longer-term plan to complete execution of this program.

(ix) VNG will review, and augment as appropriate, its emergency plans and procedures for identifying the existence of dangerous conditions, preventing the possible ignition of escaping gas, utilizing shutdown and pressure reduction measures, and implementing steps to protect the public from potentially dangerous areas.

(x) VNG will complete an OSHA 30-hour general industry course for thirty (30) employees.

(b) VNG shall be permitted to track and defer incremental costs incurred for the above-listed safety-related activities, and any such incremental costs shall be subject to prudency review and eligible for recovery through rates.

(3) On or before fourteen (14) months from the date of this Settlement Order, VNG and the Division shall file a letter indicating whether the Company has complied with the requirements herein. Upon compliance therewith, the outstanding fines suspended in Paragraph (1), above, shall be vacated.

(4) Nothing contained in this Settlement Order supersedes applicable federal regulations or other law. As a result of this Settlement Order, the Final Order shall have no precedential value in fact or in law.

NOW THE COMMISSION, finding sufficient basis herein for the entry of this Settlement Order and in reliance on the representations set forth above, is of the opinion and finds that the offer of settlement set forth above should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Code § 12.1-15, this case is re-opened for the purpose of receiving the Joint Motion and offer of settlement filed by the Division and VNG, which is hereby granted and approved as set forth herein.

(2) Pursuant to Code § 56-257.2 B, the Company shall pay the amount of One Hundred Thirty-Two Thousand Dollars ($132,000) as set forth above.

(3) This case is continued.

NOTE: A copy of the Joint Motion 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. URS-2015-00669
MARCH 6, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
JOLZ UNDERGROUND GROUP, LLC,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq*. The Commission's Division of Utility and Railroad Safety ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about October 19, 2015, JOLZ Underground Group, LLC ("Company") damaged a six-inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near the intersection of Old Hundred Road and Watermill Parkway, Chesterfield County, Virginia, while excavating.

(2) On or about October 20, 2015, the Company excavated at or near the intersection of Old Hundred Road and Watermill Parkway, Chesterfield County, Virginia.

(3) On the occasion set out in paragraph (2) above, the Company failed to expose the underground utility line to its extremities by hand digging, in violation of Code § 56 265.24 A (1).

(4) On the occasion set out in paragraph (2) above, the Company failed to ensure that sufficient clearance was maintained between the bore path and the underground utility lines during pullback, in violation of 20 VAC 5-309-150 (4) of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq*. ("Damage Prevention Rules").

(5) On the occasions set out in paragraphs (1) and (2) above, the Company failed to expose all utility lines which were in the bore path by hand digging to establish the underground utility line's location prior to commencing bore, in violation of 20 VAC 5-309-150 (6) of the Damage Prevention Rules.

(6) On the occasion set out in paragraph (1) above, the Company failed to visually check the drill head as it passed through potholes, entrances, and exit pits, in violation of 20 VAC 5-309-150 (8) of the Damage Prevention Rules.

(7) On or about December 3, 2015, the Company excavated at or near 600 East Hundred Road, Chesterfield County, Virginia.

(8) On the occasions set out in paragraphs (1) and (7) above, the Company failed on three instances to exercise due care at all times to protect the underground utility lines, in violation of Code § 56-265.24 A.

In an apparent response to address all matters before the Commission arising from the Division's allegations herein, the Company submitted the amount of Five Thousand Dollars ($5,000) to the Commonwealth of Virginia, completed a training session on the subject of underground utility damage prevention and attended two (2) Local Damage Prevention Committee meetings.

NOW THE COMMISSION, having been advised by the Division, finds sufficient basis herein for the entry of this Order and closing the case.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case shall be docketed and assigned Case No. URS-2015-00669.

(2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the sum of Five Thousand Dollars ($5,000) tendered contemporaneously with the entry of this Order is accepted.

(3) This case hereby is closed.

CASE NO. URS-2016-00223
FEBRUARY 2, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
SAFE MARKX, LLC,
Defendant

FINAL ORDER

On July 17, 2017, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Safe MarkX, LLC ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq*.) of Title 56 of the Code of Virginia ("Code").

Specifically, the Rule alleged that between May 26, 2016, and May 30, 2016, the Defendant failed on 28 occasions to mark the underground utility lines within the time prescribed in the Act, in violation of § 56-265.19 A of the Code.

The Rule directed the Defendant to file a pleading responsive to the allegations set forth in the Rule with the Clerk of the Commission on or before September 6, 2017. The Defendant failed to file a responsive pleading to the Rule.

On September 27, 2017, the matter was heard by Howard P. Anderson, Hearing Examiner. M. Aaron Campbell, Associate General Counsel, and William H. Harrison IV, Attorney, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing. The prefiled written testimonies of James E. Maass and Chad L. Mayhew, safety specialists for the Division, and Carl A. Dale, the Division's Damage Prevention Manager, were marked as an exhibit and admitted into the record along with proof of service of the Rule on the Defendant. Counsel for the Division recommended that: (1) the Defendant be found in default; (2) the Defendant be enjoined from further violations of the Act; and (3) the Defendant be fined in the amount of Two Thousand Five Hundred Dollars ($2,500) for each violation of the Act.

On January 8, 2018, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found by clear and convincing evidence that (1) the Defendant violated the Act on 28 occasions; (2) the Defendant should be penalized in the amount of Seventy Thousand Dollars ($70,000); and (3) the Defendant should be enjoined from further violations of the Act.

The Hearing Examiner recommended that the Commission enter an order that adopts the findings in the Report; penalizes the Defendant the sum of Seventy Thousand Dollars ($70,000) pursuant to § 56-265.32 of the Code; and permanently enjoins the Defendant from further violations of the Act. The Hearing Examiner invited the parties to file comments in response to the Report within 21 days of the date thereof. No comments to the Report were filed.

NOW THE COMMISSION, upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner's Report are hereby adopted.

(2) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, judgment is entered against the Defendant and a civil penalty of Seventy Thousand Dollars ($70,000) shall be imposed on the Defendant for the violations described herein.

(3) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Massoud Tahamtani, Director, Division of Utility and Railroad Safety, State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23218. Case No. URS-2016-00223 shall be referenced in any document transmitting payment of the penalty imposed herein.

(4) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether the Defendant has transmitted the payment of the penalty imposed herein.

(5) The Defendant is hereby enjoined from any further violations of the Act.

(6) This case is hereby dismissed.

CASE NO. URS-2016-00281
MAY 11, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
CSX TRANSPORTATION, INC.,
Defendant

ORDER

On December 5, 2017, the State Corporation Commission ("Commission") entered a Final Order in this docket that, among other things, imposed a civil penalty of Eighteen Thousand Six Hundred Dollars ($18,600) on Defendant CSX Transportation, Inc. ("CSX").

On December 21, 2017, CSX filed a Motion to Stay Imposition of Penalty Pending Appeal to the Supreme Court of Virginia ("Motion").

On December 21, 2017, the Commission issued an order suspending the Final Order.

NOW THE COMMISSION, upon consideration of this matter, hereby finds that the Motion is granted.

Accordingly, IT IS ORDERED THAT the civil penalty in this proceeding is suspended pending decision of the appeal, the Final Order is no longer suspended, and this matter shall remain open pending further order of the Commission.

CASE NO. URS-2016-00281
MAY 31, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
CSX TRANSPORTATION, INC.,
Defendant

ORDER GRANTING RECONSIDERATION

On December 5, 2017, the State Corporation Commission ("Commission") entered a Final Order in this docket that, among other things, imposed a civil penalty of Eighteen Thousand Six Hundred Dollars ($18,600) on Defendant CSX Transportation, Inc. ("CSX").

On December 21, 2017, CSX filed a Motion to Stay Imposition of Penalty Pending Appeal to the Supreme Court of Virginia ("Motion").

On December 21, 2017, the Commission issued an order suspending the Final Order.

On May 11, 2018, the Commission issued an order directing that the Motion is granted, that the Final Order is no longer suspended, and that this matter shall remain open pending further order of the Commission.

On May 31, 2018, CSX filed a Motion to Suspend and Retain Jurisdiction to Reconsider the Commission's Orders of May 11, 2018 and December 5, 2017 ("Motion to Suspend"), in order to allow the Commission to consider recent court decisions regarding federal preemption.

NOW THE COMMISSION, upon consideration hereof, grants reconsideration for the purpose of continuing jurisdiction over this matter and considering issues raised in the Motion to Suspend. The Commission's Orders of May 11, 2018 and December 5, 2017, are hereby suspended pending further order of the Commission.

Accordingly, IT IS ORDERED THAT:

(1) Reconsideration is granted for the purpose of continuing jurisdiction over this matter and considering issues raised in the Motion to Suspend.

(2) Pending the Commission's reconsideration, the Commission's Orders of May 11, 2018 and December 5, 2017, are hereby suspended.

(3) This matter is continued generally.

CASE NO. URS-2016-00285
MARCH 6, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
CB LANDSCAPE L.L.C.,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq*. The Commission's Division of Utility and Railroad Safety ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about May 12, 2016, CB Landscape L.L.C. ("Company"), excavated at or near the intersection of Eisenhower Avenue and Stovall Street, Alexandria, Virginia.

(2) On the occasion set out in paragraph (1) above, the Company failed to request the re-marking of lines three working days before the end of the fifteen-working-day period, or at any time when line-location markings on the ground became illegible, in violation of Code § 56-265.17 D.

(3) On the occasion set out in paragraph (1) above, the Company failed in three (3) instances to hand dig at reasonable distances along the line of excavation, in violation of Code § 56-265.24 A.

(4) On the occasion set out in paragraph (1) above, the Company failed in eight (8) instances to expose the underground utility line to its extremities by hand digging, in violation of Code § 56-265.24 A (1).

(5) On the occasion set out in paragraph (1) above, the Company failed to ensure that bore equipment stakes were installed at a safe distance from marked utility lines, in violation of 20 VAC 5-309-150 (2) of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq*. ("Damage Prevention Rules").

(6) On the occasion set out in paragraph (1) above, the Company failed in eight (8) instances to ensure sufficient clearance was maintained between the bore path and any underground utility lines during pullback, in violation of 20 VAC 5-309-150 (4) of the Damage Prevention Rules.

(7) On the occasion set out in paragraph (1) above, the Company failed in eight (8) instances to expose all utility lines which were in the bore path by hand digging to establish the underground utility line's location prior to commencing bore, in violation of 20 VAC 5-309-150 (6) of the Damage Prevention Rules.

(8) On the occasion set out in paragraph (1) above, the Company failed in eight (8) instances to visually check the drill head as it passed through potholes, entrances, and exit pits, in violation of 20 VAC 5-309-150 (8) of the Damage Prevention Rules.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company has offered, and agreed to comply with, the following terms and undertakings:

(1) The Company shall pay to the Commonwealth of Virginia the amount of Thirty Thousand Dollars ($30,000), of which Ten Thousand Dollars ($10,000) shall be paid contemporaneously with the entry of this Order. The remaining Twenty Thousand Dollars ($20,000) shall be due as outlined in Undertaking Paragraph (5) herein and may be suspended and subsequently vacated, in whole or in part, by the Commission provided the Company timely takes the actions required by Undertaking Paragraphs (2) through (4). The initial payment and any subsequent payments shall be made by check payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Utility and Railroad Safety, State Corporation Commission, P.O. Box 1197, Richmond, Virginia 23218-1197.

(2) The Company will submit documentation evidencing a training session for its employees on the subject of underground utility damage prevention conducted by the Division to the Commission contemporaneously with the entry of this Order.

(3) The Company has agreed to: (a) Attend the next scheduled Underground Utility Damage Prevention Workshop conducted by the Division; (b) Attend two (2) Virginia Local Damage Prevention Committee meetings in the area where the Company conducts business by August 31, 2017; (c) Attend the 2017 Virginia Damage Prevention Conference scheduled to be held on April 18-20, 2017, in Virginia Beach, Virginia; (d) Provide to the Division a written QA/QC plan outlining the steps that will be taken to prevent future reoccurrence of similar allegations, by no later than March 31, 2017; (e) Affix "Dig with C.A.R.E." decals on Company equipment and vehicles, by no later than March 31, 2017; and (f) Utilize the 811 logo and the "Dig with C.A.R.E." message in a manner prescribed by the Division on the Company's website, for a period of one year beginning March 31, 2017.

(4) On or before September, 15, 2017, the Company shall tender to the Clerk of the Commission, with a copy to the Division, an affidavit, executed by the owner, certifying that the Company completed the remedial actions set forth in Undertaking Paragraphs (2) and (3) above.

(5) Upon timely receipt of said affidavit, the Commission may suspend and subsequently vacate up to Twenty Thousand Dollars ($20,000) of the amount set forth in Undertaking Paragraph (1) above. Should the Company fail to tender the affidavit required by Undertaking Paragraph (4) above, or fail to take the actions required by Undertaking Paragraphs (2) and (3) above, a payment of Twenty Thousand Dollars ($20,000) shall become due and payable, and the Company shall immediately notify the Division of the reasons for the Company's failure to accomplish the actions required by Undertaking Paragraphs (2) through (4) above. If, upon investigation, the Division determines that the reasons for said failure justify a payment lower that Twenty Thousand Dollars ($20,000), it may recommend to the Commission a reduction in the amount due. The Commission shall determine the amount due and, upon such determination, the Company shall immediately tender to the Commission said amount.

The Company has now complied fully with the terms and undertakings of the settlement as outlined herein. Documentation evidencing the training session on the subject of underground utility damage prevention has been submitted on a timely basis in accordance with the undertakings set forth above.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for acceptance of the Company's offer of settlement and evidence of training, hereby accepts this offer of settlement and evidence of training. Because the Company has complied with the terms and undertakings accepted herein, the remainder of the penalty should be vacated and this case dismissed.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case shall be docketed and assigned Case No. URS-2016-00285.

(2) Pursuant to the authority granted to the Commission by § 12.1-15 of the Code, the offer of settlement made by the Company is hereby accepted.

(3) The Company hereby is penalized in the amount of Thirty Thousand Dollars ($30,000).

(4) The sum of Ten Thousand Dollars ($10,000) tendered contemporaneously with the entry of this Order is accepted.

(5) The remainder of the penalty amount, Twenty Thousand Dollars ($20,000), shall be vacated.

(6) This case hereby is dismissed.

NOTE: A copy of the Admission and Consent form 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. URS-2016-00337
FEBRUARY 2, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
RICHARD GIBSON, INDIVIDUALLY AND t/a GIBSON CONCRETE,
Defendant

FINAL ORDER

On May 24, 2017, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Richard Gibson, individually and t/a Gibson Concrete ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq*.) of Title 56 of the Code of Virginia ("Code") and of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq*. ("Damage Prevention Rules").

Specifically, the Rule alleged that on or about April 8, 2016, the Defendant damaged a one-half-inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 3329 Stapleford Chase, Virginia Beach, Virginia, while excavating. The Rule alleged that the Defendant: (1) failed to expose the underground utility line to its extremities by hand digging, in violation of § 56-265.24 A (1) of the Code; and (2) failed to maintain a reasonable clearance between the marked location of an underground utility line and the cutting edge or point on any mechanized equipment, in violation of Rule 20 VAC 5-309-140 (4) of the Damage Prevention Rules.

The Rule directed the Defendant to file a pleading responsive to the allegations set forth in the Rule with the Clerk of the Commission on or before July 19, 2017. The Defendant failed to file a responsive pleading to the Rule.

On August 2, 2017, the matter was heard by A. Ann Berkebile, Hearing Examiner. M. Aaron Campbell, Associate General Counsel, and William H. Harrison IV, Attorney, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing. The prefiled written testimony of James E. Maass, safety specialists for the Division, was marked as an exhibit and admitted into the record along with proof of service of the Rule on the Defendant. Counsel for the Division recommended that: (1) the Defendant be found in default; (2) the Defendant be enjoined from further violations of the Act; and (3) the Defendant be fined in the amount of Two Thousand Five Hundred Dollars ($2,500) for each violation of the Act.

On January 24, 2018, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found by clear and convincing evidence that (1) the Defendant, while excavating on April 8, 2016, damaged a one-half-inch plastic gas service line operated by VNG, located at or near 2037 Phyllis Drive, Chesapeake, Virginia; and (2) during the incident that resulted in the damage to the gas service line, the Defendant: (a) failed to expose the underground utility line to its extremities by hand digging, in violation of § 56-265.24 A (1) of the Code; and (b) failed to maintain a reasonable clearance between the marked location of an underground utility line and the cutting edge or point on any mechanized equipment, in violation of Rule 20 VAC 5-309-140 (4) of the Damage Prevention Rules.

The Hearing Examiner recommended that the Commission enter an order that adopts the findings in the Report; penalizes the Defendant the sum of Five Thousand Dollars ($5,000) pursuant to § 56-265.32 of the Code; and permanently enjoins the Defendant from further violations of the Act. The Hearing Examiner invited the parties to file comments in response to the Report within 21 days of the date thereof. No comments to the Report were filed.

NOW THE COMMISSION, upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner's Report are hereby adopted.

(2) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, judgment is entered against the Defendant and a civil penalty of Five Thousand Dollars ($5,000) shall be imposed on the Defendant for the violations described herein.

(3) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Massoud Tahamtani, Director, Division of Utility and Railroad Safety, State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23218. Case No. URS-2016-00337 shall be referenced in any document transmitting payment of the penalty imposed herein.

(4) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether the Defendant has transmitted the payment of the penalty imposed herein.

(5) The Defendant is hereby enjoined from any further violations of the Act or Damage Prevention Rules.

(6) This case is hereby dismissed.

CASE NO. URS-2016-00337
FEBRUARY 7, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
RICHARD GIBSON, INDIVIDUALLY AND t/a GIBSON CONCRETE,
Defendant

VACATING ORDER

On May 24, 2017, the State Corporation Commission ("Commission") issued an Amended Rule to Show Cause against Richard Gibson, individually and t/a Gibson Concrete, which set forth allegations by the Commission's Division of Utility and Railroad Safety that the Defendant violated provisions of the Underground Utility Damage Prevention Act, Chapter 10.3 (§ 56-265.14 *et seq*.) of Title 56 of the Code of Virginia, and of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq*.

On January 24, 2018, the Hearing Examiner's Report ("Report") in this matter was issued. Therein the Hearing Examiner provided 21 calendar days for the parties to file any comments to the Report. A Final Order was issued by the Commission on February 2, 2018, before the 21-day comment period had elapsed.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Case No. URS-2016-00337 should be reopened, the February 2, 2018 Final Order in this case should be vacated, and this matter should be continued pending further order of the Commission.

ACCORDINGLY, IT IS SO ORDERED.

CASE NO. URS-2016-00337
FEBRUARY 27, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
RICHARD GIBSON, INDIVIDUALLY AND t/a GIBSON CONCRETE,
Defendant

FINAL ORDER

On May 24, 2017, the State Corporation Commission ("Commission") issued an Amended Rule to Show Cause ("Rule") against Richard Gibson, individually and t/a Gibson Concrete ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq*.) of Title 56 of the Code of Virginia ("Code"), and of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq*. ("Damage Prevention Rules").

Specifically, the Rule alleged that on or about April 8, 2016, the Defendant damaged a one-half-inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 3329 Stapleford Chase, Virginia Beach, Virginia, while excavating. The Rule alleged that the Defendant: (1) failed to expose the underground utility line to its extremities by hand digging, in violation of § 56-265.24 A (1) of the Code; and (2) failed to maintain a reasonable clearance between the marked location of an underground utility line and the cutting edge or point on any mechanized equipment, in violation of Rule 20 VAC 5-309-140 (4) of the Damage Prevention Rules.

The Rule directed the Defendant to file any pleading responsive to the allegations set forth in the Rule with the Clerk of the Commission on or before July 19, 2017. The Defendant failed to file a responsive pleading to the Rule.

On August 2, 2017, the matter was heard by A. Ann Berkebile, Hearing Examiner. M. Aaron Campbell, Associate General Counsel, and William Henry Harrison IV, Attorney, appeared at the hearing as counsel for the Division. The Defendant appeared at the hearing, admitted to liability for the alleged violations, and stated the intent to settle the matter with the Division.[1] The Hearing Examiner took evidence of the matter, but gave the Defendant until November 2, 2017, to settle the matter with the Division. The prefiled written testimony of James E. Maass, safety specialists for the Division, was marked as an exhibit and admitted into the record along with proof of service of the Rule on the Defendant.[2] Counsel for the Division recommended that, should the Defendant fail to settle this case: (1) the Defendant be enjoined from further violations of the Act; and (2) the Defendant be fined in the amount of Two Thousand Five Hundred Dollars ($2,500) for each violation of the Act.[3]

Due to the Defendant's failure to settle or further communicate with the Division within the time provided by the Hearing Examiner, the Division filed its Motion for Default Judgment ("Motion") on January 19, 2018.

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[1] Tr. 30.

[2] Tr. 32-33; Ex. 1 (Proof of Personal Service); Ex. 2 (Maass Direct).

[3] Tr. 33.

On January 24, 2018, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner concluded that the Division's Motion should be granted and found that the Division established by clear and convincing evidence that the Defendant violated § 56-265.24 A (1) of the Act and Rule 140 (4) during the April 8th incident.[4]

The Hearing Examiner recommended that the Commission enter an order that adopts the findings in the Report; grants the Division's Motion; penalizes the Defendant the sum of Five Thousand Dollars ($5,000) pursuant to § 56-265.32 of the Code; and enjoins the Defendant from further violations of the Act.[5] The Hearing Examiner invited the parties to file comments in response to the Report within 21 days of the date thereof.[6] No such comments were filed.

NOW THE COMMISSION upon consideration of this matter is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner's Report are adopted.

(2) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, judgment is entered against the Defendant, and a civil penalty of Five Thousand Dollars ($5,000) is imposed on the Defendant for the violations described herein.

(3) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Massoud Tahamtani, Director, Division of Utility and Railroad Safety, State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23218. Case No. URS-2016-00337 shall be referenced in any document transmitting payment of the penalty imposed herein.

(4) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether the Defendant has transmitted the payment of the penalty imposed herein.

(5) The Defendant is enjoined from any further violations of the Act.

(6) This case is dismissed.

[4] Report at 4.

[5] *Id.* at 4-5.

[6] *Id.* at 5.

CASE NO. URS-2016-00353
NOVEMBER 1, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
SBG DIGITAL, INC.,
Defendant

FINAL ORDER

On July 18, 2017, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against SBG Digital, Inc. ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated certain provisions of the Underground Utility Damage Prevention Act, Chapter 10.3 (§ 56-265.14 *et seq.*) of Title 56 of the Code of Virginia ("Code") and the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq*. ("Damage Prevention Rules").

Specifically, the Rule alleged that on or about April 14, 2016, the Defendant damaged a three-quarter-inch plastic gas service line operated by Atmos Energy Corporation ("Atmos"), located at or near 315 East Main Street, Washington County, Virginia, while excavating. The Rule alleged that on this occasion, the Defendant failed to notify the notification center before beginning excavation, in violation of § 56-265.17 A of the Code; and failed to promptly report damage to the appropriate authorities by calling 911 after the escape of flammable, toxic, or hazardous gas due to excavation, in violation of 20 VAC 5-309-200 of the Damage Prevention Rules.

After a continuance, this matter was heard by a Hearing Examiner, on October 10, 2018. During the hearing, the Division, by counsel, moved that the case be dismissed. In support of its motion, the Division asserted that additional discussions have led the Division to question whether SBG Digital, Inc., is the proper defendant in this matter.

On October 26, 2018, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found that based upon the representations in the Division's Motion, the case should be dismissed.[1]

[1] Report at 2.

NOW THE COMMISSION, upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that the findings in the Report should be adopted and that this case should be dismissed without prejudice.

Accordingly, IT IS SO ORDERED.

CASE NO. URS-2016-00536
APRIL 16, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
3RS SITE DEVELOPMENT AND LANDSCAPING LLC,
Defendant

FINAL ORDER

On July 27, 2017, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against 3RS Site Development and Landscaping LLC ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq*.) of Title 56 of the Code of Virginia ("Code"), and of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq*. ("Damage Prevention Rules").

Specifically, the Rule alleged that on or about August 3, 2016, the Defendant damaged a three-quarter-inch plastic gas service line operated by Washington Gas Light Company, located at or near 1906 Kirby Road, Fairfax County, Virginia, while excavating. The Rule alleged that the Defendant: (1) failed to notify the notification center ("VA811") before beginning excavation, in violation of Code § 56-265.17 A; (ii) failed to exercise due care at all times to protect an underground line, in violation of Code § 56-265.24 A; and (iii) failed to expose an underground line to its extremities by hand digging within the excavation area when excavation was expected to come within two feet of the marked location of the underground utility line, in violation of Rule 20 VAC 5-309-140 (2) of the Damage Prevention Rules.

The Rule directed the Defendant to file any pleading responsive to the allegations set forth in the Rule with the Clerk of the Commission on or before September 27, 2017. The Defendant failed to file a responsive pleading to the Rule.

On August 2, 2017, the matter was heard by D. Mathias Roussy, Jr., Hearing Examiner. M. Aaron Campbell, Associate General Counsel, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing. The prefiled written testimony of Christopher Rush, a safety specialist for the Division, was marked as an exhibit and admitted into the record along with proof of service of the Rule on the Defendant.[1] Counsel for the Division recommended that: (1) the Defendant be enjoined from further violations of the Act; and (2) the Defendant be fined in the amount of Two Thousand Five Hundred Dollars ($2,500) for each violation.[2]

On November 1, 2017, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found the Defendant to be in default and found, by clear and convincing evidence, that the Defendant: (a) failed to notify VA811 before beginning excavation, in violation of Code § 56-265.17 A of the Act; (b) failed to exercise due care at all times to protect an underground utility line, in violation of Code § 56-265.24 A of the Act; and (c) failed to expose an underground line to its extremities by hand digging within the excavation area when excavation was expected to come within two feet of the marked location of the underground utility line, in violation of Rule 20 VAC 5-309-140 (2) of the Damage Prevention Rules.[3]

The Hearing Examiner recommended that the Commission enter an order that adopts the findings in the Report; penalizes the Defendant the sum of Seven Thousand Five Hundred Dollars ($7,500) pursuant to § 56-265.32 of the Code; and permanently enjoins the Defendant from further violations of the Act.[4] The Hearing Examiner invited the parties to file comments in response to the Report within 21 days of the date thereof.[5] No such comments were filed.

NOW THE COMMISSION upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner's Report are hereby adopted.

(2) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, judgment is entered against the Defendant, and a civil penalty of Seven Thousand Dollars Five Hundred Dollars ($7,500) hereby is imposed on the Defendant for the violations described herein.

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[1] Tr. 23-24; Ex. 1 (Proof of Personal Service); Ex. 2 (Rush Direct).

[2] Tr. 24-25.

[3] Report at 5.

[4] *Id.*

[5] *Id.* at 6.

(3) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Massoud Tahamtani, Director, Division of Utility and Railroad Safety, State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23218. Case No. URS-2016-00536 shall be referenced in any document transmitting payment of the penalty imposed herein.

(4) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether the Defendant has transmitted the payment of the penalty imposed herein.

(5) The Defendant hereby is enjoined from any further violations of the Act.

(6) This case hereby is dismissed.

CASE NO. URS-2017-00095
FEBRUARY 13, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
GASTON PENA, INDIVIDUALLY AND t/a PENA LANDSCAPING AND ROOFING,
Defendant

FINAL ORDER

On July 25, 2017, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Gaston Pena, individually and t/a Pena Landscaping and Roofing ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq*.) of Title 56 of the Code of Virginia ("Code") and of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq*. ("Damage Prevention Rules").

Specifically, the Rule alleged that on or about September 18 and 21, 2016, the Defendant damaged a one-half-inch plastic gas service line operated by Roanoke Gas Company, located at or near 3915 Skylark Circle, S.W., Roanoke County, Virginia, while excavating. The Rule alleged that the Defendant, on each occasion: (1) failed to expose the underground utility line to its extremities by hand digging, in violation of § 56-265.24 A (1) of the Code; (2) failed to maintain a reasonable clearance between the marked location of an underground utility line and the cutting edge or point of mechanized equipment, in violation of 20 VAC 5-309-140 (4) of the Damage Prevention Rules; and (3) failed to promptly report the damage to the appropriate authorities by calling 911 after the escape of flammable, toxic, or hazardous gas due to excavation, in violation of 20 VAC 5-309-200 of the Damage Prevention Rules.

The Rule directed the Defendant to file a pleading responsive to the allegations set forth in the Rule with the Clerk of the Commission on or before September 6, 2017. The Defendant failed to file a responsive pleading to the Rule.

On September 27, 2017, the matter was heard by Howard P. Anderson, Jr., Hearing Examiner. M. Aaron Campbell, Associate General Counsel, and William H. Harrison IV, Attorney, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing. The prefiled written testimony of Christopher S. Rush, safety specialist for the Division, was marked as an exhibit and admitted into the record along with proof of service of the Rule on the Defendant.[1] Counsel for the Division recommended that: (1) the Defendant be found in default; (2) the Defendant be enjoined from further violations of the Act; and (3) the Defendant be fined in the amount of Two Thousand Five Hundred Dollars ($2,500) for violating the Act.[2]

On November 21, 2017, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found by clear and convincing evidence that: (1) the Defendant, while excavating on September 18 and 21, 2016, damaged a one-half-inch plastic gas service line operated by Roanoke Gas Company, located at or near 3915 Skylark Circle, S.W., Roanoke County, Virginia; and (2) during each incident the Defendant: (i) failed to expose the underground utility line to its extremities by hand digging, in violation of § 56-265.24 A (1) of the Code; (ii) failed to maintain a reasonable clearance between the marked location of an underground utility line and the cutting edge or point of mechanized equipment, in violation of 20 VAC 5-309-140 (4) of the Damage Prevention Rules; and (iii) failed to promptly report the damage to the appropriate authorities by calling 911 after the escape of flammable, toxic, or hazardous gas due to the excavation, in violation of 20 VAC 5-309-200 of the Damage Prevention Rules.[3]

The Hearing Examiner recommended that the Commission enter an order that adopts the findings in the Report; penalizes the Defendant the sum of Fifteen Thousand Dollars ($15,000) pursuant to § 56-265.32 of the Code; and enjoins the Defendant from further violations of the Act and the Damage Prevention Rules.[4] The Hearing Examiner invited parties to file comments in response to the Report within 21 days of the date thereof.[5] No comments to the Report were filed.

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[1] Tr. 7-8; Ex. 1 (Certified Mailing); Ex. 2 (Personal Service); Ex. 3 (Rush Direct).

[2] Tr. 8-9.

[3] Report at 4.

[4] *Id.* at 4-5.

[5] *Id.* at 5.

NOW THE COMMISSION, upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner's Report are adopted.

(2) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, judgment is entered against the Defendant and a civil penalty of Fifteen Thousand Dollars ($15,000) is imposed on the Defendant for the violations described herein.

(3) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Massoud Tahamtani, Director, Division of Utility and Railroad Safety, State Corporation Commission, P.O. Box 1197, Richmond, Virginia 23218. Case No. URS-2017-00095 shall be referenced in any document transmitting payment of the penalty imposed herein.

(4) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether the Defendant has transmitted the payment of the penalty imposed herein.

(5) The Defendant is enjoined from any further violations of the Act and Damage Prevention Rules.

(6) This case is dismissed.

CASE NO. URS-2017-00134
JULY 24, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
LEONDIS GRIFFIN, INDIVIDUALLY AND t/a L.S. GRIFFIN CONCRETE,
Defendant

FINAL ORDER

On April 3, 2018, the State Corporation Commission ("Commission") issued an Amended Rule to Show Cause ("Rule") against Leondis Griffin, individually and t/a L.S. Griffin Concrete ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq*.) of Title 56 of the Code of Virginia ("Code"), and of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq*. ("Damage Prevention Rules").

Specifically, the Rule alleged that on or about November 1, 2016, the Defendant damaged a one-half-inch plastic gas service line operated by Virginia Natural Gas, Inc. ("VNG"), located at or near 801 Birch Forest Court, Chesapeake, Virginia, while excavating. The Rule alleged that the Defendant failed to notify the notification center before beginning excavation, in violation of Code § 56-265.17 A; and failed to promptly report the damage to the appropriate authorities by calling 911 after the escape of flammable, toxic, or hazardous gas due to excavation, in violation of 20 VAC 5-309-200 of the Damage Prevention Rules.

The Rule directed the Defendant to file any pleading responsive to the allegations set forth in the Rule with the Clerk of the Commission on or before May 9, 2018. The Defendant failed to file a responsive pleading.

On May 30, 2018, the matter was heard by Alexander F. Skirpan, Senior Hearing Examiner. M. Aaron Campbell and William H. Harrison IV appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing and, on this basis, the Division moved for default judgment ("Motion") against the Defendant.[1] Additionally, the prefiled written testimony of James E. Maas, a safety specialist for the Division, was marked as an exhibit and admitted into the record along with proof of service of the Rule on the Secretary of the Commonwealth; proof of certified mailing of the Rule signed for by the Defendant; and an excavation ticket dated the same date as the damage.[2] Carl Dale, a damage prevention manager for the Division, also provided oral testimony that he spoke with the Defendant and that the Defendant admitted responsibility for the damage.[3] Counsel for the Division recommended that: (1) the Defendant be enjoined from further violations of the Act; and (2) the Defendant be fined in the amount of $2,500 for each violation of the Act.[4]

On July 13, 2018, the Senior Hearing Examiner's Report ("Report") was filed. The Senior Hearing Examiner found the Defendant to be in default and found that the Division had provided clear and convincing evidence that on November 1, 2016, the Defendant: (1) damaged a one-half-inch plastic service line operated by VNG, located at or near 801 Birch Forest Court, Chesapeake, Virginia, while excavating; (2) failed to notify the notification center

[1] Tr. at 10.

[2] *Id.* at 5-7; Ex. 1 (Proof of certified mailing); Ex. 2 (Proof of service on the Secretary of the Commonwealth); Ex. 3 (Maas Direct); Ex. 4 (Excavation Ticket).

[3] Tr. at 9.

[4] *Id.* at 10.

before beginning excavation, in violation of § 56-265.17 A of the Code; and (3) failed to promptly report the damage to the appropriate authorities by calling 911 after the escape of flammable, toxic, or hazardous gas due to excavation in violation of 20 VAC 5-309-200 of the Commission's Damage Prevention Rules.[5] The Senior Hearing Examiner further found that a civil penalty of $5,000 should be imposed and that the Defendant should be enjoined from further violations of the Act.[6]

The Senior Hearing Examiner recommended that the Commission enter an order that adopts the findings in the Report and dismisses the case.[7] The Senior Hearing Examiner invited the parties to file comments in response to the Report within 21 days of the date thereof.[8] No comments were filed.

NOW THE COMMISSION upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Report are hereby adopted.

(2) The Division's Motion hereby is granted.

(3) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, judgment is entered against the Defendant and a civil penalty of Five Thousand Dollars ($5,000) hereby is imposed on the Defendant for the violations found by the Hearing Examiner.

(4) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Steven Bradley, Director, Division of Utility and Railroad Safety, State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23218. Case No. URS-2017-00134 shall be referenced in any document transmitting payment of the penalty imposed herein.

(5) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether the Defendant has transmitted the payment of the penalty imposed herein.

(6) The Defendant hereby is enjoined from any further violations of the Act.

(7) This case hereby is dismissed.

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[5] Report at 3.

[6] *Id.*

[7] *Id*. at 4.

[8] *Id.*

CASE NO. URS-2017-00152
JANUARY 19, 2018

COMMONWEALTH OF VIRGINIA , *ex rel.*
STATE CORPORATION COMMISSION
v.
BILLY HALE, INDIVIDUALLY AND t/a TITAN EXCAVATIONS,
Defendant

FINAL ORDER

On August 1, 2017, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Billy Hale, individually and t/a Titan Excavations ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated certain provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq*.) of Title 56 of the Code of Virginia ("Code").

Specifically, the Rule alleged that on or about October 31, 2016, the Defendant damaged a three-quarter-inch plastic gas service stub line operated by Washington Gas Light Company, located at or near 4548 Dodds Mill Drive, Prince William County, Virginia, while excavating. The Rule alleged that on this occasion, the Defendant failed to notify the notification center before beginning excavation, in violation of § 56-265.17 A of the Code.

On November 1, 2017, the matter was heard by Mathias D. Roussy, Hearing Examiner. M. Aaron Campbell, Associate General Counsel, and William H. Harrison IV, Attorney, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing.

On December 12, 2017, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner was unable to find that Mr. Hale was individually liable for any violations or damages caused by Titan Excavations, LLC and recommended that the Commission, depending on the recommendation of the Division, either issue an amended rule to show cause or dismiss this case.

NOW THE COMMISSION, upon consideration of the Rule, the record, the Report, the applicable statutes, and the recommendation of the Division to dismiss this proceeding, is of the opinion and finds that this case should be dismissed without prejudice.

Accordingly, IT IS ORDERED THAT:

(1) The Division is hereby granted leave to request the issuance of a new rule to show cause.

(2) This case is hereby dismissed without prejudice.

CASE NO. URS-2017-00183
APRIL 2, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
AFFORDABLE FENCE AND RAILING,
Defendant

FINAL ORDER

On October 2, 2017, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Affordable Fence and Railing ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act, Chapter 10.3 (§ 56-265.14 *et seq*.) of Title 56 of the Code of Virginia ("Code").

Specifically, the Rule alleged that the Defendant damaged a one-half-inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 5624 Larry Avenue, Virginia Beach, Virginia, while excavating. The Rule further alleged that the Defendant failed to exercise due care at all times to protect the underground utility line, in violation of § 56-265.24 A of the Code.

On November 14, 2017, counsel for the Division made an oral motion to dismiss ("Motion"), without prejudice, asserting that subsequent to the issuance of the Rule, Staff was dissatisfied with its service of process.

On November 21, 2017, the Report of Hearing Examiner D. Mathias Roussy ("Report") was filed. Therein, the Hearing Examiner found that the Motion should be granted and recommended that the Commission adopt his findings and dismiss the case.

NOW THE COMMISSION, upon consideration of this matter is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Report hereby are adopted.

(2) This case hereby is dismissed, without prejudice.

CASE NO. URS-2017-00189
FEBRUARY 12, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
DANIEL JAMES GROTH, INDIVIDUALLY AND t/a PENN FOREST SERVICES,
Defendant

FINAL ORDER

On July 28, 2017, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Daniel James Groth, individually and t/a Penn Forest Services ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq*.) of Title 56 of the Code of Virginia ("Code") and of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq.* ("Damage Prevention Rules").

Specifically, the Rule alleged that on or about January 21, 2017, the Defendant damaged a one-half-inch plastic gas service line operated by Roanoke Gas Company, located at or near 1111 East Main Street, Salem, Virginia, while excavating. The Rule alleged that the Defendant: (1) failed to expose the underground utility line to its extremities by hand digging, in violation of § 56-265.24 A (1) of the Code; and (2) failed to maintain a reasonable clearance between the marked location of an underground utility line and the cutting edge or point of mechanized equipment, in violation of 20 VAC 5-309-140 (4) of the Damage Prevention Rules.

The Rule directed the Defendant to file a pleading responsive to the allegations set forth in the Rule with the Clerk of the Commission on or before September 27, 2017. The Defendant failed to file a responsive pleading to the Rule.

On October 18, 2017, the matter was heard by D. Mathias Roussy, Jr., Hearing Examiner. M. Aaron Campbell, Associate General Counsel, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing. The prefiled written testimony of James Maass, safety specialist for the Division, was marked as an exhibit and admitted into the record along with proof of service of the Rule on the Defendant.[1] Counsel for the Division recommended that: (1) the Defendant be found in default; (2) the Defendant be enjoined from further violations of the Act; and (3) the Defendant be fined in the amount of Two Thousand Five Hundred Dollars ($2,500) for each violation of the Act and the Damage Prevention Rules.[2]

On November 1, 2017, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found by clear and convincing evidence that: (1) the Defendant, while excavating on January 21, 2017, damaged a one-half-inch plastic gas service line operated by Roanoke Gas Company, located at or near 1111 East Main Street, Salem, Virginia; and (2) during the incident that resulted in damage to the gas service line, the Defendant: (a) failed to expose the underground utility line to its extremities by hand digging, in violation of § 56-265.24 A (1) of the Code; and (b) failed to maintain a reasonable clearance between the marked location of an underground utility line and the cutting edge or point of mechanized equipment, in violation of 20 VAC 5-309-140 (4) of the Damage Prevention Rules.[3]

The Hearing Examiner recommended that the Commission enter an order that adopts the findings in the Report; finds that the Defendant violated Code § 56-265.24 A (1) and 20 VAC 5-309-140 (4) of the Damage Prevention Rules; penalizes the Defendant the sum of Five Thousand Dollars ($5,000) pursuant to § 56-265.32 of the Code; and enjoins the Defendant from further violations of the Act.[4] The Hearing Examiner invited the parties to file comments in response to the Report within 21 days of the date thereof.[5] No comments to the Report were filed.

NOW THE COMMISSION, upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner's Report are hereby adopted.

(2) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, judgment is entered against the Defendant and a civil penalty of Five Thousand Dollars ($5,000) is imposed on the Defendant for the violations described herein.

(3) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Massoud Tahamtani, Director, Division of Utility and Railroad Safety, State Corporation Commission, P.O. Box 1197, Richmond, Virginia 23218. Case No. URS-2017-00189 shall be referenced in any document transmitting payment of the penalty imposed herein.

(4) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether the Defendant has transmitted the payment of the penalty imposed herein.

(5) The Defendant is enjoined from any further violations of the Act and the Damage Prevention Rules.

(6) This case is dismissed.

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[1] Tr. 26; Ex. 1 (Personal Service); Ex. 2 (Maass Direct).

[2] Tr. 26-27.

[3] Report at 4.

[4] *Id.* at 4-5.

[5] *Id.* at 5.

CASE NO. URS-2017-00197
FEBRUARY 20, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JAROD BEAULIEU,
Defendant

FINAL ORDER

On July 28, 2017, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Jarod Beaulieu ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act") and of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq*. ("Damage Prevention Rules").

Specifically, the Rule alleged that on or about January 21, 2017, the Defendant damaged a one-half-inch plastic gas service line operated by Columbia Gas of Virginia Inc. ("CVA"), located at or near 454 Maryland Avenue, Portsmouth, Virginia, while excavating. The Rule alleged that the Defendant failed to provide notice to the notification center with proper information, in violation of § 56-265.18 of the Code; and failed to verify the location prior to excavation, in violation of Rule 20 VAC 5-309-180 of the Damage Prevention Rules.

The Rule directed the Defendant to file a pleading responsive to the allegations set forth in the Rule with the Clerk of the Commission on or before September 27, 2017. The Defendant failed to file a responsive pleading to the Rule.

On October 18, 2017, the matter was heard by D. Mathias Roussy, Jr., Hearing Examiner. M. Aaron Campbell, Associate General Counsel, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing. The prefiled written testimony of James Maass, safety specialist for the Division, was marked as an exhibit and admitted into the record along with proof of service of the Rule on the Defendant.[1] Counsel for the Division recommended that: (1) the Defendant be found in default; (2) the Defendant be enjoined from further violations of the Act; and (3) the Defendant be fined in the amount of Two Thousand Five Hundred Dollars ($2,500) for each violation of the Act and the Damage Prevention Rules. [2]

On November 1, 2017, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found by clear and convincing evidence that: (1) the Defendant, while excavating on January 12, 2017, damaged a one-half-inch plastic gas service line operated by CVA, located between 450 and 454 Maryland Avenue, Portsmouth, Virginia; (2) prior to the incident that resulted in damage to the gas service line, the Defendant failed to provide VA811 with proper information regarding an excavation at this location, in violation of § 56-265.18 of the Act; and (3) prior to the excavation that resulted in damage to the gas service line, the Defendant failed to verify that excavation was being undertaken in the correct location, in violation of Rule 20 VAC 5-309-180 of the Damage Prevention Rules.[3]

The Hearing Examiner recommended that the Commission enter an order that adopts the findings in the Report; finds the Defendant in violation of Code § 56-265.18 and Rule 20 VAC 5-309-180 of the Damage Prevention Rules; penalizes the Defendant the sum of Five Thousand Dollars ($5,000) pursuant to § 56-265.32 of the Code; and enjoins the Defendant from further violations of the Act.[4] The Hearing Examiner invited the parties to file comments in response to the Report within 21 days of the date thereof.[5] No comments to the Report were filed.

NOW THE COMMISSION, upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner's Report are adopted.

(2) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, judgment is entered against the Defendant, and a civil penalty of Five Thousand Dollars ($5,000) is imposed on the Defendant for the violations described herein.

(3) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Massoud Tahamtani, Director, Division of Utility and Railroad Safety, State Corporation Commission, P.O. Box 1197, Richmond, Virginia 23218. Case No. URS-2017-00197 shall be referenced in any document transmitting payment of the penalty imposed herein.

(4) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether the Defendant has transmitted the payment of the penalty imposed herein.

(5) The Defendant is enjoined from any further violations of the Act.

(6) This case is dismissed.

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[1] Tr. 6; Ex.1 (Proof of Personal Service); Ex.2 (Maass Direct).

[2] Tr. 7.

[3] Report at 4.

[4] *Id.* at 4-5.

[5] *Id*. at 5.

CASE NO. URS-2017-00226
JANUARY 19, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
KURT CROWELL, INDIVIDUALLY AND t/a NORTHERN CRAFTSMAN,
Defendant

FINAL ORDER

On August 1, 2017, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Kurt Crowell, individually and t/a Northern Craftsman ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated certain provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq*.) of Title 56 of the Code of Virginia ("Code").

Specifically, the Rule alleged that on or about January 17, 2017, the Defendant damaged a one-half-inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 9396 Pine Tree Road, Norfolk,Virginia, while excavating. The Rule alleged that on this occasion, the Defendant failed to notify the notification center before beginning excavation, in violation of § 56-265.17 A of the Code.

On November 1, 2017, the matter was heard by Mathias D. Roussy, Hearing Examiner. M. Aaron Campbell, Associate General Counsel, and William H. Harrison IV, Attorney, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing.

On December 12, 2017, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found that service on Mr. Crowell was inconclusive and recommended that the Commission, depending on the recommendation of the Division, either issue an amended rule to show cause or dismiss this case.

NOW THE COMMISSION, upon consideration of the Rule, the record, the Report, the applicable statutes, and the recommendation of the Division to dismiss this proceeding, is of the opinion and finds that this case should be dismissed without prejudice.

Accordingly, IT IS ORDERED THAT:

(1) The Division is hereby granted leave to request the issuance of a new rule to show cause.

(2) This case is hereby dismissed without prejudice.

CASE NO. URS-2017-00229
FEBRUARY 2, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
THOMAS BURNS, INDIVIDUALLY AND t/a ACCURATE BUILDERS HOME IMPROVEMENT,
Defendant

FINAL ORDER

On August 1, 2017, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Thomas Burns, individually and t/a Accurate Builders Home Improvement ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq*.) of Title 56 of the Code of Virginia ("Code").

Specifically, the Rule alleged that on or about January 12, 2017, the Defendant damaged a one-half-inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 4912 Preakness Way, Virginia Beach, Virginia, while excavating. The Rule alleged that the Defendant: (1) failed to wait 48 hours, beginning 7 a.m. the next working day following notice to the notification center, in violation of § 56-265.17 B (1) of the Code.

The Rule directed the Defendant to file a pleading responsive to the allegations set forth in the Rule with the Clerk of the Commission on or before October 11, 2017. The Defendant failed to file a responsive pleading to the Rule.

On November 1, 2017, the matter was heard by D. Mathias Roussy, Hearing Examiner. M. Aaron Campbell, Associate General Counsel, and William H. Harrison IV, Attorney, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing. The prefiled written testimony of Christopher S. Rush, safety specialist for the Division, was marked as an exhibit and admitted into the record along with proof of service of the Rule on the Defendant. Counsel for the Division recommended that: (1) the Defendant be found in default; (2) the Defendant be enjoined from further violations of the Act; and (3) the Defendant be fined in the amount of Two Thousand Five Hundred Dollars ($2,500) for each violation of the Act.

On December 5, 2017, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found by clear and convincing evidence that (1) the Defendant, while excavating on January 12, 2017, damaged a one-half-inch plastic gas service line operated by VNG, located at or near 4912 Preakness Way, Virginia Beach, Virginia; and (2) during the incident that resulted in damage to the gas service line, the Defendant failed to wait 48 hours, beginning 7 a.m. the next working day following notice to the notification center, in violation of § 56-265.17 B (1) of the Act.

The Hearing Examiner recommended that the Commission enter an order that adopts the findings in the Report; penalizes the Defendant the sum of Two Thousand Five Hundred Dollars ($2,500) pursuant to § 56-265.32 of the Code; and permanently enjoins the Defendant from further violations of the Act. The Hearing Examiner invited the parties to file comments in response to the Report within 21 days of the date thereof. No comments to the Report were filed.

NOW THE COMMISSION, upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner's Report are hereby adopted.

(2) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, judgment is entered against the Defendant and a civil penalty of Two Thousand Five Hundred Dollars ($2,500) shall be imposed on the Defendant for the violation described herein.

(3) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Massoud Tahamtani, Director, Division of Utility and Railroad Safety, State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23218. Case No. URS-2017-00229 shall be referenced in any document transmitting payment of the penalty imposed herein.

(4) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether the Defendant has transmitted the payment of the penalty imposed herein.

(5) The Defendant is hereby enjoined from any further violations of the Act.

(6) This case is hereby dismissed.

CASE NO. URS-2017-00243
MAY 25, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
A&E EARTHWORKS, LLC,
Defendant

FINAL ORDER

On January 31, 2018, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against A&E Earthworks, LLC ("Defendant") which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq*.) of Title 56 of the Code of Virginia ("Code"), and of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq*. ("Damage Prevention Rules").

Specifically, the Rule alleged that on or about February 20, 2017, the Defendant damaged a three-quarter-inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 1196 Big Bethel Road, Hampton, Virginia, while excavating. The Rule alleged that the Defendant: (1) failed to exercise due care at all times to protect an underground line, in violation of Code § 56-265.24 A; and (2) failed to promptly report the damage to the appropriate authorities by calling 911 after the escape of flammable, toxic, or hazardous gas due to excavation, in violation of 20 VAC 5-309-200 of the Damage Prevention Rules.

The Rule directed the Defendant to file any pleading responsive to the allegations set forth in the Rule with the Clerk of the Commission on or before February 21, 2018. The Defendant failed to file a responsive pleading.

On March 14, 2018, the matter was heard by A. Ann Berkebile, Hearing Examiner. M. Aaron Campbell, Associate General Counsel, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing, and on this basis the Division moved for default judgment ("Motion") at the commencement of the hearing.[1]. Additionally, the prefiled written testimony of Christopher Rush, safety specialist for the Division, was marked as an exhibit and admitted into the record along with proof of service of the Rule on the Defendant.[2] Counsel for the Division recommended that: (1) the Defendant be enjoined from further violations of the Act; and (2) the Defendant be fined in the amount of $2,500 for each violation of the Act and the Damage Prevention Rules.[3]

[1] Tr. 25.

[2] *Id.* at 24-25; Ex. 1 (Proof of Service); Ex. 2 (Rush Direct).

[3] Tr. 25-26.

On April 18, 2018, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found that the Defendant should be held in default and concluded: (i) that the Division established, by clear and convincing evidence, that the Defendant violated § 56-265.24 A of the Act during the incident on February 20, 2017, by failing to exercise best hand digging practices while excavating, and (ii) that the evidence reflects that the Defendant violated 20 VAC 5-309-200 of the Damage Prevention Rules by failing to call 911 after striking and damaging VNG's service line.[4] The Hearing Examiner found that the Defendant should be penalized and enjoined from further violations of the Act.[5]

The Hearing Examiner recommended that the Commission enter an order that adopts the findings in the Report; grants the Division's Motion; penalizes the Defendant the sum of $5,000 pursuant to § 56-265.32 of the Code; and enjoins the Defendant from further violations of the Act.[6] The Hearing Examiner invited the parties to file comments in response to the Report within 21 days of the date thereof.[7]

NOW THE COMMISSION, upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner's Report hereby are adopted.

(2) The Division's Motion hereby is granted.

(3) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, judgment is entered against the Defendant, and a civil penalty of Five Thousand Dollars ($5,000) hereby is imposed on the Defendant for the violations described herein.

(4) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Stephen Bradley, Director, Division of Utility and Railroad Safety, State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23218. Case No. URS-2017-00243 shall be referenced in any document transmitting payment of the penalty imposed herein.

(5) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether the Defendant has transmitted the payment of the penalty imposed herein.

(6) The Defendant hereby is enjoined from any further violations of the Act.

(7) This case hereby is dismissed.

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[4] Report at 3.

[5] *Id*. at 4.

[6] *Id.*

[7] *Id.*

CASE NO. URS-2017-00248
JANUARY 24, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
MASTERS UTILITIES LLC,
Defendant

FINAL ORDER

On July 28, 2017, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Indigo Sign Company, LLC ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq*.) of Title 56 of the Code of Virginia ("Code") and of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq*. ("Damage Prevention Rules").

Specifically, the Rule alleged that on or about November 30, 2016, the Defendant damaged a one-half-inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 2037 Phyllis Drive, Chesapeake, Virginia, while excavating. The Rule alleged that the Defendant: (1) failed to notify the notification center before beginning its excavation in violation of § 56-265.17 A of the Code; (2) failed to exercise due care at all times to protect an underground line, in violation of Code § 56-265.24 A; and (3) failed to promptly report damage to the appropriate authorities by calling 911 after the escape of flammable, toxic, or hazardous gas due to excavation, in violation of Rule 20 VAC 5-309-200 of the Damage Prevention Rules.

The Rule directed the Defendant to file a pleading responsive to the allegations set forth in the Rule with the Clerk of the Commission on or before September 27, 2017. The Defendant failed to file a responsive pleading to the Rule.

On October 18, 2017, the matter was heard by D. Mathias Roussy, Hearing Examiner. M. Aaron Campbell, Associate General Counsel, and William H. Harrison IV, Attorney, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing. The prefiled written testimony of Christopher Shawn Rush, safety specialist for the Division, was marked as an exhibit and admitted into the record along with proof of service of the Rule on the Defendant. Counsel for the Division recommended that: (1) the Defendant be found in default; (2) the Defendant be enjoined from further violations of the Act; and (3) the Defendant be fined in the amount of Two Thousand Five Hundred Dollars ($2,500) for each violation of the Act.

On November 1, 2017, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found by clear and convincing evidence that (1) the Defendant, while excavating on November 30, 2016, damaged a one-half-inch plastic gas service line operated by VNG, located at or near 2037 Phyllis Drive, Chesapeake, Virginia; and (2) during the incident that resulted in damage to the gas service line, the Defendant: (a) failed to notify VA811 before beginning excavation, in violation of Code § 56-265.17 A of the Act; (b) failed to exercise due care at all times to protect an underground utility line, in violation of Code § 56-265.24 A of the Act; and (c) failed to promptly report damage to the appropriate authorities by calling the 911 emergency telephone number after the escape of flammable, toxic, or hazardous gas due to excavation, in violation of Rule 20 VAC 5-309-200 of the Damage Prevention Rules.

The Hearing Examiner recommended that the Commission enter an order that adopts the findings in the Report; penalizes the Defendant the sum of Seven Thousand Five Hundred Dollars ($7,500) pursuant to § 56-265.32 of the Code; and permanently enjoins the Defendant from further violations of the Act. The Hearing Examiner invited parties to file comments in response to the Report within 21 days of the date thereof. No comments to the Report were filed.

NOW THE COMMISSION, upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner's Report are hereby adopted.

(2) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, judgment is entered against the Defendant, and a civil penalty of Seven Thousand Five Hundred Dollars ($7,500) shall be imposed on the Defendant for the violations described herein.

(3) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Massoud Tahamtani, Director, Division of Utility and Railroad Safety, State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23218. Case No. URS-2017-00248 shall be referenced in any document transmitting payment of the penalty imposed herein.

(4) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether the Defendant has transmitted the payment of the penalty imposed herein.

(5) The Defendant is hereby enjoined from any further violations of the Act.

(6) This case is hereby dismissed.

CASE NO. URS-2017-00248
JUNE 1, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
MASTERS UTILITIES LLC,
Defendant

ORDER NUNC PRO TUNC

On July 28, 2017, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Masters Utilities LLC ("Defendant") which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq*.) of Title 56 of the Code of Virginia ("Code") and of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act,
20 VAC 5-309-10 *et seq*. ("Damage Prevention Rules").

Specifically, the Rule alleged that on or about November 30, 2016, the Defendant damaged a one-half-inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 2037 Phyllis Drive, Chesapeake, Virginia, while excavating. The Rule alleged that the Defendant: (1) failed to notify the notification center before beginning its excavation in violation of § 56-265.17 A of the Code; (2) failed to exercise due care at all times to protect an underground line, in violation of Code § 56-265.24 A; and (3) failed to promptly report damage to the appropriate authorities by calling 911 after the escape of flammable, toxic, or hazardous gas due to excavation, in violation of Damage Prevention Rule 20 VAC 5-309-200.

The Rule directed the Defendant to file a pleading responsive to the allegations set forth in the Rule with the Clerk of the Commission on or before September 27, 2017. The Defendant failed to file a responsive pleading.

On October 18, 2017, the matter was heard by D. Mathias Roussy, Hearing Examiner. M. Aaron Campbell, Associate General Counsel, and William H. Harrison IV, Attorney, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing, and the Division moved for a default judgment ("Motion") against the Defendant.[1] The prefiled written testimony of Christopher S. Rush, safety specialist for the Division, was marked as an exhibit and admitted into the record along with proof of service of the Rule on the Defendant.[2] Counsel for the Division recommended that: (1) the Defendant be found in default; (2) the Defendant be enjoined from further violations of the Act; and (3) the Defendant be fined in the amount of Two Thousand Five Hundred Dollars ($2,500) for each violation of the Act.[3]

On November 1, 2017, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found that the Division provided clear and convincing evidence that (1) the Defendant, while excavating on November 30, 2016, damaged a one-half-inch plastic gas service line operated by VNG, located at or near 2037 Phyllis Drive, Chesapeake, Virginia; and (2) during the incident that resulted in damage to the gas service line, the Defendant: (a) failed to notify VA811 before beginning excavation, in violation of Code § 56-265.17 A of the Act; (b) failed to exercise due care at all times to protect an underground utility line, in violation of Code § 56-265.24 A of the Act; and (c) failed to promptly report damage to the appropriate authorities by calling the 911 emergency telephone number after the escape of flammable, toxic, or hazardous gas due to excavation, in violation of Damage Prevention Rule 20 VAC 5-309-200.[4] The Hearing Examiner found that the Defendant should be held in default, penalized, and enjoined from further violations of the Act.[5]

The Hearing Examiner recommended that the Commission enter an order that adopts the findings in the Report; finds that the Defendant violated Code §§ 56-265.17 A and 56-265.24 A, as well as Damage Prevention Rule 20 VAC 5-309-200; penalizes the Defendant the sum of $7,500 pursuant to § 56-265.32 of the Code; and enjoins the Defendant from further violations of the Act.[6] The Hearing Examiner invited the parties to file comments in response to the Report within 21 days of the date thereof.[7] No comments to the Report were filed.

On January 24, 2018, the Commission entered a Final Order in this proceeding ("January 24, 2018 Order"), which contained an administrative error. This Order Nunc Pro Tunc is meant to replace the January 24, 2018 Order in its entirety.

NOW THE COMMISSION, upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly , IT IS ORDERED THAT:

(1) This Order Nunc Pro Tunc hereby replaces the January 24, 2018 Order in its entirety.

(2) The findings and recommendations of the Hearing Examiner's Report hereby are adopted.

(3) The Division's Motion hereby is granted.

(4) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, judgment is entered against the Defendant, and a civil penalty of Seven Thousand Five Hundred Dollars ($7,500) hereby is imposed on the Defendant for the violations described herein.

(5) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Steven Bradley, Director, Division of Utility and Railroad Safety, State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23218. Case No. URS-2017-00248 shall be referenced in any document transmitting payment of the penalty imposed herein.

(6) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether the Defendant has transmitted the payment of the penalty imposed herein.

(7) The Defendant hereby is enjoined from any further violations of the Act.

(8) This case hereby is dismissed.

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[1] Tr at 22.

[2] *Id.* at 21-22; Ex. 1 (Proof of Service); Ex. 2 (Rush Direct).

[3] *Id.* at 22.

[4] Report at 4-5.

[5] *Id.*

[6] *Id.* at 5.

[7] *Id.*

CASE NO. URS-2017-00294
FEBRUARY 2, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
STHID EMELSON PALACIOS, INDIVIDUALLY AND t/a EMELSON PLUMBING COMPANY,
Defendant

FINAL ORDER

On August 11, 2017, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Sthid Emelson Palacios, individually and t/a Emelson Plumbing Company ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq*.) of Title 56 of the Code of Virginia ("Code") and of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq*. ("Damage Prevention Rules").

Specifically, the Rule alleged that on or about March 30, 2017, the Defendant damaged a three-quarter-inch plastic gas service line operated by Washington Gas Light Company ("WGL"), located at or near 4217 John Marr Drive, Fairfax County, Virginia, while excavating. The Rule alleged that the Defendant: (1) failed to expose the underground utility line to its extremities by hand digging, in violation of § 56-265.24 A (1) of the Code; and (2) failed to maintain a reasonable clearance between the marked location of an underground utility line and the cutting edge or point of mechanized equipment, in violation of Rule 20 VAC 5-309-140 (4) of the Damage Prevention Rules.

The Rule directed the Defendant to file a pleading responsive to the allegations set forth in the Rule with the Clerk of the Commission on or before October 11, 2017. The Defendant failed to file a responsive pleading to the Rule.

On November 1, 2017, the matter was heard by D. Mathias Roussy, Hearing Examiner. M. Aaron Campbell, Associate General Counsel, and William H. Harrison IV, Attorney, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing. The prefiled written testimony of Chad L. Mayhew, safety specialist for the Division, was marked as an exhibit and admitted into the record along with proof of service of the Rule on the Defendant. Counsel for the Division recommended that: (1) the Defendant be found in default; (2) the Defendant be enjoined from further violations of the Act; and (3) the Defendant be fined in the amount of Two Thousand Five Hundred Dollars ($2,500) for each violation of the Act.

On November 1, 2017, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found by clear and convincing evidence that: (1) the Defendant, while excavating on March 30, 2017, damaged a one-half-inch plastic gas service line operated by WGL, located at or near 2037 Phyllis Drive, Chesapeake, Virginia; and (2) during the incident that resulted in damage to the gas service line, the Defendant: (a) failed to expose the underground utility line to its extremities by hand digging, in violation of § 56-265.24 A (1) of the Code; and (b) failed to maintain a reasonable clearance between the marked location of an underground utility line and the cutting edge or point of mechanized equipment, in violation of Rule 20 VAC 5-309-140 (4) of the Damage Prevention Rules.

The Hearing Examiner recommended that the Commission enter an order that adopts the findings in the Report; penalizes the Defendant the sum of Five Thousand Dollars ($5,000) pursuant to § 56-265.32 of the Code; and permanently enjoins the Defendant from further violations of the Act. The Hearing Examiner invited the parties to file comments in response to the Report within 21 days of the date thereof. No comments to the Report were filed.

NOW THE COMMISSION, upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner's Report are hereby adopted.

(2) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, judgment is entered against the Defendant and a civil penalty of Five Thousand Dollars ($5,000) shall be imposed on the Defendant for the violations described herein.

(3) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Massoud Tahamtani, Director, Division of Utility and Railroad Safety, State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23218. Case No. URS-2017-00294 shall be referenced in any document transmitting payment of the penalty imposed herein.

(4) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether the Defendant has transmitted the payment of the penalty imposed herein.

(5) The Defendant is hereby enjoined from any further violations of the Act and the Damage Prevention Rules.

(6) This case is hereby dismissed.

CASE NO. URS-2017-00372
JULY 24, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
YESSICA D. PORTILLO GARCIA, INDIVIDUALLY and t/a MC STONEMASON, INC.,
Defendant

FINAL ORDER

On April 6, 2018, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Yessica D. Portillo Garcia, individually and t/a MC Stonemason, Inc. ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated certain provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq*.) of Title 56 of the Code of Virginia ("Code").

Specifically, the Rule alleged that on or about June 8, 2017, the Defendant damaged a three-quarter-inch plastic gas service line operated by Washington Gas Light Company, located at or near 706 Timber Lane, Falls Church, Virginia, while excavating. The Rule alleged that on this occasion, the Defendant failed to wait 48 hours beginning 7 a.m. the next working day following notice to the notification center before excavating, in violation of § 56-265.17 B 1 of the Code.

On May 30, 2018, the matter was heard by Alexander F. Skirpan, Senior Hearing Examiner. William H. Harrison IV and M. Aaron Campbell appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing. At the hearing, counsel for the Division stated that based on further investigation, the Division determined that the appropriate enforcement mechanism was a warning letter.[1] Therefore, counsel for the Division moved that the case be dismissed ("Motion").[2]

On July 10, 2018, the Senior Hearing Examiner's Report ("Report") was filed. The Senior Hearing Examiner found that the Division's Motion should be granted.[3] The Hearing Examiner recommended that the Commission adopt his findings and dismiss the Rule.[4]

NOW THE COMMISSION, upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that this case should be dismissed without prejudice.

Accordingly, IT IS ORDERED THAT:

(1) This case is hereby dismissed without prejudice.

[1] Tr. at 18-19.

[2] *Id.*

[3] Report at 1.

[4] *Id.* at 2.

CASE NO. URS-2017-00388
JULY 24, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
VENABLE ABRAHAM LINCOLN
Defendant

FINAL ORDER

On January 31, 2018, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Venable Abraham Lincoln ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated certain provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq*.) of Title 56 of the Code of Virginia ("Code").

Specifically, the Rule alleged that on or about April 19, 2017, the Defendant damaged a one-half-inch plastic gas service line operated by the City of Richmond, located at or near 1310 North 26th Street, Richmond, Virginia, while excavating. The Rule alleged that on this occasion, the Defendant failed to notify the notification center before beginning excavation, in violation of § 56-265.17 A of the Code; and failed to expose the underground utility line to its extremities by hand digging, in violation of § 56-265.24 A (1) of the Code.

On March 14, 2018, the matter was heard by A. Ann Berkebile, Hearing Examiner. M. Aaron Campbell appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing. At the hearing, the Division requested that this matter be continued to May 30, 2018, to allow for additional investigation of the allegations in the Rule.[1]

[1] Tr. at 15.

On April 4, 2018, the Division filed a Motion to Dismiss Rule to Show Cause ("Motion"). The Division represented that the Defendant provided information establishing substantial compliance with the Act. Under the circumstances, the Division requested dismissal of the Rule without prejudice.

On April 13, 2018, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found that the Division's Motion should be granted and that the Commission should dismiss the Rule.[2]

NOW THE COMMISSION, upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that this case should be dismissed without prejudice.

Accordingly, IT IS ORDERED THAT:

(1) This case is hereby dismissed without prejudice.

[2] Report at 1.

CASE NO. URS-2017-00398
JANUARY 25, 2018

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 ("Code"), the 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. The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between March 6, 2017, and August 22, 2017, listed in Attachment A, involving Utiliquest, LLC ("Company"), the Defendant, and alleges that:

(1) The Company is a contract locator as that term is defined in § 56-265.15 of the Code and, as a contract locator acting on behalf of an operator, if the Company fails to perform the duties imposed by Chapter 10.3 of Title 56 of the Code, it is subject to the civil penalties set out in § 56-265.32 of the Code pursuant to § 56-265.19 D of the Code.

(2) During the aforementioned period, the Company violated the Act by the following conduct:

(a) Failing on 13 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 of the Code.

(b) Failing on 20 occasions to mark the underground utility lines within the time prescribed in the Act, in violation of § 56-265.17 C and § 56-265.19 A of the Code.

(c) Failing on one occasion to report the status to the excavator-operator information exchange system, in violation of § 56-265.19 A of the Code.

(d) Failing on one occasion to use all information necessary to mark facilities accurately, in violation of 20 VAC 5-309-110 M of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq*.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of Forty-five Thousand One Hundred Dollars ($45,100) to be paid contemporaneously with the entry of this Order. The payment will be made by check directed to the attention of the Director of the Division of Utility and Railroad Safety.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case shall be docketed and assigned Case No. URS-2017-00398.

(2) Pursuant to the authority granted to the Commission by § 12.1-15 of the Code, the offer of settlement made by the Company is hereby accepted.

(3) The sum of Forty-five Thousand One Hundred Dollars ($45,100) tendered contemporaneously with the entry of this Order is accepted.

(4) This case is hereby dismissed.

NOTE: A copy of "Attachment A and Admission and Consent" 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. URS-2017-00418
FEBRUARY 8, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
COLUMBIA GAS OF VIRGINIA, INC.,
Defendant

ORDER OF SETTLEMENT

The federal pipeline safety statutes found in 49 U.S.C. § 60101 *et seq*., formerly the Natural Gas Pipeline Safety Act, require 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 State Corporation Commission ("Commission") has been designated as the appropriate state agency for the Commonwealth of Virginia to prescribe and enforce compliance with standards for gas pipeline facilities used for intrastate transportation. In Case No. PUE-1989-00052, 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.[1] The Commission is authorized to enforce the Safety Standards for natural gas facilities under § 56-257.2 B of the Code of Virginia ("Code"), which allows the Commission to impose the fines and penalties authorized therein.

The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of each jurisdictional gas company's compliance with the Safety Standards, has conducted various inspections of records, construction, operation, and maintenance activities involving Columbia Gas of Virginia, Inc. ("Company" or "Defendant"), the Defendant, and alleges that:

(1) The Company is a person within the meaning of § 56-257.2 B of the Code.

(2) The Company violated the Commission's Safety Standards by the following conduct:

(a) 49 C.F.R. § 192.161 (c) - Failure of the Company to support or anchor an exposed pipeline with a support made of durable and noncombustible material.

(b) 49 C.F.R. § 192.199 (g) - Failure of the Company to install a pressure limiting device designed to prevent any single incident from affecting the operation of both the overpressure protective device and the district regulator.

(c) 49 C.F.R. § 192.605 (a) - Failure of the Company to follow its Gas Standard, GS 1650.020, by not performing an adequate inspection for abnormal operating conditions while performing an Operator Qualification task at a riser.

(d) 49 C.F.R. § 192.605 (a) - Failure of the Company to follow its Corporate Policy and Procedure Manual, Number 640-2, Section 32, by not recording offset measurements or unusual configurations on the Company's Service Line Order sketch.

(e) 49 C.F.R. § 192.605 (a) - Failure of the Company to follow its Gas Standard, GS1680.040, by not preventing the build-up of static electricity at the squeeze-off point, prior to the squeeze-off operation.

(f) 49 C.F.R. § 192.605 (a) - Failure of the Company to follow its Gas Standard, GS 1708.070 Section 6, by not completely documenting the required information when investigating an outside leak.

(g) 49 C.F.R. § 192.605 (a) - Failure of the Company to have an adequate procedure for locating difficult to locate facilities and to provide temporary markings for such facilities, in the area of excavation activity, upon receipt of a notice of excavation.

[1] *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. PUE-1989-00052, 1989 S.C.C. Ann. Rept. 312, Order Vacating Previous Order and Adopting Standard Regulations and Procedures Pertaining to Gas Pipeline Safety in Virginia (July 6, 1989).

(h) 49 C.F.R. § 192.615 (a) (6) - Failure of the Company to have procedures contained within its Emergency Manual that reference GS 1150.080 of the Company's Gas Standards for delineating what consideration should be given when addressing an over-pressurization event.

(i) 49 C.F.R. § 192.805 - Failure of the Company to follow its written qualification program and ensure through proper evaluation that an individual performing line locating was qualified.

The Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters arising from the allegations made against it, the Company represents and undertakes that:

(1) The Company shall be assessed a civil penalty in the amount of Ninety-two Thousand Five Hundred Dollars ($92,500), of which Seventy Thousand Five Hundred Dollars ($70,500) shall be paid contemporaneously with the entry of this Order. The remaining Twenty-two Thousand Dollars ($22,000) shall be due as outlined in Undertaking Paragraph (4) herein and may be suspended and subsequently vacated, in whole or in part, by the Commission, provided the Company timely takes the actions required by Undertaking Paragraph (2) herein and tenders the requisite certification as required by Undertaking Paragraph (3) herein. The initial payment and any subsequent payments shall be made by check directed to the attention of the Director, Division of Utility and Railroad Safety, State Corporation Commission, P.O. Box 1197, Richmond, Virginia 23218-1197.

(2) The Company shall undertake the following remedial actions:

(a) By no later than March 1, 2018, the Company shall revise its procedures relative to dissipating static electricity, and the use of an anti-static spray, prior to squeezing off plastic pipe, consistent with the manufacturer's application procedures.

(b) By no later than March 1, 2018, the Company shall revise its procedures to clearly define a step-by-step process used by its employees relative to providing temporary markings for facilities determined to be difficult to locate through conventional locating practices. These revisions shall include actions the Company shall take to make those lines locatable in the future.

(c) By no later than March 1, 2018, the Company shall revise its procedures to clearly define a consistent step-by-step process between the Emergency and O&M Manuals regarding what actions shall be taken in the event that any portion of its system is subjected to pressure exceeding the maximum allowable operating pressure.

(3) On or before March 15, 2018, the Company shall tender to the Clerk of the Commission, with a copy to the Division, an affidavit executed by the vice president of Columbia Gas of Virginia, Inc., certifying that the Company completed the remedial actions set forth in Undertaking Paragraph (2).

(4) Upon timely receipt of said affidavit, the Commission may suspend and subsequently vacate up to Twenty-two Thousand Dollars ($22,000) of the amount set forth in Undertaking Paragraph (1) above. Should the Company fail to tender the affidavit required by Undertaking Paragraph (3) above, or fail to take the actions required by Undertaking Paragraph (2) above, payment of Twenty-two Thousand Dollars ($22,000) shall become due and payable, and the Company immediately shall notify the Division of the reasons for the Company's failure to accomplish the actions required by Undertaking Paragraphs (2) and (3) above. If upon investigation the Division determines that the reason for said failure justifies a payment lower than Twenty-two Thousand Dollars ($22,000), a reduction in the amount due may be recommended to the Commission. The Commission shall determine the amount due and, upon such determination, the Company shall immediately tender to the Commission said amount.

(5) This settlement does not prohibit the Commission Staff from submitting, in any present or future Commission proceeding involving the Company, any information discovered or obtained in the course of the Division's investigation and inspections described herein; nor does this settlement prohibit the Company from submitting information contradicting or mitigating the information submitted by the Commission Staff.

(6) Although the civil penalty in this Order of Settlement is assessed to Columbia Gas of Virginia, Inc., the probable violations can be attributed to both Columbia Gas of Virginia, Inc. and its contractors. However, Columbia Gas of Virginia, Inc., ultimately is responsible for compliance with the Safety Standards. The Company shall bear the financial responsibility for this civil penalty. Any part of the civil penalty ordered herein that is recovered from contractors shall be credited to the accounts that were charged with the cost of the work performed.

(7) Any amounts paid in accordance with Undertaking Paragraph (1) of this Order shall not be recovered in the Company's rates. Any such amounts 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 Utility Accounting and Finance.

NOW THE COMMISSION, 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 the offer of compromise and settlement set forth above should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case hereby is docketed and assigned Case No. URS-2017-00418.

(2) Pursuant to the authority granted to the Commission by § 12.1-15 of the Code of Virginia, the offer of compromise and settlement made by Columbia Gas of Virginia, Inc., is hereby accepted.

(3) Pursuant to § 56-257.2 B of the Code of Virginia, Columbia Gas of Virginia, Inc., shall be assessed a penalty in the amount of Ninety-two Thousand Five Hundred Dollars ($92,500).

(4) The sum of Seventy Thousand Five Hundred Dollars ($70,500) tendered contemporaneously with the entry of this Order is accepted. The remaining Twenty-two Thousand Dollars ($22,000) shall be due as outlined herein and may be suspended and subsequently vacated, in whole or in part, provided the Company timely undertakes the actions required in Undertaking Paragraph (2) of this Order and files the timely certification of the remedial actions required by Undertaking Paragraph (3) of this Order.

(5) Columbia Gas of Virginia, Inc., shall credit any part of the civil penalty ordered herein that is recovered from the contractors to the accounts that were charged with the cost of the work.

(6) The Commission shall retain jurisdiction over this matter for all purposes, and this case is continued pending further order of the Commission.

NOTE: A copy of the Admission and Consent form 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. URS-2017-00424
JULY 24, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
JOHN SEMENTELLI, INDIVIDUALLY AND t/a AFFORDABLE FENCE AND RAILING,
Defendant

FINAL ORDER

On April 3, 2018, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against John Sementelli, individually and t/a Affordable Fence and Railing ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq*.) of the Title 56 of the Code of Virginia ("Code").

Specifically, the Rule alleged that on or about June 16, 2015, the Defendant damaged a one-half-inch plastic gas service line operated by Virginia Natural Gas, Inc. ("VNG"), located at or near 5624 Larry Avenue, Virginia Beach, Virginia, while excavating. The Rule also alleged that on or about June 7, 2017, the Defendant damaged a one-half-inch plastic gas service line operated by Columbia Gas of Virginia, Inc. ("CGV"), located at or near 4521 Templar Drive, Portsmouth, Virginia, while excavating. The Rule alleged that on each of these occasions, the Defendant failed to exercise due care at all times to protect the underground utility lines, in violation of Code § 56-265.24 A.

The Rule directed the Defendant to file any pleading responsive to the allegations set forth in the Rule with the Clerk of the Commission on or before May 9, 2018. The Defendant failed to file a responsive pleading.

On May 30, 2018, the matter was heard by Alexander F. Skirpan, Senior Hearing Examiner. M. Aaron Campbell and William H. Harrison IV appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing and, on this basis, the Division moved for default judgment ("Motion") against the Defendant.[1] Additionally, the prefiled written testimony of Chad L. Mayhew, a safety specialist for the Division, was marked as an exhibit and admitted into the record along with proof of service of the Rule on the Secretary of the Commonwealth; proof of certified mailing of the Rule to the last known address of the Defendant; and three excavation tickets all reflecting the last known address of the Defendant.[2] Counsel for the Division recommended that: (1) the Defendant be enjoined from further violations of the Act; and (2) the Defendant be fined in the amount of $2,500 for each violation of the Act.[3]

On July 13, 2018, the Senior Hearing Examiner's Report ("Report") was filed. The Senior Hearing Examiner found the Defendant to be in default and found that the Division had provided clear and convincing evidence that: (1) on or about June 16, 2015, the Defendant damaged a one-half-inch plastic gas service line operated by VNG, located at or near 5624 Larry Avenue, Virginia Beach, Virginia, while excavating; and (2) that on or about June 7, 2017, the Defendant damaged a one-half-inch plastic gas service line operated by CGV, located at or near 4521 Templar Drive, Portsmouth, Virginia, while excavating. In both instances, the Defendant failed to exercise due care at all times to protect the underground utility lines, in violation of § 56-265.24 A of the Code.[4] The Senior Hearing Examiner also found that a civil penalty of $5,000 should be imposed for the violations of the Act and that the Defendant should be enjoined from further violations of the Act.[5]

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[1] Tr. at 17-18.

[2] *Id.* at 15-17; Ex. 1 (Proof of Service); Ex. 2 (Excavation Tickets); Ex. 3 (Mayhew Direct).

[3] Tr. at 17-18.

[4] Report at 3.

[5] *Id*.

The Senior Hearing Examiner recommended that the Commission enter an order that adopts the findings in the Report and dismisses the case.[6] The Hearing Examiner invited the parties to file comments in response to the Report within 21 days of the date thereof.[7] No comments were filed.

NOW THE COMMISSION upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Report are hereby adopted.

(2) The Division's Motion hereby is granted.

(3) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, judgment is entered against the Defendant and a civil penalty of Five Thousand Dollars ($5,000) hereby is imposed on the Defendant for the violations found by the Hearing Examiner.

(4) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Steven Bradley, Director, Division of Utility and Railroad Safety, State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23218. Case No. URS-2017-00424 shall be referenced in any document transmitting payment of the penalty imposed herein.

(5) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether the Defendant has transmitted the payment of the penalty imposed herein.

(6) The Defendant hereby is enjoined from any further violations of the Act.

(7) This case hereby is dismissed.

[6] *Id*. at 4.

[7] *Id.*

CASE NO. URS-2017-00439
MAY 16, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
VAZQUEZ LANDSCAPING,
Defendant

FINAL ORDER

On March 28, 2018, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Vazquez Landscaping ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated certain provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq*.) of Title 56 of the Code of Virginia ("Code"), and of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq*. ("Damage Prevention Rules").

Specifically, the Rule alleged that on or about May 23, 2017, the Defendant damaged a one-half-inch plastic gas service line operated by the City of Charlottesville, located at or near 716 Levy Avenue, Charlottesville, Virginia, while excavating. The Rule alleged that on this occasion, the Defendant failed to notify the notification center before beginning excavation, in violation of § 56-265.17 A of the Code; failed to expose the underground utility line to its extremities by hand digging, in violation of § 56-265.24 A of the Code; failed to maintain a reasonable clearance between the marked location of an underground utility line and the cutting edge or point of any mechanized equipment, in violation of 20 VAC 5-309-140 (4) of the Damage Prevention Rules; and failed to promptly report the damage to the appropriate authorities by calling 911 after the escape of flammable, toxic, or hazardous gas due to excavation, in violation of Damage Prevention Rule 20 VAC 5-309-200.

On May 8, 2018, the Division filed a Motion to Dismiss Rule to Show Cause ("Motion"). The Division represented that it has ascertained through further investigation that the incorrect Defendant was named in the Rule. Under the circumstances, the Division requested that the Hearing Examiner issue a Report recommending that the Rule be dismissed without prejudice.

On May 9, 2018, the matter was heard by Michael D. Thomas, Hearing Examiner. William Henry Harrison IV, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing.

On May 10, 2018, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found that the Division's Motion should be granted and that the Commission should dismiss the Rule.[1]

[1] Report at 1.

NOW THE COMMISSION, upon consideration of the Rule, the record, the Hearing Examiner's Report, and the applicable statutes, is of the opinion and finds that this Case should be dismissed without prejudice.

Accordingly, IT IS ORDERED THAT:

(1) This case is hereby dismissed without prejudice.

CASE NO. URS-2017-00448
NOVEMBER 1, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
TREY MANGIGIAN d/b/a MOSELEY EXCAVATING SERVICE INCORPORATED
Defendant

FINAL ORDER

On June 7, 2018, the State Corporation Commission ("Commission") issued an Amended Rule to Show Cause ("Rule") against Trey Mangigian d/b/a Moseley Excavating Service Incorporated ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq*.) of Title 56 of the Code of Virginia ("Code"), and the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq*. ("Damage Prevention Rules").

Specifically, the Rule alleged that on or about July 5, 2017, the Defendant damaged a two-inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near 1418 Mangrove Bay Trail, Chesterfield County, Virginia, while excavating. The Rule alleged that on this occasion, the Defendant failed to expose the underground utility line to its extremities by hand digging, in violation of § 56-265.24 A (1) of the Code. The Rule further alleged that on this occasion, the Defendant failed to maintain a reasonable clearance between the marked location of an underground utility line and the cutting edge or point of any mechanized equipment, in violation of 20 VAC 5-309-140 (4) of the Damage Prevention Rules.

The Rule directed the Defendant to file any pleading responsive to the allegations set forth in the Rule with the Clerk of the Commission on or before July 13, 2018. The Defendant failed to file a responsive pleading.

On July 25, 2018, the matter was heard by Michael D. Thomas, Hearing Examiner. M. Aaron Campbell, Associate General Counsel, and William H. Harrison IV, Attorney, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing, and on this basis, the Division moved for default judgment ("Motion") against the Defendant.[1] Additionally, proof of service on the Defendant; the prefiled written testimony of Robert DeAtley, a safety specialist for the Division; and an 811 notification ticket reflecting the Defendant's address were marked as exhibits and admitted into the record.[2] Counsel for the Division recommended that: (1) the Defendant be enjoined from further violations of the Code; and (2) the Defendant be fined in the amount of $2,500 for each violation of the Act and Damage Prevention Rules.[3]

On August 1, 2018, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found by clear and convincing evidence that the Defendant violated: (i) § 56-265.24 A (1) of the Code by failing to expose an underground utility line to its extremities by hand digging; and (ii) 20 VAC 5-309-140 (4) of the Damage Prevention Rules by failing to maintain a reasonable clearance between the marked location of an underground utility line and the cutting edge or point of any mechanized equipment.[4]

The Hearing Examiner recommended that the Commission enter an order that adopts the findings in the Report; penalizes the Defendant the sum of $5,000 pursuant to § 56-265.32 of the Code; and enjoins the Defendant from further violations of the Act.[5] The Hearing Examiner invited the parties to file comments in response to the Report within 21 days of the date thereof.[6] No comments were filed.

NOW THE COMMISSION upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner's Report hereby are adopted.

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[1] Tr. at 70.

[2] *Id.* at 66-69; Ex. 1 (Proof of Posted Service); Ex. 2 (Proof of Certified mailing to the Defendant's last known address); Ex. 3 (811 notification ticket reflecting the Defendant's address); Ex. 4 (Proof of service on the Secretary of the Commonwealth) and Ex. 5 (DeAtley Direct).

[3] Tr. at 70.

[4] Report at 1-2.

[5] *Id.* at 2.

[6] *Id*.

(2) The Division's Motion hereby is granted.

(3) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, judgment is entered against the Defendant and a civil penalty of Five Thousand Dollars ($5,000) hereby is imposed on the Defendant for the violations found by the Hearing Examiner.

(4) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Steven Bradley, Director, Division of Utility and Railroad Safety, State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23218. Case No. URS-2017-00448 shall be referenced in any document transmitting payment of the penalty imposed herein.

(5) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether the Defendant has transmitted the payment of the penalty imposed herein.

(6) The Defendant hereby is enjoined from any further violations of the Act.

(7) This case hereby is dismissed.

CASE NO. URS-2017-00449
JULY 25, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
STEPHEN'S PLUMBING SOLUTIONS, INC.,
Defendant

FINAL ORDER

On February 13, 2018, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Stephen's Plumbing Solutions, Inc. ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated certain provisions of the Underground Utility Damage Prevention Act, Chapter 10.3 (§ 56-265.14 *et seq*.) of Title 56 of the Code of Virginia ("Code").

Specifically, the Rule alleged that on or about July 19, 2017, the Defendant damaged a one-inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 7102 Hull Street Road, Chesterfield County, Virginia, while excavating. The Rule alleged that on this occasion, the Defendant failed to notify the notification center before beginning excavation, in violation of § 56-265.17 A of the Code; and failed to immediately notify the operator of the damage, in violation of § 56-265.24 D of the Code.

On March 14, 2018, the matter was heard by A. Ann Berkebile, Hearing Examiner. M. Aaron Campbell appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing. At the hearing, the Division moved to dismiss the Rule ("Motion") based upon concerns regarding the Division's burden of proof.[1]

On April 18, 2018, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found that the Division's Motion should be granted and that the Commission should dismiss the Rule.[2]

NOW THE COMMISSION, upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that this case should be dismissed without prejudice.

Accordingly, IT IS ORDERED THAT:

(1) This case is hereby dismissed without prejudice.

[1] Tr. at 30.

[2] Report at 2.

CASE NO. URS-2017-00468
JANUARY 22, 2018

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 ("Code"), the 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. The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between April 7, 2017, and September 25, 2017, listed in Attachment A, involving Utiliquest, LLC ("Company"), the Defendant, and alleges that:

(1) The Company is a contract locator as that term is defined in § 56-265.15 of the Code and, as a contract locator acting on behalf of an operator, if the Company fails to perform the duties imposed by Chapter 10.3 of Title 56 of the Code, it is subject to the civil penalties set out in § 56-265.32 of the Code pursuant to § 56-265.19 D of the Code.

(2) During the aforementioned period, the Company violated the Act by the following conduct:

(a) Failing on six 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 of the Code.

(b) Failing on 12 occasions to mark the underground utility lines within the time prescribed in the Act, in violation of § 56-265.19 A of the Code.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of Twenty-two Thousand Three Hundred Dollars ($22,300) to be paid contemporaneously with the entry of this Order. The payment will be made by check directed to the attention of the Director of the Division of Utility and Railroad Safety.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case shall be docketed and assigned Case No. URS-2017-00468.

(2) Pursuant to the authority granted to the Commission by § 12.1-15 of the Code, the offer of settlement made by the Company is hereby accepted.

(3) The sum of Twenty-Two Thousand Three Hundred Dollars ($22,300) tendered contemporaneously with the entry of this Order is accepted.

(4) This case is hereby dismissed.

NOTE: A copy of Attachment A and the Admission and Consent Form 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. URS-2017-00478
APRIL 26, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
PENN FORREST SERVICES,
Defendant

FINAL ORDER

On January 31, 2018, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Penn Forest Services ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated certain provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq*.) of Title 56 of the Code of Virginia ("Code"), and of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq*. ("Damage Prevention Rules").

Specifically, the Rule alleged that on or about July 6, 2017, the Defendant damaged a two-inch plastic gas main line operated by Atmos Energy Corporation, located at or near 515 Floyd Street, Montgomery County, Virginia, while excavating. The Rule alleged that on this occasion, the Defendant failed to exercise due care at all times to protect the underground utility line, in violation of Code § 56-265.24 A; and failed to expose all utility lines which were in the bore path by hand digging to establish the underground utility line's location prior to commencing bore, in violation of 20 VAC 5-309-150 (6) of the Damage Prevention Rules.

On March 14, 2018, the matter was heard by A. Ann Berkebile, Hearing Examiner. M. Aaron Campbell, Associate General Counsel, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing.

On April 4, 2018, the Division filed a Motion to Dismiss Rule to Show Cause ("Motion"). The Division represented that it has ascertained through further investigation that the incorrect Defendant was named in the Rule. Under the circumstances, the Division requested that the Hearing Examiner issue a Report recommending that the Rule be dismissed without prejudice.

On April 18, 2018, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found that the Division's Motion should be granted and that the Commission should dismiss the Rule.[1]

NOW THE COMMISSION, upon consideration of the Rule, the record, the Hearing Examiner's Report, and the applicable statutes, is of the opinion and finds that this Case should be dismissed without prejudice.

Accordingly, IT IS ORDERED THAT:

(1) This case is hereby dismissed without prejudice.

[1] Report at 1.

CASE NO. URS-2017-00501
JULY 25, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ARTHUR ZAMBOUNIS, INVIDUALLY AND d/b/a A1 PRO PLUMBING LLC,
Defendant

FINAL ORDER

On February 13, 2018, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Arthur Zambounis, individually and d/b/a A1 Pro Plumbing LLC ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated certain provisions of the Underground Utility Damage Prevention Act, Chapter 10.3 (§ 56-265.14 *et seq*.) of Title 56 of the Code of Virginia ("Code").

Specifically, the Rule alleged that on or about July 22, 2017, the Defendant damaged a one-half-inch plastic gas service line operated by Roanoke Gas Company, located at or near 5037 Woodmont Drive, S.W., Roanoke County, Virginia, while excavating. The Rule alleged that on this occasion, the Defendant failed to notify the notification center before beginning excavation, in violation of § 56-265.17 A of the Code.

On March 14, 2018, the matter was heard by A. Ann Berkebile, Hearing Examiner. M. Aaron Campbell appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing. At the hearing, the Division moved to dismiss the Rule ("Motion") based upon concerns regarding the Division's burden of proof.[1]

On April 13, 2018, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found that the Division's Motion should be granted and that the Commission should dismiss the Rule.[2]

NOW THE COMMISSION, upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that this case should be dismissed without prejudice.

Accordingly, IT IS ORDERED THAT:

(1) This case is hereby dismissed without prejudice.

[1] Tr. at 9.

[2] Report at 1.

CASE NO. URS-2017-00509
NOVEMBER 1, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
MILTON CONTRACTOR, LLC,
Defendant

FINAL ORDER

On April 3, 2018, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Milton Contractor, LLC ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq*.) of Title 56 of the Code of Virginia ("Code").

Specifically, the Rule alleged that on or about July 22, 2017, the Defendant damaged a three-quarter-inch plastic gas service line operated by Washington Gas Light Company, located at or near 1005 Eaton Drive, Fairfax County, Virginia, while excavating. The Rule alleged that on this occasion, the Defendant failed to notify the notification center before beginning excavation, in violation of § 56-265.17 A of the Act.

The Rule directed the Defendant to file any pleading responsive to the allegations set forth in the Rule with the Clerk of the Commission on or before May 9, 2018. The Defendant failed to file a responsive pleading.

On May 30, 2018, the matter was heard by Alexander F. Skirpan, Jr., Senior Hearing Examiner. M. Aaron Campbell, Associate General Counsel, and William H. Harrison IV, Attorney, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing, and on this basis, the Division moved for default judgment ("Motion") against the Defendant.[1] Additionally, proof of service on the Defendant and the prefiled written testimony of Chad Mayhew, a safety specialist for the Division, were marked as exhibits and admitted into the record.[2] Counsel for the Division recommended that: (1) the Defendant be enjoined from further violations of the Act; and (2) the Defendant be fined in the amount of $2,500 for this violation of the Act.[3]

On July 13, 2018, the Senior Hearing Examiner's Report ("Report") was filed. The Senior Hearing Examiner found that the Division had provided clear and convincing evidence that the Defendant damaged a three-quarter-inch plastic gas service line while excavating and that the Defendant failed to notify the notification center before beginning excavation, in violation of § 56-265.17 A of the Act.[4] The Senior Hearing Examiner further found that a civil penalty of $2,500 for this violation should be imposed, and the Defendant should be enjoined from further violations of the Act.[5]

The Senior Hearing Examiner recommended that the Commission enter an order that adopts the findings in the Report.[6] The Senior Hearing Examiner invited the parties to file comments in response to the Report within 21 days of the date thereof.[7] No comments were filed.

NOW THE COMMISSION, upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Senior Hearing Examiner's Report hereby are adopted.

(2) The Division's Motion hereby is granted.

(3) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, judgment is entered against the Defendant and a civil penalty of Two Thousand Five Hundred Dollars ($2,500) hereby is imposed on the Defendant for the violation found by the Senior Hearing Examiner.

(4) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Steven Bradley, Director, Division of Utility and Railroad Safety, State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23218. Case No. URS-2017-00509 shall be referenced in any document transmitting payment of the penalty imposed herein.

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[1] Tr. at 13.

[2] *Id.* at 11-13; Ex. 1 (Proof of Certified mailing of the Rule to Show Cause to the registered agent on file with the Commission); Ex. 2 (Mayhew Direct).

[3] Tr. at 13-14.

[4] Report at 2.

[5] *Id.*

[6] *Id.* at 3.

[7] *Id*.

(5) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether the Defendant has transmitted the payment of the penalty imposed herein.

(6) The Defendant hereby is enjoined from any further violations of the Act.

(7) This case hereby is dismissed.

CASE NO. URS-2017-00525
NOVEMBER 1, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
C.E.H. CONCRETE & SON, INC.,
Defendant

FINAL ORDER

On June 7, 2018, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against C.E.H. Concrete & Son, Inc. ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated certain provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq*.) of Title 56 of the Code of Virginia ("Code").

Specifically, the Rule alleged that on or about July 25, 2017, the Defendant excavated at or near 143 Repose Lane, Chesapeake, Virginia. The Rule alleged that on this occasion, the Defendant failed to notify the notification center before beginning excavation, in violation of § 56-265.17 A of the Code.

On October 10, 2018, the matter was heard by Deborah V. Ellenberg, Chief Hearing Examiner. William Harrison IV, Attorney, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing. At the hearing, the Division moved to dismiss the Rule ("Motion") based upon further investigation subsequent to the issuance of the Rule to Show Cause.[1]

On October 11, 2018, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found that the Division's Motion should be granted.[2]

NOW THE COMMISSION, upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that the findings in the Report should be adopted, that the Motion should be granted, and that this case should be dismissed without prejudice.

Accordingly, IT IS SO ORDERED.

[1] Tr. at 7.

[2] Report at 1.

CASE NO. URS-2017-00532
FEBRUARY 20, 2018

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 ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq*. The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between July 11, 2017, and October 31, 2017, listed in Attachment A, involving Utiliquest, LLC ("Company"), the Defendant, and alleges that:

(1) The Company is a contract locator as that term is defined in Code § 56-265.15 and, as a contract locator acting on behalf of an operator, if the Company fails to perform the duties imposed by Chapter 10.3 of Title 56 of the Code, it is subject to the civil penalties set out in Code § 56-265.32 pursuant to Code § 56-265.19 D.

(2) During the aforementioned period, the Company violated the Act by the following conduct:

(a) Failing on eight occasions to mark the approximate horizontal locations of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of Code § 56-265.19 A.
(b) Failing on 34 occasions to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of Fifty-Seven Thousand Four Hundred Fifty Dollars ($57,450) to be paid contemporaneously with the entry of this Order. The payment will be made by check directed to the attention of the Director of the Division of Utility and Railroad Safety.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case shall be docketed and assigned Case No. URS-2017-00532.

(2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company is hereby accepted.

(3) The sum of Fifty-Seven Thousand Four Hundred Fifty Dollars ($57,450) tendered contemporaneously with the entry of this Order is accepted.

(4) This case is hereby dismissed.

NOTE: A copy of Attachment A and the Admission and Consent form 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. URS-2017-00542
MAY 24, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
CHRIS PRICE UTILITIES LLC,
Defendant

FINAL ORDER

On February 13, 2018, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Chris Price Utilities LLC, ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq*.) of Title 56 of the Code of Virginia ("Code").

Specifically, the Rule alleged that on or about August 23, 2017, the Defendant excavated at or near 4045 Ravine Gap Drive, Suffolk, Virginia, and that on or about August 23, 2017, the Defendant excavated at or near 118 Patriots Walke Drive, Suffolk, Virginia. The Rule alleged that, on both of these occasions, the Defendant failed to wait forty-eight hours, beginning 7 a.m. the next working day following notice to the notification center before excavating, in violation of Code § 56-265.17 B 1.

The Rule directed the Defendant to file any pleading responsive to the allegations set forth in the Rule with the Clerk of the Commission on or before March 7, 2018. The Defendant failed to file a responsive pleading.

On March 14, 2018, the matter was heard by A. Ann Berkebile, Hearing Examiner. M. Aaron Campbell, Associate General Counsel, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing, and on this basis the Division moved for default judgment ("Motion") against the defendant.[1] Additionally, the prefiled written testimony of Carl Alan Dale, Damage Prevention Manager for the Division, was marked as an exhibit and admitted into the record along with proof of service of the Rule on the Secretary of the Commonwealth and proof of mailing of the Rule to the Registered Agent on file with the State of North Carolina.[2] Counsel for the Division recommended that: (1) the Defendant be enjoined from further violations of the Act; and (2) the Defendant be fined in the amount of $2,500 for each violation of the Act.[3]

On April 18, 2018, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found that the Division established by clear and convincing evidence that the Defendant violated § 56-265.17 B (1) of the Act by failing to wait forty-eight hours after providing notice to the appropriate notification center before excavating on two occasions on August 23, 2017.[4] The Hearing Examiner found that the Defendant should be held in default, penalized, and enjoined from further violations of the Act.[5]

[1] Tr. 29.

[2] *Id.* at 27-29; Ex. 1 (Proof of Service on Secretary of the Commonwealth); Ex. 2 (Proof of Mailing to Registered Agent); Ex. 3 (Dale Direct).

[3] Tr. 29-30.

[4] Report at 3.

[5] *Id.* at 3-4.

The Hearing Examiner recommended that the Commission enter an order that adopts the findings in the Report; grants the Division's Motion; penalizes the Defendant the sum of $5,000 pursuant to § 56-265.32 of the Code; and enjoins the Defendant from further violations of the Act.[6] The Hearing Examiner invited the parties to file comments in response to the Report within 21 days of the date thereof.[7] No comments were filed.

NOW THE COMMISSION, upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner's Report hereby are adopted.

(2) The Division's Motion hereby is granted.

(3) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, judgment is entered against the Defendant, and a civil penalty of Five Thousand Dollars ($5,000) hereby is imposed on the Defendant for the violations described herein.

(4) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Steven Bradley, Director, Division of Utility and Railroad Safety, State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23218. Case No. URS-2017-00542 shall be referenced in any document transmitting payment of the penalty imposed herein.

(5) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether the Defendant has transmitted the payment of the penalty imposed herein.

(6) The Defendant hereby is enjoined from any further violations of the Act.

(7) This case hereby is dismissed.

[6] *Id.*

[7] *Id.* at 4.

CASE NO. URS-2017-00545
MARCH 27, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
WASHINGTON GAS LIGHT COMPANY,
Defendant

ORDER OF SETTLEMENT

The federal pipeline safety statutes found in 49 U.S.C. § 60101 *et seq*., formerly the Natural Gas Pipeline Safety Act, require 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 State Corporation Commission ("Commission") has been designated as the appropriate state agency for the Commonwealth of Virginia to prescribe and enforce compliance with standards for gas pipeline facilities used for intrastate transportation. In Case No. PUE-1989-00052, 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.[1] The Commission is authorized to enforce the Safety Standards for natural gas facilities under § 56-257.2 B of the Code of Virginia ("Code"), which allows the Commission to impose the fines and penalties authorized therein.

The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of each jurisdictional gas company's compliance with the Safety Standards, has conducted various inspections of records, construction, operation, and maintenance activities involving Washington Gas Light Company ("Company" or "Defendant"), the Defendant, and alleges that:

(1) The Company is a person within the meaning of § 56-257.2 B of the Code.

(2) The Company violated the Commission's Safety Standards by the following conduct:

[1] *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. PUE-1989-00052, 1989 S.C.C. Ann. Rept. 312, Order Vacating Previous Order and Adopting Standard Regulations and Procedures Pertaining to Gas Pipeline Safety in Virginia (July 6, 1989).

(a) 49 C.F.R. § 192.361 (a) - Failure of the Company to install a service line with at least of 12 inches of cover on private property.

(b) 49 C.F.R. § 192.383 (b) - Failure of the Company to install an excess flow valve after replacing a service tee.

(c) 49 C.F.R. § 192.605 (a) - Failure of the Company on 13 occasions to follow its Engineering and Operations Standards, Section 4076, by not inspecting a removed section of metallic pipe for internal corrosion.

(d) 49 C.F.R. § 192.605 (a) - Failure of the Company on 17 occasions to follow its Engineering and Operating Standards, Section 3220, by not documenting the locations and gas readings of bar hole tests performed during a leak investigation.

(e) 49 C.F.R. § 192.605 (a) - Failure of the Company on 7 occasions to follow its Engineering and Operating Standards, Section 4084, by not installing a two-wire test station after repairing a corrosion leak on a main.

(f) 49 C.F.R. § 192.605 (a) - Failure of the Company on three occasions to follow its Engineering and Operations Standards, Section 3222, by not properly grading a leak in accordance with the Company's grading criteria.

(g) 49 C.F.R. § 192.605 (a) - Failure of the Company on two occasions to follow its Engineering and Operations Standards, Section 4210, by not pressure testing a temporarily disconnected service line prior to placing the line back into service.

(h) 49 C.F.R. § 192.605 (a) - Failure of the Company on two occasions to follow its Engineering and Operations Standards, Section 4077, by not cleaning and coating each section of pipeline that is exposed to the atmosphere.

(i) 49 C.F.R. § 192.605 (a) - Failure of the Company to follow its Engineering and Operating Standards, Section 4102, by not installing marking tape prior to backfilling a direct burial service line.

(j) 49 C.F.R. § 192.605 (a) - Failure of the Company to follow its Engineering and Operating Standards, Section 5374, by not ensuring that a fire extinguisher was deployed in the correct manner during activities requiring Level 1 PPE.

(k) 49 C.F.R. § 192.605 (a) - Failure of the Company to make accurate construction records, maps and operating history available to appropriate operating personnel.

(l) 49 C.F.R. § 192.605 (b) - Failure of the Company have an adequate procedure for pressure testing gauge lines.

(m) 49 C.F.R. § 192.751 (a) - Failure of the Company to remove all sources of ignition from an area where a hazardous amount of gas was being vented into open air.

(n) 49 C.F.R. § 192.805 - Failure of the Company to follow its written qualification program and ensure through proper evaluation that individuals performing covered tasks were qualified.

The Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters arising from the allegations made against it, the Company represents and undertakes that:

(1) The Company shall be assessed a civil penalty in the amount of Four Hundred Twenty-one Thousand Five Hundred Dollars ($421,500), of which Three Hundred Thirty-seven Thousand Dollars ($337,000) shall be paid contemporaneously with the entry of this Order. The remaining Eighty-four Thousand Five Hundred Dollars ($84,500) shall be due as outlined in Undertaking Paragraph (5) herein and may be suspended and subsequently vacated, in whole or in part, by the Commission, provided the Company timely takes the actions required by Undertaking Paragraph (2) herein and tenders the requisite certification as required by Undertaking Paragraphs (3) and (4) herein.

(2) The Company shall undertake the following remedial actions:

(a) By no later than May 1, 2018, the Company shall correct the procedural issues noted in Paragraph (2) (l) above.

(b) By no later than June 1, 2018, the Company shall train employees and contractors to inspect for internal corrosion and accurately document the inspection results when a section of metallic pipe is removed from the Company's system.

(c) By no later than June 1, 2018, the Company shall conduct additional training for its employees and contractors related to the measures the Company implemented to improve the recording of locations checked for migration of gas associated with leak investigations, and any associated gas concentration readings, in accordance with Undertaking Paragraph (2) of the Order of Settlement in Case No. URS-2017-00240.

(d) By no later than July 1, 2019, the Company shall complete a feasibility study to find, inspect, and utilizing accurate GPS technology, record the location of critical and non-critical valves. This study shall allow the Company to determine if system-wide application of such technology and practices can more quickly locate and access valves when responding to gas emergency situations. Should this study prove beneficial, the Company shall discuss its plan for implementation with the Division.

(3) On or before June 15, 2018, the Company shall tender to the Clerk of the Commission, with a copy to the Division, an affidavit, executed by the senior vice president of Washington Gas Light Company, certifying that the Company completed the remedial actions set forth in Undertaking Paragraph (2) (a), (b) and (c).

(4) On or before July 15, 2019, the Company shall tender to the Clerk of the Commission, with a copy to the Division, an affidavit, executed by the senior vice president of Washington Gas Light Company, certifying that the Company completed the remedial actions set forth in Undertaking Paragraph (2) (d).

(5) Upon timely receipt of said affidavit, the Commission may suspend and subsequently vacate up to Eighty-four Thousand Five Hundred Dollars ($84,500) of the amount set forth in Undertaking Paragraph (1) above. Should the Company fail to tender the affidavits required by Undertaking Paragraphs (3) and (4) above, or fail to take the actions required by Undertaking Paragraph (2) above, payment of Eighty-four Thousand Five Hundred Dollars ($84,500) shall become due and payable, and the Company shall immediately notify the Division of the reasons for the Company's failure to accomplish the actions required by Undertaking Paragraph (2) above. If, upon investigation, the Division determines that the reason for said failure justifies a payment lower than Eighty-four Thousand Five Hundred Dollars ($84,500), a reduction in the amount due may be recommended to the Commission. The Commission shall determine the amount due and, upon such determination, the Company shall immediately tender to the Commission said amount.

(6) This settlement does not prohibit the Commission Staff from submitting, in any present or future Commission proceeding involving the Company, any information discovered or obtained in the course of the Division's investigation and inspections described herein; nor does this settlement prohibit the Company from submitting information contradicting or mitigating the information submitted by the Commission Staff.

(7) Although the civil penalty in this Order of Settlement is assessed to Washington Gas Light Company, the probable violations can be attributed to both Washington Gas Light Company and its contractors. However, Washington Gas Light Company is ultimately responsible for compliance with the Pipeline Safety Standards. The Company shall bear the financial responsibility for this civil penalty. Any part of the civil penalty ordered herein that is recovered from contractors shall be credited to the accounts that were charged with the cost of the work performed.

(8) Any amounts paid in accordance with Undertaking Paragraph (1) of this Order shall not be recovered in the Company's rates. Any such amounts 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 Utility Accounting and Finance.

NOW THE COMMISSION, 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 the offer of compromise and settlement set forth above should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case is hereby docketed and assigned Case No. URS-2017-00545.

(2) Pursuant to the authority granted to the Commission by § 12.1-15 of the Code of Virginia, the offer of compromise and settlement made by Washington Gas Light Company hereby is accepted.

(3) Pursuant to § 56-257.2 B of the Code of Virginia, Washington Gas Light Company shall be assessed a penalty in the amount of Four Hundred Twenty-one Thousand Five Hundred Dollars ($421,500).

(4) The sum of Three Hundred Thirty-seven Thousand Dollars ($337,000) tendered contemporaneously with the entry of this Order is accepted. The remaining Eighty-four Thousand Five Hundred Dollars ($84,500) shall be due as outlined herein and may be suspended and subsequently vacated, in whole or in part, provided the Company timely undertakes the actions required in Undertaking Paragraph (2) of this Order and files the timely certification of the remedial actions required by Undertaking Paragraphs (3) and (4) of this Order.

(5) Washington Gas Light Company shall credit any part of the civil penalty ordered herein that is recovered from the contractors to the accounts that the work performed was charged.

(6) The Commission shall retain jurisdiction over this matter for all purposes, and this case shall be continued pending further order of the Commission.

CASE NO. URS-2017-00545
NOVEMBER 20, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
WASHINGTON GAS LIGHT COMPANY,
Defendant

FINAL ORDER

By entry of the Order of Settlement dated March 27, 2018, the State Corporation Commission ("Commission") accepted the offer of settlement of Washington Gas Light Company ("WGL" or "Company") for alleged violations of the minimum gas pipeline safety standards,[1] which the Commission is authorized to enforce under § 56-257.2 of the Code of Virginia. The Commission retained jurisdiction of this case.

Contemporaneously entered with the Order of Settlement ("Settlement Order") was the Company's executed Admission and Consent document, signed by a representative of WGL, whereby the Company consented to the form, substance, and entry of the Settlement Order.

[1] *See* Parts 191, 192, 193, and 199 of Title 49 of the Code of Federal Regulations.

Undertaking Paragraph (1) of the Settlement Order assessed WGL a civil penalty in the amount of Four Hundred Twenty-one Thousand Five Hundred Dollars ($421,500), of which Three Hundred Thirty-seven Thousand Dollars ($337,000) was paid contemporaneously with the entry of the Settlement Order, and provided that the remaining Eighty-four Thousand Five Hundred Dollars ($84,500) may be suspended and subsequently vacated, in whole or in part, by the Commission upon WGL's compliance with the provisions of the Settlement Order.

Undertaking Paragraph (2) of the Settlement Order required that the Company complete various remedial actions. The Settlement Order also directed the Company to provide affidavits certifying that the Company had completed the remedial measures required by Undertaking Paragraph (2) of the Settlement Order. The Company has fully complied with the terms and undertakings as outlined in the Settlement Order, and affidavits documenting that the specified remedial actions have been completed were filed by WGL on June 8, 2018, and June 29, 2018.

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that the remaining amount of Eighty-four Thousand Five Hundred Dollars ($84,500) of the penalty should be vacated, and this case should be dismissed.

Accordingly, IT IS ORDERED THAT:

(1) The remaining penalty amount of Eighty-four Thousand Five Hundred Dollars ($84,500) shall be vacated.

(2) This case hereby is dismissed.

CASE NO. URS-2017-00552
NOVEMBER 1, 2018

COMMONWEALTH OF VIRGINIA , *ex rel.*
STATE CORPORATION COMMISSION
v.
B & A JONES EXCAVATING, INC.,
Defendant

FINAL ORDER

On March 28, 2018, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against B & A Jones Excavating, Inc. ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq*.) of Title 56 of the Code of Virginia ("Code"), and the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq*. ("Damage Prevention Rules").

Specifically, the Rule alleged that on or about June 12, 2017, the Defendant damaged a two-inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near 360 Pear Blossom Road, Stafford County, Virginia, while excavating. The Rule alleged that on this occasion, the Defendant failed to expose the underground utility line to its extremities by hand digging, in violation of § 56-265.24 A of the Code. The Rule further alleged that the Defendant failed to maintain a reasonable clearance between the marked location of an underground utility line and the cutting edge or point of any mechanized equipment, in violation of 20 VAC 5-309-140 (4) of the Damage Prevention Rules.

The Rule directed the Defendant to file any pleading responsive to the allegations set forth in the Rule with the Clerk of the Commission on or before April 18, 2018. The Defendant failed to file a responsive pleading.

On May 9, 2018, the matter was heard by Michael D. Thomas, Hearing Examiner. William H. Harrison IV, Attorney, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing, and on this basis, the Division moved for default judgment ("Motion") against the Defendant.[1] Additionally, proof of service on the Defendant and the prefiled written testimony of Chad L. Mayhew, a safety specialist for the Division, were marked as exhibits and admitted into the record.[2] Counsel for the Division recommended that: (1) the Defendant be enjoined from further violations of the Act; and (2) the Defendant be fined in the amount of $2,500 for each violation of the Act and Damage Prevention Rules.[3]

On May 14, 2018, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found by clear and convincing evidence that the Defendant violated § 56-265.24 A of the Code by failing to expose the underground utility line to its extremities by hand digging, and violated 20 VAC 5-309-140 (4) of the Damage Prevention Rules by failing to maintain a reasonable clearance between the marked location of an underground utility line and the cutting edge or point of any mechanized equipment.[4]

The Hearing Examiner recommended that the Commission enter an order that adopts the findings in the Report, penalizes the Defendant the sum of $5,000, and enjoins the Defendant from any future violations of the Act and Damage Prevention Rules.[5] The Hearing Examiner invited the parties to file comments in response to the Report within 21 days of the date thereof.[6] No comments were filed.

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[1] Tr. at 12.

[2] *Id.* at 11-12; Ex. 1 (Proof of Certified mailing of the Rule to Show Cause to the registered agent on file with the Commission); Ex. 2 (Mayhew Direct).

[3] Tr. at 12.

[4] Report at 1-2.

[5] *Id.* at 2.

[6] *Id*.

NOW THE COMMISSION, upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner's Report hereby are adopted.

(2) The Division's Motion hereby is granted.

(3) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, judgment is entered against the Defendant, and a civil penalty of Five Thousand Dollars ($5,000) hereby is imposed on the Defendant for the violations found by the Hearing Examiner.

(4) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Steven Bradley, Director, Division of Utility and Railroad Safety, State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23218. Case No. URS-2017-00552 shall be referenced in any document transmitting payment of the penalty imposed herein.

(5) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether the Defendant has transmitted the payment of the penalty imposed herein.

(6) The Defendant hereby is enjoined from any further violations of the Act.

(7) This case hereby is dismissed.

CASE NO. URS-2017-00572
NOVEMBER 1, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ALLTERRA SITE UTILITIES, LLC,
Defendant

FINAL ORDER

On March 28, 2018, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Allterra Site Utilities, LLC ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (Code § 56-265.14 *et seq*.) of Title 56 of the Code of Virginia.

Specifically, the Rule alleged that on or about June 26, 2017, the Defendant damaged a three-quarter-inch plastic gas service stub line operated by Washington Gas Light Company, located at or near 1132 Chain Bridge Road, Fairfax County, Virginia, while excavating. The Rule alleged that on this occasion, the Defendant failed to notify the notification center before beginning excavation, in violation of § 56-265.17 A of the Act.

The Rule directed the Defendant to file any pleading responsive to the allegations set forth in the Rule with the Clerk of the Commission on or before April 18, 2018. The Defendant failed to file a responsive pleading.

On May 9, 2018, the matter was heard by Michael D. Thomas, Hearing Examiner. William H. Harrison IV, Attorney, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing, and on this basis, the Division moved for default judgment ("Motion") against the Defendant.[1] Additionally, proof of service on the Defendant and the prefiled written testimony of Christopher Rush, a safety specialist for the Division, were marked as exhibits and admitted into the record.[2] Counsel for the Division recommended that: (1) the Defendant be enjoined from further violations of the Act; and (2) the Defendant be fined in the amount of $2,500 for this violation of the Act.[3]

On May 11, 2018, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found by clear and convincing evidence that the Defendant failed to notify the notification center before beginning excavation, which resulted in damage to underground utility facilities, in violation of § 56-265.17 A of the Code.[4] The Hearing Examiner further found that a civil penalty of $2,500 for this violation should be imposed.[5]

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[1] Tr. at 9.

[2] *Id.* at 8-10; Ex. 1 (Proof of Certified mailing of the Rule to Show Cause to the resident agent on file with the State of Maryland); Ex. 2 (Proof of service on the Secretary of the Commonwealth); Ex. 3 (Rush Direct).

[3] Tr. at 9.

[4] Report at 1.

[5] *Id.*

The Hearing Examiner recommended that the Commission enter an order that adopts the findings in the Report; penalizes the Defendant the sum of $2,500; and enjoins the Defendant from any future violations of the Act.[6] The Hearing Examiner invited the parties to file comments in response to the Report within 21 days of the date thereof.[7] No comments were filed.

NOW THE COMMISSION upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner's Report hereby are adopted.

(2) The Division's Motion hereby is granted.

(3) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, judgment is entered against the Defendant and a civil penalty of Two Thousand Five Hundred Dollars ($2,500) hereby is imposed on the Defendant for the violation found by the Hearing Examiner.

(4) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Steven Bradley, Director, Division of Utility and Railroad Safety, State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23218. Case No. URS-2017-00572 shall be referenced in any document transmitting payment of the penalty imposed herein.

(5) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether the Defendant has transmitted the payment of the penalty imposed herein.

(6) The Defendant hereby is enjoined from any further violations of the Act.

(7) This case hereby is dismissed.

[6] *Id.* at 2.

[7] *Id*.

CASE NO. URS-2017-00573
NOVEMBER 1, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
HARDSCAPE CONTRACTING, LLC t/a DOMINION PAVERS
Defendant

FINAL ORDER

On May 24, 2018, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Hardscape Contracting, LLC t/a Dominion Pavers ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq*.) of Title 56 of the Code of Virginia ("Code").

Specifically, the Rule alleged that on or about August 1, 2017, the Defendant damaged a two-inch plastic gas main line operated by Virginia Natural Gas, Inc. ("VNG"), located at or near 538 South Atlantic Avenue, Virginia Beach, Virginia, while excavating. The Rule alleged that on this occasion, the Defendant failed to notify the notification center before beginning excavation, in violation of § 56-265.17 A of the Act.

The Rule directed the Defendant to file any pleading responsive to the allegations set forth in the Rule with the Clerk of the Commission on or before July 5, 2018. The Defendant failed to file a responsive pleading.

On July 11, 2018, the matter was heard by D. Mathias Roussy, Jr., Hearing Examiner. M. Aaron Campbell, Associate General Counsel, and William H. Harrison IV, Attorney, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing, and on this basis, the Division moved for default judgment ("Motion") against the Defendant.[1] Additionally, proof of service on the Defendant; information from the Virginia Department of Occupational Regulations ("DPOR"); and the prefiled written testimony of Christopher Shawn Rush, a safety specialist for the Division, were marked as exhibits and admitted into the record.[2] Counsel for the Division recommended that: (1) the Defendant be enjoined from further violations of the Act; and (2) the Defendant be fined in the amount of $2,500 for this violation of the Act.[3]

[1] Tr. at 10.

[2] *Id.* at 8-9; Ex. 1 (Proof of Certified mailing of the Rule to Show Cause to the registered agent on file with the Commission); Ex. 2 (Information from DPOR); Ex. 3 (Rush Direct).

[3] Tr. at 10.

On August 7, 2018, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found that the Division had proved by clear and convincing evidence that: (1) the Defendant, while excavating on August 1, 2017, damaged a two-inch plastic gas main line operated by VNG, located at or near 538 South Atlantic Avenue, Virginia Beach, Virginia; and (2) prior to the incident resulting in damage to the gas main line, the Defendant failed to provide notice to VA811, in violation of § 56-265.17 A of the Act.[4]

The Hearing Examiner recommended that the Commission enter an order that adopts the findings in the Report; finds the Defendant violated Code § 56-265.17 A; imposes a civil penalty upon the Defendant in the amount of $2,500; and enjoins the Defendant from any future violations of the Act.[5] The Hearing Examiner invited the parties to file comments in response to the Report within 21 days of the date thereof.[6] No comments were filed.

NOW THE COMMISSION upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner's Report hereby are adopted.

(2) The Division's Motion hereby is granted.

(3) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, judgment is entered against the Defendant and a civil penalty of Two Thousand Five Hundred Dollars ($2,500) hereby is imposed on the Defendant for the violations found by the Hearing Examiner.

(4) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Steven Bradley, Director, Division of Utility and Railroad Safety, State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23218. Case No. URS-2017-00573 shall be referenced in any document transmitting payment of the penalty imposed herein.

(5) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether the Defendant has transmitted the payment of the penalty imposed herein.

(6) The Defendant hereby is enjoined from any further violations of the Act.

(7) This case hereby is dismissed.

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[4] Report at 3.

[5] *Id.* at 4.

[6] *Id*.

CASE NO. URS-2017-00592
FEBRUARY 20, 2018

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 ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq*. The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between May 9, 2017, and November 15, 2017, listed in Attachment A, involving Utiliquest, LLC ("Company"), the Defendant, and alleges that:

(1) The Company is a contract locator as that term is defined in Code § 56-265.15 and, as a contract locator acting on behalf of an operator, if the Company fails to perform the duties imposed by Chapter 10.3 of Title 56 of the Code, it is subject to the civil penalties set out in Code § 56-265.32 pursuant to Code § 56-265.19 D.

(2) During the aforementioned period, the Company violated the Act by the following conduct:

(a) Failing on nine 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 Code § 56-265.19 A.

(b) Failing on 12 occasions to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A.

(c) Failing on one occasion to report the status to the excavator-operator information exchange system, in violation of Code § 56-265.19 A.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of Twenty-Eight Thousand Two Hundred Dollars ($28,200) to be paid contemporaneously with the entry of this Order. The payment will be made by check directed to the attention of the Director of the Division of Utility and Railroad Safety.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case shall be docketed and assigned Case No. URS-2017-00592.

(2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company is hereby accepted.

(3) The sum of Twenty-Eight Thousand Two Hundred Dollars ($28,200) tendered contemporaneously with the entry of this Order is accepted.

(4) This case is hereby dismissed.

NOTE: A copy of Attachment A and the Admission and Consent form 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. URS-2017-00593
JANUARY 23, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
ROANOKE GAS COMPANY,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the 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. The Commission's Division of Utility and Railroad Safety ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about August 3, 2017, the City of Salem damaged a one-half-inch plastic gas service line operated by Roanoke Gas Company ("Company"), located at or near 101 West 4th Street, Roanoke County, Virginia, while excavating.

(2) On or about September 27, 2017, Alleghany Utility Construction, Inc., damaged a one-half-inch plastic gas service line operated by the Company, located at or near 599 Catawaba Road, Botetourt County, Virginia, while excavating.

(3) On the occasions set out in paragraphs (1) and (2) above, the Company failed to mark the underground utility lines by no later than 7 a.m. on the third working day following the excavator's notice to the notification center, in violation of § 56-265.19 A of the Code.

(4) On or about September 25, 2017, Jack St. Clair Inc., damaged a one-half-inch plastic gas main line operated by the Company, located at or near 3204 Courtland Road, N.W., Roanoke County, Virginia, while excavating.

(5) On the occasion set out in paragraph (4) above, the Company failed to mark the approximate horizontal location of the underground utility line on the ground to within two feet of either side of the underground utility line, in violation of § 56-265.19 A of the Code.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to 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 Seven Thousand Four Hundred Fifty Dollars ($7,450) 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 Utility and Railroad Safety.

(2) Any amounts paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such amounts shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the journal entries made to record such amounts with the Commission's Division of Utility Accounting and Finance.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case is hereby docketed and assigned Case No. URS-2017-00593.

(2) Pursuant to the authority granted to the Commission by § 12.1-15 of the Code, the offer of settlement made by the Company is hereby accepted.

(3) The sum of Seven Thousand Four Hundred Fifty Dollars ($7,450) tendered contemporaneously with the entry of this Order is accepted.

(4) This case is hereby dismissed.

NOTE: A copy of the Admission and Consent is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. URS-2018-00001
NOVEMBER 21, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
GASTON BROTHERS UTILITIES INC.,
Defendant

FINAL ORDER

On February 13, 2018, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Gaston Brothers Utilities, Inc. ("Defendant") which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated a provision of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 *et seq*.) of Title 56 of the Code of Virginia ("Code").

Specifically, the Rule alleged that on or about May 18, 2017, the Defendant damaged a three-quarter-inch steel gas service line operated by Virginia Natural Gas, Inc., located at or near 1807 Revere Drive, Hampton, Virginia, while excavating. The Rule alleged that on this occasion, the Defendant failed to expose the underground utility line to its extremities by hand digging, in violation of § 56-265.24 A (1) of the Code. The Rule directed the Defendant to file any pleading responsive to the allegations set forth in the Rule with the Clerk of the Commission on or before March 7, 2018.

The Defendant filed a Response to Rule to Show Cause on March 7, 2018. On June 22, 2018, the Division and the Defendant filed Joint Stipulations pertaining to the case. The Division also filed testimony on June 22, 2018.

On July 25, 2018, the matter was heard by A. Anne Berkebile, Hearing Examiner. M. Aaron Campbell, Associate General Counsel, and William H. Harrison IV, Attorney, appeared at the hearing as counsel for the Division. John R. Lockard, Esquire, appeared as counsel for the Defendant. The Division recommended that: (1) the Defendant be enjoined from further violations of the Act; and (2) the Defendant be fined in the amount of $2,500 for the violation of the Act.[1] The Defendant maintained that the Rule should be dismissed because the Division failed to meet its burden under § 56-265.24 A (1) of the Act, failing to prove that the Defendant did not exercise reasonable care to protect VNG's line.[2]

On July 27, 2018, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found that the Division established by clear and convincing evidence that the Defendant violated Code § 56-265.24 A (1) of the Act when its employee excavated within two feet of a marked utility line that had not been exposed to its extremities by hand digging.[3]

The Hearing Examiner recommended that the Commission enter an order that adopts the findings in the Report and either waive the imposition of a civil penalty or impose a civil penalty lower than $2,500.[4]

NOW THE COMMISSION upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner's Report hereby are adopted.

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[1] Ex. 4 (Rush Direct) at 9.

[2] Tr. at 8-11.

[3] Report at 9.

[4] *Id.*

(2) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, the Company shall be assessed a civil penalty in the amount of Two Thousand Five Hundred ($2,500), of which Two Thousand Five Hundred ($2,500) shall be suspended and subsequently vacated, in whole or in part, by the Commission, provided the Company timely develops and implements a damage prevention training program that specifically includes training on the applicable statutes and regulations pertaining to excavation with mechanized equipment, or modifies its current damage prevention training materials to specifically include this material. On or before May 31, 2019, Gaston Brothers shall file with the Commission an affidavit affirming that this training program has been developed and implemented, and shall include copies of hand-outs or other training-related documents addressing the applicable statutes and regulations pertaining to excavation with mechanized equipment.

(3) The Commission shall retain jurisdiction over this matter for all purposes, and this case is continued pending further order of the Commission.

CASE NO. URS-2018-00004
MARCH 13, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ROANOKE GAS COMPANY,
Defendant

ORDER OF SETTLEMENT

The federal pipeline safety statutes found in 49 U.S.C. § 60101 *et seq*., formerly the Natural Gas Pipeline Safety Act, require 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 State Corporation Commission ("Commission") has been designated as the appropriate state agency for the Commonwealth of Virginia to prescribe and enforce compliance with standards for gas pipeline facilities used for intrastate transportation. In Case No. PUE-1989-00052, 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.[1] The Commission is authorized to enforce the Safety Standards for natural gas facilities under § 56-257.2 B of the Code of Virginia ("Code"), which allows the Commission to impose the fines and penalties authorized therein.

The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of each jurisdictional gas company's compliance with the Safety Standards, has conducted various inspections of records, construction, operation, and maintenance activities involving Roanoke Gas Company ("Company" or "Defendant"), the Defendant, and alleges that:

(1) The Company is a person within the meaning of § 56-257.2 B of the Code.

(2) The Company violated the Commission's Safety Standards by the following conduct:

(a) 49 C.F.R. § 192.605 (b) (2) - Failure of the Company to include, within its manual of written procedures, procedures for controlling corrosion in accordance with the operations and maintenance requirements of Subpart I of Part 192.

(b) 49 C.F.R. § 192.605 (b) (8) - Failure of the Company to include, within its manual of written procedures, a comprehensive procedure for periodically reviewing the work done by operator personnel to determine the effectiveness and adequacy of the Company's procedures used in normal operations and maintenance activities.

(c) 49 C.F.R. § 199.101 (a) - Failure of the Company to follow its "Anti-Drug Plan for Pipeline Workers/PHMSA-Covered Employees," Section II, subsection B, developed to comply with § 199.101 (a), by not requesting drug testing information from previous Department of Transportation (DOT) regulated employers for any employee seeking to begin covered functions for the first time as required by 49 C.F.R. §§ 40.25 (a) and (b).

(d) 49 C.F.R. § 199.202 - Failure of the Company to follow its "Alcohol Misuse Prevention Plan for Pipeline Workers/PHMSA-Covered Employees," Section II, subsection C, developed to comply with § 199.202, by not requesting alcohol testing information from previous DOT-regulated employers for any employee seeking to begin covered functions for the first time as required by 49 C.F.R. §§40.25 (a) and (b).

The Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As an offer to settle all matters arising from the allegations made against it, the Company represents and undertakes that:

(1) The Company shall be assessed a civil penalty in the amount of Twenty Thousand Dollars ($20,000), of which Ten Thousand Dollars ($10,000) shall be paid contemporaneously with the entry of this Order. The remaining Ten Thousand Dollars ($10,000) shall be due as outlined in

[1] *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. PUE-1989-00052, 1989 S.C.C. Ann. Rept. 312, Order Vacating Previous Order and Adopting Standard Regulations and Procedures Pertaining to Gas Pipeline Safety in Virginia (July 6, 1989).

Undertaking Paragraph (4) herein and may be suspended and subsequently vacated, in whole or in part, by the Commission, provided the Company timely takes the actions required by Undertaking Paragraph (2) herein and tenders the requisite certification as required by Undertaking Paragraph (3) herein. The initial payment and any subsequent payments shall be made by check, payable to the Treasurer of Virginia, and directed to the attention of the Director, Division of Utility and Railroad Safety, State Corporation Commission, P.O. Box 1197, Richmond, Virginia 23218-1197.

(2) The Order of Settlement issued in Case No. URS-2017-00417[2] requires the Company, by March 1, 2018, to complete a three-dimensional exhibit to help educate children who visit the new Center in the Square Children's Museum in Roanoke, Virginia, about underground utility lines, the importance of calling 811 before any excavation, and digging with C.A.R.E. In addition, and as part of settlement in the instant case, the Company shall: (a) make available educational packages consisting of items with the 811 and C.A.R.E. messages suitable for children ages four to eight that visit the exhibit and acceptable to the Division; and (b) the educational packages shall be for distribution for a minimum of two years.

(3) On or before April 15, 2018, the Company shall tender to the Clerk of the Commission, with a copy to the Division, an affidavit, executed by the president of Roanoke Gas Company, certifying that the Company completed the remedial actions set forth in Undertaking Paragraph (2) (a) and has taken substantial steps towards the completion of the remedial action set forth in Undertaking Paragraph (2) (b).

(4) Upon timely receipt of said affidavit, the Commission may suspend and subsequently vacate up to Ten Thousand Dollars ($10,000) of the amount set forth in Undertaking Paragraph (1) above. Should the Company fail to tender the affidavit required by Undertaking Paragraph (3) above, or fail to take the actions required by Undertaking Paragraph (2) above, payment of Ten Thousand Dollars ($10,000) shall become due and payable, and the Company shall immediately notify the Division of the reasons for the Company's failure to accomplish the actions required by Undertaking Paragraphs (2) and (3) above. If, upon investigation, the Division determines that the reason for said failure justifies a payment lower than Ten Thousand Dollars ($10,000), a reduction in the amount due may be recommended to the Commission. The Commission shall determine the amount due and, upon such determination, the Company immediately shall tender to the Commission said amount.

(5) This settlement does not prohibit the Commission Staff from submitting, in any present or future Commission proceeding involving the Company, any information discovered or obtained in the course of the Division's investigation and inspections described herein; nor does this settlement prohibit the Company from submitting information contradicting or mitigating the information submitted by the Commission Staff.

(6) Although the civil penalty in this Order of Settlement is assessed to Roanoke Gas Company, the probable violations can be attributed to both Roanoke Gas Company and its contractors. However, Roanoke Gas Company is ultimately responsible for compliance with the Pipeline Safety Standards. The Company shall bear the financial responsibility for this civil penalty. Any part of the civil penalty ordered herein that is recovered from contractors shall be credited to the accounts that were charged with the cost of the work performed.

(7) Any amounts paid in accordance with Undertaking Paragraph (1) of this Order shall not be recovered in the Company's rates. Any such amounts 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 Utility Accounting and Finance.

NOW THE COMMISSION, 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 the offer of compromise and settlement set forth above should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case is hereby docketed and assigned Case No. URS-2018-00004.

(2) Pursuant to the authority granted to the Commission by § 12.1-15 of the Code of Virginia, the offer of compromise and settlement made by Roanoke Gas Company hereby is accepted.

(3) Pursuant to § 56-257.2 B of the Code of Virginia, Roanoke Gas Company shall be assessed a penalty in the amount of Twenty Thousand Dollars ($20,000).

(4) The sum of Ten Thousand Dollars ($10,000) tendered contemporaneously with the entry of this Order is accepted. The remaining Ten Thousand Dollars ($10,000) shall be due as outlined herein and may be suspended and subsequently vacated, in whole or in part, provided the Company timely undertakes the actions required in Undertaking Paragraph (2) of this Order and files the timely certification of the remedial actions required by Undertaking Paragraph (3) of this Order.

(5) Roanoke Gas Company shall credit any part of the civil penalty ordered herein that is recovered from the contractors to the accounts that the work performed was charged.

(6) The Commission shall retain jurisdiction over this matter for all purposes, and this case shall be continued pending further order of the Commission.

NOTE: A copy of the Admission and Consent form 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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[2] *Commonwealth of Virginia, ex rel.*, *State Corporation Commission v. Roanoke Gas Company,* Case No. URS-2017-00417, Doc. Con. Cen. No. 171220389, Order of Settlement (Dec. 28, 2017) at 3.

CASE NO. URS-2018-00005
JUNE 12, 2018

PETITION OF
COLUMBIA GAS OF VIRGINIA, INC.

For rulemaking to revise requirement for trenchless excavation set forth in 20VAC5-309-150 of the Rules for Enforcement of the Underground Utility Damage Prevention Act

ORDER ADOPTING REGULATIONS

On January 23, 2018, Columbia Gas of Virginia ("Petitioner" or "CVA") filed a Petition for Rulemaking ("Petition") with the State Corporation Commission ("Commission").[1] The Petitioner requested that the Commission initiate a rulemaking for the limited purpose of revising 20 VAC 5-309-150 ("Rule 150") of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq*., that prescribes requirements for trenchless excavation. The Petition included proposed language ("Proposed Rule") to be considered by the Commission.

The Petitioner stated that the Proposed Rule would (i) provide for greater flexibility when conducting trenchless excavation that crosses gravity fed sewer mains and combination storm/sanitary sewer system utility lines and (ii) enhance the safety and efficiency of conducting such excavations.[2] Specifically, CVA proposed the following modifications: (1) add a subsection "B" applicable to conducting trenchless excavations crossing gravity fed sewer mains or combinations of storm/sanitary sewer system utility lines where the exposing of such lines is not required, provided the company utilizes camera technology and other techniques detailed within the new subsection; and (2) add a subsection "C" that restricts the application of the new subsection "B" to gravity fed sewer mains or combination storm/sanitary systems considered "utility lines," as that term is defined in § 56-265.15 of the Underground Utility Damage Prevention Act.[3]

On March 5, 2018, the Commission entered an Order Establishing Proceeding ("Procedural Order") which, among other things, directed that notice of the Proposed Rule be given to interested persons and that such interested persons and the Commission Staff ("Staff") be provided an opportunity to file written comments on, propose modifications or supplements to, or request a hearing on the Proposed Rule. The Procedural Order directed the Commission's Division of Information Resources to provide a copy thereof to the Registrar of Regulations for publication in the *Virginia Register of Regulations*.[4] The Procedural Order further directed the Petitioner: (i) to serve a copy thereof upon each member of the Commission's Underground Utility Damage Prevention Advisory Committee and each entity listed in Attachment B of the Order[5] and (ii) to present the Petition formally at the Virginia Damage Prevention Conference to be held on April 24-26, 2018.[6]

On April 5, 2018, Staff filed comments proposing slightly revised language for consideration by the Commission that did not materially change the substance of the Proposed Rule. On May 17, 2018, the Virginia Cable Television Communications Association filed comments supporting the Petition as well as Staff's slightly revised language. Also on May 17, 2018, Washington Gas Light Company filed a letter supporting CVA's proposal. On May 21, 2018, Virginia Natural Gas, Inc., filed "clarifying comments regarding the proposed revisions to Rule 150," wherein it suggested a possible interpretation of the new language in the Proposed Rule related to documentation an excavator would receive from the utility line operator notifying of the proposed trenchless excavation.[7] On May 31, 2018, the Petitioner filed Reply Comments providing the Commission with additional background regarding dialogue with industry stakeholders that took place prior to CVA filing its Petition.[8] CVA stated that the Proposed Rule provides flexibility for an excavator and operator to develop notification processes tailored to their specific circumstances.[9] CVA also clarified that it is agreeable to Staff's suggested modifications to the Proposed Rule.[10]

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Proposed Rule, incorporating the modifications suggested by Staff, should be approved.

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[1] On December 15, 2017, CVA presented draft language for the proposed rulemaking at a regularly scheduled meeting of the Underground Damage Prevention Advisory Committee.

[2] Petition at 1.

[3] *Id*. at 4 and Attachment A.

[4] The Order Establishing Proceeding and the proposed regulation were published in the April 2, 2018 issue of the *Virginia Register of Regulations*.

[5] On March 30, 2018, the Petitioner filed a Certificate of Service stating that it had mailed a copy of the Procedural Order to each member of the Underground Damage Prevention Advisory Committee as well as each Virginia Local Natural Gas Distribution Company.

[6] On April 25, 2018, the Petitioner formally presented the Petition at the Virginia Damage Prevention Conference.

[7] Comments of Virginia Natural Gas, Inc., at 1-2.

[8] Comments of CVA at 4.

[9] *Id*. at 5.

[10] *Id*. at 2.

Accordingly, IT IS ORDERED THAT:

(1) The Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq*., hereby are adopted as shown in Attachment A to this Order and shall become effective as of July 1, 2018.

(2) A copy of these regulations as set out in Attachment A of this Order Adopting Regulations shall be forwarded to the Registrar of Regulations for publication in the *Virginia Register*.

(3) This case is dismissed.

NOTE: A copy of the Rules for Enforcement of the Underground Utility Damage Prevention Act is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. URS-2018-00017
NOVEMBER 1, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
PILGRIM UNDERGROUND COMMUNICATIONS, LLC,
Defendant

FINAL ORDER

On June 6, 2018, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Pilgrim Underground Communications, LLC ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (Code § 56-265.14 *et seq*.) of Title 56 of the Code of Virginia ("Code"), and the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq*. ("Damage Prevention Rules").

Specifically, the Rule alleged that on or about September 3, 2017, the Defendant damaged a one-inch plastic gas service line operated by Washington Gas Light Company, located at or near 12263 Turkey Wing Court, Fairfax County, Virginia, while excavating. The Rule alleged that on this occasion, the Defendant failed to expose the underground utility line to its extremities by hand digging, in violation of § 56-265.24 A of the Act; and failed to maintain a reasonable clearance between the marked location of an underground utility line and the cutting edge or point of any mechanized equipment, in violation of 20 VAC 5-309-140 (4) of the Damage Prevention Rules.

The Rule directed the Defendant to file any pleading responsive to the allegations set forth in the Rule with the Clerk of the Commission on or before July 13, 2018. The Defendant failed to file a responsive pleading.

On July 25, 2018, the matter was heard by Michael D. Thomas, Hearing Examiner. M. Aaron Campbell, Associate General Counsel, and William H. Harrison IV, Attorney, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing, and on this basis, the Division moved for default judgment ("Motion") against the Defendant.[1] Additionally, proof of service on the Defendant and the prefiled written testimony of Chad L. Mayhew, a safety specialist for the Division, were marked as exhibits and admitted into the record.[2] Counsel for the Division recommended that: (1) the Defendant be enjoined from further violations of the Act; and (2) the Defendant be fined in the amount of $2,500 for each violation of the Act and Damage Prevention Rules.[3]

On August 1, 2018, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found by clear and convincing evidence that the Defendant violated (i) § 56-265.24 A of the Code by failing to expose an underground utility line to its extremities by hand digging; and (ii) 20 VAC 5-309-140 (4) of the Damage Prevention Rules by failing to maintain a reasonable clearance between the marked location of an underground utility line and the cutting edge or point of any mechanized equipment.[4] The Hearing Examiner further found that a civil penalty of $2,500 for each violation should be imposed.[5]

The Hearing Examiner recommended that the Commission enter an order that adopts the findings in the Report, penalizes the Defendant the sum of $5,000; and enjoins the Defendant from any future violations of the Act.[6] The Hearing Examiner invited the parties to file comments in response to the Report within 21 days of the date thereof.[7] No comments were filed.

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[1] Tr. at 18.

[2] *Id.* at 11-13; Ex. 1 (Proof of service by the Secretary of the Commonwealth to the Defendant's registered agent); Ex. 2 (Proof of signed for certified mailing to the Defendant's registered agent); Ex. 3 (Mayhew Direct).

[3] Tr. at 18.

[4] Report at 1-2.

[5] *Id.* at 2.

[6] *Id.*

[7] *Id*.

NOW THE COMMISSION upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner's Report hereby are adopted.

(2) The Division's Motion hereby is granted.

(3) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, judgment is entered against the Defendant and a civil penalty of Five Thousand Dollars ($5,000) hereby is imposed on the Defendant for the violations found by the Hearing Examiner.

(4) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Steven Bradley, Director, Division of Utility and Railroad Safety, State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23218. Case No. URS-2018-00017 shall be referenced in any document transmitting payment of the penalty imposed herein.

(5) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether the Defendant has transmitted the payment of the penalty imposed herein.

(6) The Defendant hereby is enjoined from any further violations of the Act.

(7) This case hereby is dismissed.

CASE NO. URS-2018-00033
NOVEMBER 1, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
GLOBAL SERVICES & SYSTEMS. INC.,
Defendant

FINAL ORDER

On June 8, 2018, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Global Services & Systems, Inc. ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (Code § 56-265.14 *et seq*.) of Title 56 of the Code of Virginia ("Code").

Specifically, the Rule alleged that on or about October 7, 2017, the Defendant damaged a one-quarter-inch plastic gas service line operated by Washington Gas Light Company, located at or near 13306 Keystone Drive, Prince William County, Virginia, while excavating. The Rule alleged that on this occasion, the Defendant failed to notify the notification center before beginning excavation, in violation of Code § 56-265.17 A.

The Rule directed the Defendant to file any pleading responsive to the allegations set forth in the Rule with the Clerk of the Commission on or before July 13, 2018. The Defendant failed to file a responsive pleading.

On July 25, 2018, the matter was heard by Michael D. Thomas, Hearing Examiner. M. Aaron Campbell, Associate General Counsel, and William H. Harrison IV, Attorney, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing, and on this basis, the Division moved for default judgment ("Motion") against the Defendant.[1] Additionally, proof of service on the Defendant, an affidavit from the Virginia Notification Center, and the prefiled written testimony of Chad L. Mayhew, a safety specialist for the Division, were marked as exhibits and admitted into the record.[2] Counsel for the Division recommended that: (1) the Defendant be enjoined from further violations of the Act; and (2) the Defendant be fined in the amount of $2,500 for this violation of the Act.[3]

On July 30, 2018, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found by clear and convincing evidence that the Defendant violated § 56-265.17 A of the Code by failing to notify the notification center before beginning an excavation.[4] The Hearing Examiner further found that a civil penalty of $2,500 for this violation should be imposed.[5]

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[1] Tr. at 14.

[2] *Id.* at 12-14; Ex. 1 (Proof of service on the Defendant's registered agent on file with the Commission and service by the Secretary of the Commonwealth on the Defendant's resident agent on file with the State of Maryland); Ex. 2 (Virginia Notification Center Affidavit); Ex. 3 (Mayhew Direct).

[3] Tr. at 14.

[4] Report at 1.

[5] *Id.*

The Hearing Examiner recommended that the Commission enter an order that adopts the findings in the Report, penalizes the Defendant the sum of $2,500; and enjoins the Defendant from any future violations of the Act.[6] The Hearing Examiner invited the parties to file comments in response to the Report within 21 days of the date thereof.[7] No comments were filed.

NOW THE COMMISSION upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner's Report hereby are adopted.

(2) The Division's Motion hereby is granted.

(3) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, judgment is entered against the Defendant and a civil penalty of Two Thousand Five Hundred Dollars ($2,500) hereby is imposed on the Defendant for the violation found by the Hearing Examiner.

(4) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Steven Bradley, Director, Division of Utility and Railroad Safety, State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23218. Case No. URS-2018-00033 shall be referenced in any document transmitting payment of the penalty imposed herein.

(5) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether the Defendant has transmitted the payment of the penalty imposed herein.

(6) The Defendant hereby is enjoined from any further violations of the Act.

(7) This case hereby is dismissed.

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[6] *Id.* at 2.

[7] *Id*.

CASE NO. URS-2018-00099
JUNE 18, 2018

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 ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq*. The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between June 22, 2017, and December 12, 2017, listed in Attachment A, involving Utiliquest, LLC ("Company"), the Defendant, and alleges that:

(1) The Company is a contract locator as that term is defined in Code § 56-265.15 and, as a contract locator acting on behalf of an operator, if the Company fails to perform the duties imposed by Chapter 10.3 of Title 56 of the Code, it is subject to the civil penalties set out in Code § 56-265.32 pursuant to Code § 56-265.19 D.

(2) During the aforementioned period, the Company violated the Act by the following conduct:

(a) Failing on fourteen 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 Code § 56-265.19 A.

(b) Failing on thirty-six occasions to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A.

(c) Failing on two occasions to use all information necessary to mark facilities accurately, in violation of 20 VAC 5-309-110 M of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq*.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $67,600 to be paid contemporaneously with the entry of this Order.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case shall be docketed and assigned Case No. URS-2018-00099.

(2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.

(3) The sum of Sixty-seven Thousand Six Hundred Dollars ($67,600) tendered contemporaneously with the entry of this Order is accepted.

(4) This case hereby is dismissed.

NOTE: A copy of Attachment A and the Admission and Consent form 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. URS-2018-00136
MARCH 27, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
S&N LOCATING SERVICES, LLC,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the 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. The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between August 31, 2017, and November 2, 2017, listed in Attachment A involving S&N Locating Services, LLC ("Company"), the Defendant, and alleges that:

(1) The Company is a contract locator as that term is defined in Code § 56-265.15 and, as a contract locator acting on behalf of an operator, if the Company fails to perform the duties imposed by Chapter 10.3 of Title 56 of the Code, it is subject to the civil penalties set out in Code § 56-265.32 pursuant to Code § 56-265.19 D.

(2) During the aforementioned period, the Company violated the Act by the following conduct:

(a) Failing on two 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 Code § 56-265.19 A.

(b) Failing on five occasions to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A.

(c) Failing on one occasion to use all information necessary to mark facilities accurately, in violation of 20 VAC 5-309-110 M of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq*.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of Seven Thousand Fifty Dollars ($7,050) to be paid contemporaneously with the entry of this Order.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case shall be docketed and assigned Case No. URS-2018-00136.

(2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company is hereby accepted.

(3) The sum of Seven Thousand Fifty Dollars ($7,050) tendered contemporaneously with the entry of this Order is accepted.

(4) This case is hereby dismissed.

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

CASE NO. URS-2018-00161
NOVEMBER 1, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
EMT ASPHALT, INC. T/A SALEM PAVING CORPORATION,
Defendant

FINAL ORDER

On June 8, 2018, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against EMT Asphalt, Inc. t/a Salem Paving Corporation ("Defendant") which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated provisions of the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (Code § 56-265.14 *et seq*.) of Title 56 of the Code of Virginia ("Code"), and the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq.* ("Damage Prevention Rules").

Specifically, the Rule alleged that on or about January 12, 2018, the Defendant damaged a one-half-inch plastic gas service line operated by Roanoke Gas Company, located at or near 685 Brandon Avenue, S.W., Roanoke County, Virginia, while excavating. The Rule alleged that on this occasion, the Defendant: failed to notify the notification center before beginning excavation, in violation of Code § 56-265.17 A; failed to expose the underground utility line to its extremities by hand digging, in violation of Code § 56-265.24 A (1); failed to maintain a reasonable clearance between the marked location of an underground utility line and the cutting edge or point of any mechanized equipment, in violation of 20 VAC 5-309-140 (4) of the Damage Prevention Rules; and failed to serve a valid emergency notice on the notification center, in violation of 20 VAC 5-309-90 A of the Damage Prevention Rules.

The Rule directed the Defendant to file any pleading responsive to the allegations set forth in the Rule with the Clerk of the Commission on or before July 13, 2018. The Defendant failed to file a responsive pleading.

On July 25, 2018, the matter was heard by Michael D. Thomas, Hearing Examiner. M. Aaron Campbell, Associate General Counsel, and William H. Harrison IV, Attorney, appeared at the hearing as counsel for the Division. The Defendant failed to appear at the hearing, and on this basis, the Division moved for default judgment ("Motion") against the Defendant.[1] Additionally, proof of service on the Defendant and the prefiled written testimony of Robert DeAtley, a safety specialist for the Division, were marked as exhibits and admitted into the record.[2] Counsel for the Division recommended that: (1) the Defendant be enjoined from further violations of the Act; and (2) the Defendant be fined in the amount of $2,500 for each violation of the Act and Damage Prevention Rules.[3]

On July 27, 2018, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found by clear and convincing evidence that the Defendant violated: (i) § 56-265.17 A of the Code by failing to notify the notification center before beginning an excavation; (ii) § 56-265.24 A (1) of the Code by failing to expose the underground utility line to its extremities by hand digging; (iii) 20 VAC 5-309-140 (4) of the Damage Prevention Rules by failing to maintain a reasonable clearance between the marked location of an underground utility line and the cutting edge or point of any mechanized equipment; and (iv) 20 VAC 5-309-90 A of the Damage Prevention Rules by failing to serve a valid emergency notice on the notification center.[4] The Hearing Examiner further found that a civil penalty of $2,500 for each violation should be imposed.[5]

The Hearing Examiner recommended that the Commission enter an order that adopts the findings in the Report, penalizes the Defendant the sum of $10,000; and enjoins the Defendant from any future violations of the Act.[6] The Hearing Examiner invited the parties to file comments in response to the Report within 21 days of the date thereof.[7] No comments were filed.

NOW THE COMMISSION upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Report should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner's Report hereby are adopted.

(2) The Division's Motion hereby is granted.

(3) In accordance with the Commission's regulatory duties and powers, and pursuant to § 56-265.32 of the Code, judgment is entered against the Defendant and a civil penalty of Ten Thousand Dollars ($10,000) hereby is imposed on the Defendant for the violations found by the Hearing Examiner.

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[1] Tr. at 7.

[2] *Id.* at 6-7; Ex. 1 (Proof of mailed service on the Defendant's registered agent on file with the Commission); Ex. 2 (Proof of personal service on the president and registered agent of the Defendant); Ex. 3 (DeAtley Direct).

[3] Tr. at 7.

[4] Report at 2.

[5] *Id.*

[6] *Id.*

[7] *Id*.

(4) Payment of the penalty imposed herein shall be made no later than sixty (60) days from the date of entry of this Final Order by cashier's check or money order, payable to the Treasurer of Virginia, and such payment shall be directed to the attention of Steven Bradley, Director, Division of Utility and Railroad Safety, State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23218. Case No. URS-2018-00161 shall be referenced in any document transmitting payment of the penalty imposed herein.

(5) The Division shall file a memorandum with the Clerk of the Commission within sixty-five (65) days of the entry of this Final Order advising whether the Defendant has transmitted the payment of the penalty imposed herein.

(6) The Defendant hereby is enjoined from any further violations of the Act.

(7) This case hereby is dismissed.

CASE NO. URS-2018-00169
NOVEMBER 1, 2018

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
OUR LANDSCAPING SERVICES, LLC,
Defendant

FINAL ORDER

On June 7, 2018, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Our Landscaping Services, LLC ("Defendant"), which set forth allegations by the Commission's Division of Utility and Railroad Safety ("Division") that the Defendant violated certain provisions of the Underground Utility Damage Prevention Act, Chapter 10.3 (§ 56-265.14 *et seq*.) of Title 56 of the Code of Virginia ("Code") and the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq.* ("Damage Prevention Rules").

Specifically, the Rule alleged that on or about December 5, 2017, the Defendant damaged a one-inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 41 Wellspring Drive, Stafford County, Virginia, while excavating. The Rule alleged that on this occasion, the Defendant failed: to exercise due care at all times to protect the underground utility line, in violation of Code § 56-265.24 A; to immediately notify the operator of the damage, in violation of Code § 56-265.24 D; to take immediate steps reasonably calculated to safeguard life, health and property, in violation of Code § 56-265.24 E; and to expose the underground utility line to its extremities by hand digging within the excavation area when excavation was expected to come within two feet of the marked location of the underground utility line, in violation of 20 VAC 5-309-140 (2) of the Damage Prevention Rules.

On July 25, 2018, the matter was heard by Michael D. Thomas, Hearing Examiner. M. Aaron Campbell, Associate General Counsel, and William H. Harrison IV, Attorney, appeared at the hearing as counsel for the Division. During the hearing, counsel for the Division moved that the case be dismissed without prejudice ("Motion"). In support of its Motion, the Division represented that the Defendant limited liability company no longer exists and the individuals involved in the Defendant's business no longer reside in Virginia.

On July 27, 2018, the Hearing Examiner's Report ("Report") was filed. The Hearing Examiner found that good cause having been shown the Motion should be granted and the case should be dismissed.[1]

NOW THE COMMISSION, upon consideration of the Rule, the record, the Report, and the applicable statutes, is of the opinion and finds that the findings in the Report should be adopted and that this case should be dismissed without prejudice.

Accordingly, IT IS SO ORDERED.

[1] Report at 1.

CASE NO. URS-2018-00203
MAY 24, 2018

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 ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq*. The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between August 23, 2017, and February 18, 2018, listed in Attachment A, involving Utiliquest, LLC ("Company"), the Defendant, and alleges that:

(1) The Company is a contract locator as that term is defined in Code § 56-265.15 and, as a contract locator acting on behalf of an operator, if the Company fails to perform the duties imposed by Chapter 10.3 of Title 56 of the Code, it is subject to the civil penalties set out in Code § 56-265.32 pursuant to Code § 56-265.19 D.

(2) During the aforementioned period, the Company violated the Act by the following conduct:

(a) Failing on nine 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 Code § 56-265.19 A.

(b) Failing on fifteen occasions to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A.

(c) Failing on one occasion to report the status to the excavator-operator information exchange system, in violation of Code § 56-265.19 A.

(d) Failing on two occasions to use all information necessary to mark facilities accurately, in violation of 20 VAC 5-309-110 M of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq*.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of Thirty-Two Thousand Two Hundred Dollars ($32,200) to be paid contemporaneously with the entry of this Order.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case shall be docketed and assigned Case No. URS-2018-00203.

(2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company is hereby accepted.

(3) The sum of Thirty-Two Thousand Two Hundred Dollars ($32,200) tendered contemporaneously with the entry of this Order is accepted.

(4) This case is hereby dismissed.

NOTE: A copy of Attachment A and the Admission and Consent form 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. URS-2018-00204
APRIL 16, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
S&N LOCATING SERVICES, LLC,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq*. The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between November 6, 2017, and January 26, 2018, listed in Attachment A, involving S&N Locating Services, LLC ("Company"), the Defendant, and alleges that:

(1) The Company is a contract locator as that term is defined in Code § 56-265.15 and, as a contract locator acting on behalf of an operator, if the Company fails to perform the duties imposed by Chapter 10.3 of Title 56 of the Code, it is subject to the civil penalties set out in § 56-265.32 of the Code pursuant to Code § 56-265.19 D.

(2) During the aforementioned period, the Company violated the Act by the following conduct:

(a) Failing on one occasion 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 Code § 56-265.19 A.

(b) Failing on four occasions to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A.

(c) Failing on one occasion to use all information necessary to mark facilities accurately, in violation of 20 VAC 5-309-110 M of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq*.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of Five Thousand Three Hundred Dollars ($5,300) to be paid contemporaneously with the entry of this Order.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case shall be docketed and assigned Case No. URS-2018-00204.

(2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company is hereby accepted.

(3) The sum of Five Thousand Three Hundred Dollars ($5,300) tendered contemporaneously with the entry of this Order is accepted.

(4) This case is hereby dismissed.

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

CASE NO. URS-2018-00274
JUNE 22, 2018

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 ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq*. The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between December 15, 2017, and March 26, 2018, listed in Attachment A, involving Utiliquest, LLC ("Company"), the Defendant, and alleges that:

(1) The Company is a contract locator as that term is defined in Code § 56-265.15 and, as a contract locator acting on behalf of an operator, if the Company fails to perform the duties imposed by Chapter 10.3 of Title 56 of the Code, it is subject to the civil penalties set out in Code § 56-265.32 pursuant to Code § 56-265.19 D.

(2) During the aforementioned period, the Company violated the Act by the following conduct:

(a) Failing on eleven occasions to mark the approximate horizontal locations of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of Code § 56-265.19 A.

(b) Failing on seven occasions to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $21,750 to be paid contemporaneously with the entry of this Order.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case hereby is docketed and assigned Case No. URS-2018-00274.

(2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.

(3) The sum of Twenty-one Thousand Seven Hundred Fifty Dollars ($21,750) tendered contemporaneously with the entry of this Order is accepted.

(4) This case hereby is dismissed.

NOTE: A copy of Attachment A and the Admission and Consent form 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. URS-2018-00305
OCTOBER 19, 2018

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 ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq*. The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between March 16, 2018, and May 3, 2018, listed in Attachment A, involving Utiliquest, LLC ("Company"), the Defendant, and alleges that:

(1) The Company is a contract locator as that term is defined in Code § 56-265.15 and, as a contract locator acting on behalf of an operator, if the Company fails to perform the duties imposed by Chapter 10.3 of Title 56 of the Code, it is subject to the civil penalties set out in Code § 56-265.32 pursuant to Code § 56-265.19 D.

(2) During the aforementioned period, the Company violated the Act by the following conduct:

(a) Failing on six occasions to mark the approximate horizontal locations of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of Code § 56-265.19 A.

(b) Failing on eleven occasions to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A.

(c) Failing on one occasion to accurately report the marking status of the underground utility line to the excavator-operator information exchange system by no later than 7 a.m. on the third working day following the excavator's notice to the notification center, in violation of Code § 56-265.19 A.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $35,000 to be paid contemporaneously with the entry of this Order.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case shall be docketed and assigned Case No. URS-2018-00305.

(2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.

(3) The sum of Thirty-Five Thousand Dollars ($35,000) tendered contemporaneously with the entry of this Order is accepted.

(4) This case hereby is dismissed.

NOTE: A copy of Attachment A and the Admission and Consent form 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. URS-2018-00309
SEPTEMBER 5, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
S&N LOCATING SERVICES, LLC,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq*. The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between February 28, 2018, and April 25, 2018, listed in Attachment A, involving S&N Locating Services, LLC ("Company"), the Defendant, and alleges that:

(1) The Company is a contract locator as that term is defined in Code § 56-265.15 and, as a contract locator acting on behalf of an operator, if the Company fails to perform the duties imposed by Chapter 10.3 of Title 56 of the Code, it is subject to the civil penalties set out in Code § 56-265.32 pursuant to Code § 56-265.19 D.

(2) During the aforementioned period, the Company violated the Act by the following conduct:

(a) Failing on three occasions to mark the approximate horizontal locations of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of Code § 56-265.19 A.

(b) Failing on four occasions to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A.

(c) Failing on one occasion to use all information necessary to mark facilities accurately, in violation of 20 VAC 5-309-110 M of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq*.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $7,250 to be paid contemporaneously with the entry of this Order.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case shall be docketed and assigned Case No. URS-2018-00309.

(2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company is hereby accepted.

(3) The sum of Seven Thousand Two Hundred Fifty Dollars ($7,250) tendered contemporaneously with the entry of this Order is accepted.

(4) This case is hereby dismissed.

NOTE: A copy of the Admission and Consent form and Attachment A is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. URS-2018-00383
SEPTEMBER 5, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
ROANOKE GAS COMPANY,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq*. The Commission's Division of Utility and Railroad Safety ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about May 10, 2018, JWS Communications, Inc., damaged a one-half-inch plastic gas service line operated by Roanoke Gas Company ("Company"), located at or near 5170 Fox Ridge Road, S.W., Roanoke County, Virginia, while excavating.

(2) On or about May 19, 2018, E. C. Pace Co., Inc., damaged a one-half-inch plastic gas service line operated by the Company, located at or near 1222 Hamilton Terrace, S.E., Roanoke County, Virginia, while excavating.

(3) On the occasions set out in paragraphs (1) and (2) above, the Company failed to mark the underground utility lines by no later than 7 a.m. on the third working day following the excavator's notice to the notification center, in violation of Code § 56-265.19 A.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to 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 $5,000 to be paid contemporaneously with the entry of this Order.

(2) Any amounts paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such amounts shall be booked in Uniform System of Accounts No. 426.3. The Company shall verify its booking by filing a copy of the journal entries made to record such amounts with the Commission's Division of Utility Accounting and Finance.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case hereby is docketed and assigned Case No. URS-2018-00383.

(2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.

(3) The sum of Five Thousand Dollars ($5,000) tendered contemporaneously with the entry of this Order is accepted.

(4) This case hereby is dismissed.

NOTE: A copy of the Admission and Consent form 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. URS-2018-00388
SEPTEMBER 18, 2018

COMMONWEALTH OF VIRGINIA, *ex rel*.
STATE CORPORATION COMMISSION
v.
S&N LOCATING SERVICES, LLC,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq*. The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between April 19, 2018, and July 12, 2018, listed in Attachment A, involving S&N Locating Services, LLC ("Company"), the Defendant, and alleges that:

(1) The Company is a contract locator as that term is defined in Code § 56-265.15 and, as a contract locator acting on behalf of an operator, if the Company fails to perform the duties imposed by Chapter 10.3 of Title 56 of the Code, it is subject to the civil penalties set out in Code § 56-265.32 pursuant to Code § 56-265.19 D.

(2) During the aforementioned period, the Company violated the Act by the following conduct:

(a) Failing on four 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 Code § 56-265.19 A.

(b) Failing on three occasions to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A.

(c) Failing on one occasion to use all information necessary to mark facilities accurately, in violation of 20 VAC 5-309-110 M of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, 20 VAC 5-309-10 *et seq*.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $7,050 to be paid contemporaneously with the entry of this Order.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case shall be docketed and assigned Case No. URS-2018-00388.

(2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.

(3) The sum of Seven Thousand Fifty Dollars ($7,050) tendered contemporaneously with the entry of this Order is accepted.

(4) This case hereby is dismissed.

NOTE: A copy of Attachment A and the Admission and Consent form 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. URS-2018-00446
DECEMBER 6, 2018

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 ("Code"), the State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Code § 56-265.14 *et seq*. The Commission's Division of Utility and Railroad Safety ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents that occurred between June 18, 2018, and August 28, 2018, listed in Attachment A, involving Utiliquest, LLC ("Company"), the Defendant, and alleges that:

(1) The Company is a contract locator as that term is defined in Code § 56-265.15 and, as a contract locator acting on behalf of an operator, if the Company fails to perform the duties imposed by Chapter 10.3 of Title 56 of the Code, it is subject to the civil penalties set out in Code § 56-265.32 pursuant to Code § 56-265.19 D.

(2) During the aforementioned period, the Company violated the Act by the following conduct:

(a) Failing on five occasions to mark the approximate horizontal locations of the underground utility lines on the ground to within two feet of either side of the underground utility lines, in violation of Code § 56-265.19 A.

(b) Failing on twenty-one occasions to mark the underground utility lines within the time prescribed in the Act, in violation of Code § 56-265.19 A.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $29,600 to be paid contemporaneously with the entry of this Order.

NOW THE COMMISSION, being advised by the Division and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement.

Accordingly, IT IS ORDERED THAT:

(1) The captioned case shall be docketed and assigned Case No. URS-2018-00446.

(2) Pursuant to the authority granted to the Commission by Code § 12.1-15, the offer of settlement made by the Company hereby is accepted.

(3) The sum of Twenty-Nine Thousand Six Hundred Dollars ($29,600) tendered contemporaneously with the entry of this Order is accepted.

(4) This case hereby is dismissed.

NOTE: A copy of Attachment A and the Admission and Consent form 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.

TABLES

CLERK'S OFFICE

Summary of the changes in the number of Virginia and foreign corporations and other types of business entities licensed to do business in Virginia, and of amendments and other filings related to the organizational documents of Virginia and foreign business entities during 2017 and 2018.

CORPORATIONS

	12/31/17	12/31/18
Virginia Corporations		
Certificates of Incorporation issued	12,807	12,703
Voluntary terminations	3,049	3,125
Involuntary terminations	1	1
Automatic terminations (Assessment/AR/RA Resignation)	13,709	13,621
Reinstatements of corporate existence	6,652	6,831
Charters amended	1,725	1,706
On Record		
Active Stock Corporations	121,356	119,191
Active Non-Stock Corporations	46,026	46,675
Total Active Virginia Corporations	167,382	165,866
Foreign Corporations		
Certificates of Authority to do business in Virginia Issued	3,069	2,981
Voluntary withdrawals from Virginia	983	1,000
Automatic Revocations (Assessment/AR/RA Resignation)	2,025	2,028
Reinstatement of surrendered or revoked Certificates	1,288	1,250
Charters Amended	755	737
On Record		
Active Stock Corporations	37,174	37,203
Active Non-Stock Corporations	2,855	2,955
Total Active Foreign Corporations	40,029	40,158
Total Active Corporations (Virginia and Foreign)	207,411	206,024

LIMITED LIABILITY COMPANIES

Virginia Limited Liability Companies		
Certificates of Organization issued	67,333	72,305
Voluntary cancellations	8,265	9,166
Automatic cancellations (Assessment/RA Resignation)	38,542	42,599
Reinstatements of existence	8,027	9,272
Articles of Organization amended	2,692	2,778
On Record		
Active Virginia Limited Liability Companies	333,137	356,352
Foreign Limited Liability Companies		
Certificates of Registration issued	4,499	4,864
Voluntary cancellations	1,123	1,111
Automatic cancellations (Assessment/RA Resignation)	1,650	1,777
Reinstatement of canceled certificates	525	569
Certificates of Registration amended	0	0
On Record		
Active Foreign Limited Liability Companies	29,386	31,426
Total Active Limited Liability Companies (Virginia and Foreign)	362,523	387,778

BUSINESS TRUSTS

Virginia Business Trusts	12/31/17	12/31/18
Certificates of Trust issued	42	30
Voluntary cancellations	1	8
Automatic cancellations (Assessment/RA Resignation)	27	28
Reinstatements of existence	14	9
Articles of Trust amended	2	2
On Record		
Active Virginia Business Trusts	234	238
Foreign Business Trusts		
Certificates of Registration issued	10	11
Voluntary cancellations	1	2
Automatic cancellations (Assessment/RA Resignation)	1	6
Reinstatement of canceled certificates	9	0
Certificates of Registration amended	0	0
On Record		
Active Foreign Business Trusts	85	88
Total Active Business Trusts (Virginia and Foreign)	319	326

LIMITED PARTNERSHIPS

Virginia Limited Partnerships		
Certificates of Limited Partnership filed	120	82
Voluntary cancellations	118	107
Automatic cancellations (Assessment/RA Resignation)	188	204
Reinstatements of existence	76	47
Certificates of Limited Partnership amended	259	223
On Record		
Active Virginia Limited Partnerships	4,579	4,372
Foreign Limited Partnerships		
Certificates of Registration issued	80	111
Voluntary cancellations	60	57
Automatic cancellations (Assessment/RA Resignation)	47	64
Reinstatement of canceled certificates	18	17
Certificates of Registration amended	0	0
On Record		
Active Foreign Limited Partnerships	1,562	1,557
Total Active Limited Partnerships (Virginia and Foreign)	6,141	5,929

GENERAL PARTNERSHIPS

General Partnership Statements filed	98	117
On Record		
Active Virginia General Partnerships	618	590
Active Foreign General Partnerships	84	83
Total Active General Partnerships (Virginia and Foreign)	702	673

REGISTERED LIMITED LIABILITY PARTNERSHIPS

Statement of Registration as a Virginia Registered Limited Liability Partnerships filed	64	51
Statement of Registration as a Foreign Registered Limited Liability Partnerships filed	32	23
Total Active Registered Limited Liability Partnerships (Virginia and Foreign)	1,318	1,289

COMPARISON OF REVENUES DEPOSITED BY THE CLERK'S OFFICE FOR THE FISCAL YEARS ENDING JUNE 30, 2017 AND JUNE 30, 2018

General Fund	**2017**	**2018**	**(Difference)**
Charter Fees	$1,435,300.00	$1,360,695.00	($74,605.00)
Entrance Fees	1,360,875.00	1,404,675.00	43,800.00
Filing Fees	605,760.00	600,275.00	(5,485.00)
Registered Name	1,800.00	1,890.00	90.00
Registered Office and Agent	0.00	0.00	0.00
Service of Process	49,270.00	41,100.00	(8,170.00)
Copy and Recording Fees	0.00	0.00	0.00
SCC Annual Report Sales	0.00	0.00	0.00
Uniform Commercial Code Revenues	1,750,160.00	1,729,420.00	(20,740.00)
Excess Fees Transferred to Unclaimed Property	308,387.97	311,977.47	3,589.50
Miscellaneous Sales	0.00	0.00	0.00
TOTAL	$5,511,552.97	$5,450,032.47	($61,520.50)
Special Fund			
Domestic-Foreign Corp. Registration Fee	$31,887,637.78	$31,289,102.04	($598,535.74)
Limited Partnership Registration Fee	317,785.00	310,085.00	(7,700.00)
Reserved Name - Limited Partnership	12,200.00	11,600.00	(600.00)
Certificate Limited Partnership	10,800.00	11,475.00	675.00
Application Reg. Foreign LP	9,200.00	10,025.00	825.00
Reinstatement LP	12,250.00	10,600.00	(1,650.00)
Registration Fee LLC	14,828,189.21	15,679,400.79	851,211.58
Application For. Reg. LLC	431,400.00	473,075.00	41,675.00
Art. of Org. Dom. LLC	6,336,175.00	6,902,000.00	565,825.00
AMEND, CANC., CORR. RAC, etc. LLC	381,430.00	421,540.00	40,110.00
SCC Bad Check Fee	18,636.00	20,495.00	1,859.00
Interest on Del. Tax	25.00	0.00	(25.00)
Penalty on Non-Pay Fees by Due Date	1,817,736.55	1,899,195.77	81,459.22
Statement of Reg. as Domestic LLP	4,300.00	4,700.00	400.00
LLP Annual Continuation	66,520.00	54,000.00	(12,520.00)
Statement of Partnership Authority GP Dom.	2,600.00	2,550.00	(50.00)
Statement of Partnership Authority GP For.	175.00	125.00	(50.00)
Statement of Amendments - GP	1,325.00	1,675.00	350.00
Statement of Reg. as Foreign LLP	2,300.00	2,700.00	400.00
Statement of Amendment LLP	300.00	275.00	(25.00)
Reinstatement LLC, BT	844,250.00	922,200.00	77,950.00
Tape Sales, Misc Fees	900.00	0.00	(900.00)
Copies, Recording Fees	430,666.30	413,721.20	(16,945.10)
Recovery of Prior Yr. Expenses	1,902.43	63,992.65	62,090.22
LLP Reinstatement	100.00	0.00	(100.00)
Expedite Fee Collected	1,256,680.00	1,342,648.00	85,968.00
TOTAL	$58,675,483.27	$59,847,180.45	$1,171,697.18
Valuation Fund			
Corp. Operations Rec. of Copy and Cert. Fees	$223.40	$24.90	($198.50)
Recovery of Prior Year Expenses	0.00	$0.00	$0.00
TOTAL	$233.40	$24.90	($198.50)
Trust & Agency Fund			
Fines imposed and collected by SCC	$1,106,500.00	$538,100.00	($568,400.00)
Debt Set Off Collections	$0.00	$0.00	$0.00
TOTAL	$1,106,500.00	$538,100.00	($568,400.00)
GRAND TOTAL	$65,293,759.64	$65,835,337.82	$541,578.18

COMPARISON OF FEES COLLECTED BY THE BUREAU OF FINANCIAL INSTITUTIONS FOR FISCAL YEARS ENDING JUNE 30, 2017 AND JUNE 30, 2018

	2017	2018
Banks	$4,531,052.00 (1)	$8,854,759.00
Savings Institutions and Savings Banks	4,387.00 (1)	8,721.00
Consumer Finance Licensees	367,148.00	201,628.00 (2)
Credit Unions	1,766,631.00	934,581.00 (3)
Trust Subsidiaries and Trust Companies	26,029.00	20,501.00
Industrial Loan Associations	2,400.00	2,400.00
Money Order Sellers and Transmitters	725,673.00	732,618.00
Credit Counseling Agency Licensees	52,824.00	44,259.00
Mortgage Lenders and Mortgage Brokers	1,673,984.00	877,103.00 (4)
Mortgage Loan Originators	2,204,410.00	2,233,630.00
Check Cashers	101,300.00	90,550.00
Payday Lenders	260,860.00	240,583.00
Motor Vehicle Title Lenders	690,738.00	659,127.00
Miscellaneous Collections	54,298.00	108,174.00
TOTAL	$12,461,734.00	$15,008,634.00

Notes:
(1) The bank and savings institutions assessments were reduced 50% in Fiscal 2017.
(2) The consumer finance assessment was reduced 50% in Fiscal 2018.
(3) The credit union assessment was reduced 50% in Fiscal 2018.
(4) The mortgage lender and broker assessment was reduced 50% in Fiscal 2018.

CONSUMER SERVICES

The Bureau received and acted upon 331 formal written complaints during 2018 and recovered $79,582 on behalf of Virginia consumers.

COMPARISON OF FEES AND TAXES COLLECTED BY THE BUREAU OF INSURANCE FOR THE FISCAL YEARS ENDING JUNE 30, 2017 AND JUNE 30, 2018

General Fund	2017	2018	Increase or (Decrease)
Gross Premium Taxes of Insurance Companies	$448.75	$0.00	($448.75)
Fraternal Benefit Societies Licenses	980.00	460.00	(520.00)
Interest on Delinquent Taxes	0.00	0.00	0.00
Penalty on non-payment of taxes by due date	0.00	6,000.00	6,000.00
Special Fund			
Company License Application Fees	$13,000.00	$18,500.00	$5,500.00
Health Maintenance Organization License Fees	0.00	0.00	0.00
Automobile Club/Agent Licenses	0.00	0.00	0.00
Insurance Premium Finance Companies Licenses	15,600.00	13,700.00	(1,900.00)
Fraternal Benefit Societies Licenses	0.00	0.00	0.00
Agent Appointment Fees	15,460,560.00	15,238,120.00	(222,440.00)
Surplus Lines Broker Licenses	122,350.00	131,600.00	9,250.00
Home Service Contract Providers License Fees	4,000.00	0.00	(4,000.00)
Title Settlement Agent Fees	8,040.00	74,780.00	66,740.00
Producer License Application Fees	1,059,030.00	1,148,130.00	89,100.00
Surety Bail Bondsmen License Fees	0.00	0.00	0.00
P&C Consultant License Fees	73,600.00	75,850.00	2,250.00
Recording, Copying, and Certifying Public Records Fees	3,094.03	709.50	(2,384.53)
SCC Bad Check Fees	3,290.00	1,645.00	(1,645.00)
Managed Care Health Ins. Plan Appeals Fees	0.00	0.00	0.00
Administrative Penalty Payment	0.00	0.00	0.00
State Publication Sales	0.00	0.00	0.00
Assessments To Insurance Companies for Maintenance of the Bureau of Insurance	9,029,543.50	9,495,657.88	466,114.38
Reinsurance Intermediary Broker Fees	1,500.00	1,000.00	(500.00)
Reinsurance Intermediary Manager Fees	0.00	500.00	0.00
Managing General Agent Fees	6,000.00	8,000.00	2,000.00

Viatical Settlement Provider License Fees	7,400.00	7,400.00	0.00
Viatical Settlement Broker License Fees	8,750.00	8,700.00	(50.00)
MCHIP Assessment	0.00	0.00	0.00
Public Adjusters	31,370.00	19,440.00	(11,930.00)
Appointment Fee Penalty	100,200.00	57,200.00	(43,000.00)
Miscellaneous Revenue	(329.20)	1,630.00	1,959.20
Recovery of Prior Year Expenses	6,701.85	372,268.44	365,566.59
Fire Programs Fund	38,359,820.09	39,269,680.68	909,860.59
Fire Programs Fund Interest	52,015.58	34,175.23	(17,840.35)
DMV Uninsured Motorist Transfer	2,349,041.91	1,409,802.94	(939,238.97)
Flood Assessment Fund	272,392.28	342,986.91	70,594.63
Heat Assessment Fund	2,144,123.41	2,262,462.96	118,339.35
Fines Imposed by State Corporation Commission	1,780,805.85	1,348,862.13	(431,943.72)
Fraud Assessment Fund	6,326,932.50	6,599,288.60	272,356.10
Fraud Assessment Interest	11,522.95	7,036.40	(4,486.55)
TOTAL	$77,251,783.50	$77,955,586.67	$703,803.17

COMPARISON OF ASSESSMENT OF PUBLIC SERVICE COMPANIES FOR THE YEARS 2017 AND 2018

Value of All Taxable Property Including Rolling Stock

Class of Company	2017	2018	Increase or (Decrease)
Electric Light & Power Corporations	$32,928,810,893.00	$34,224,222,381.00	$1,295,411,488
Gas Corporations	2,796,956,662.00	2,955,654,638.00	158,697,976
Motor Vehicle Carriers (Rolling Stock only)	42,531,577.00	46,339,573.00	3,807,996
Telecommunications Companies	7,695,090,816.00	7,663,867,839.00	(31,222,977)
Water Corporations	288,357,202.00	294,766,294.00	6,409,092)
TOTAL	$43,751,747,150.00	$45,184,850,725.00	$1,433,103,575

COMPARISON OF STATE TAXES OF PUBLIC SERVICE COMPANIES FOR THE YEARS 2017 AND 2018

Class of Company	2017	2018	Increase or (Decrease)
Electric Companies	$84,807,126.00	$83,967,060.00	($840,066)
Gas Companies	11,626,641.00	11,761,621.00	134,980
Motor Vehicle Carriers	47,862.00	48,905.00	1,043
Railroad Companies	1,807,359.00	2,870,070.00	1,062,711
Telecommunications Companies	9,359,866.00	9,288,615.00	(71,251)
Virginia Pilots Association	39,674.00	44,385.00	4,711
Water Corporations	2,487,045.00	2,492,038.00	4,993
TOTAL	$110,175,573.00	$110,472,694.00	$297,121

Railroad Companies assessed at twelve-hundredths of one percent and all other companies at sixteen-hundredths of one percent for Tax Year 2017.

Railroad Companies assessed at eighteen-hundredths of one percent and all other companies at sixteen-hundredths of one percent for Tax Year 2018.

COMPARATIVE STATEMENT OF ASSESSED VALUES OF PROPERTIES OF PUBLIC SERVICE CORPORATIONS AS ASSESSED BY THE STATE CORPORATION COMMISSION

Cities	2017	2018	Increase or (Decrease)
Alexandria	$479,759,677	$502,471,904	$22,712,227
Bristol	24,604,326	24,408,282	(196,044)
Buena Vista	21,396,608	20,424,175	(972,433)
Charlottesville	127,389,438	133,239,185	5,849,747
Chesapeake	867,919,206	902,612,431	34,693,225
Colonial Heights	35,283,357	36,218,136	934,779
Covington	276,941,151	247,591,400	(29,349,751)
Danville	42,751,860	46,989,211	4,237,351
Emporia	18,896,112	19,653,794	757,682
Fairfax	109,307,384	113,618,930	4,311,546
Falls Church	25,513,090	26,754,744	1,241,654
Franklin	5,523,914	5,942,940	419,026
Fredericksburg	114,039,386	108,551,620	(5,487,766)
Galax	14,453,542	15,045,922	592,380
Hampton	344,319,933	349,063,089	4,743,156
Harrisonburg	45,703,610	47,957,567	2,253,957
Hopewell	376,818,073	354,750,921	(22,067,152)
Lexington	19,561,584	18,921,461	(640,123)
Lynchburg	199,503,688	207,104,807	7,601,119
Manassas	114,702,856	90,855,763	(23,847,093)
Manassas Park	25,386,830	27,608,109	2,221,279
Martinsville	21,473,883	24,170,879	2,696,996
Newport News	496,513,381	499,945,875	3,432,494
Norfolk	627,822,541	604,685,811	(23,136,730)
Norton	19,090,806	19,308,297	217,491
Petersburg	130,972,292	158,599,969	27,627,677
Poquoson	22,618,927	22,895,188	276,261
Portsmouth	358,174,046	361,298,246	3,124,200
Radford	21,811,639	18,486,726	(3,324,913)
Richmond	925,532,442	879,749,187	(45,783,255)
Roanoke	287,182,577	308,794,803	21,612,226
Salem	37,422,843	38,912,295	1,489,452
Staunton	82,085,084	91,423,797	9,338,713
Suffolk	366,856,956	375,505,882	8,648,926
Virginia Beach	982,187,142	1,018,212,157	36,025,015
Waynesboro	96,643,436	101,929,596	5,286,160
Williamsburg	50,239,688	50,022,836	(216,852)
Winchester	83,435,226	89,120,309	5,685,083
Total Cities	$7,899,838,534	$7,962,846,244	$63,007,710

COMPARATIVE STATEMENT OF ASSESSED VALUES OF PROPERTIES OF PUBLIC SERVICE CORPORATIONS AS ASSESSED BY THE STATE CORPORATION COMMISSION

Counties	2017	2018	Increase or (Decrease)
Accomack	$467,099,003	$476,707,167	$9,608,164
Albemarle	366,307,576	406,393,271	40,085,695
Alleghany	150,149,066	145,628,857	(4,520,209)
Amelia	43,833,059	52,272,129	8,439,070
Amherst	94,344,479	95,667,655	1,323,176
Appomattox	56,895,113	58,606,446	1,711,333
Arlington	895,112,124	904,174,082	9,061,958
Augusta	428,228,432	438,777,128	10,548,696
Bath	1,431,715,474	1,411,370,402	(20,345,072)
Bedford	269,383,068	268,286,099	(1,096,969)
Bland	76,028,010	104,324,334	28,296,324
Botetourt	331,699,201	377,714,134	46,014,933

Brunswick	$918,753,294	$978,678,735	$59,925,441
Buchanan	112,575,008	112,510,147	(64,861)
Buckingham	610,670,682	568,263,982	(42,406,700)
Campbell	311,680,182	329,262,427	17,582,245
Caroline	404,641,374	385,843,419	(18,797,955)
Carroll	112,128,920	117,325,635	5,196,715
Charles City	133,850,678	155,492,683	21,642,005
Charlotte	60,755,084	58,868,284	(1,886,800)
Chesterfield	1,440,032,063	1,533,980,309	93,948,246
Clarke	60,836,242	61,499,463	663,221
Craig	17,030,937	23,485,893	6,454,956
Culpeper	222,022,050	220,477,401	(1,544,649)
Cumberland	62,955,427	66,900,095	3,944,668
Dickenson	60,412,921	65,006,193	4,593,272
Dinwiddie	184,354,817	190,237,049	5,882,232
Essex	44,949,596	45,301,553	351,957
Fairfax	3,712,451,182	3,794,155,273	81,704,091
Fauquier	586,985,004	689,139,113	102,154,109
Floyd	60,224,701	62,582,110	2,357,409
Fluvanna	488,365,806	499,693,109	11,327,303
Franklin	173,028,163	170,668,059	(2,360,104)
Frederick	424,378,528	399,652,324	(24,726,204)
Giles	73,964,408	74,861,562	897,154
Gloucester	141,956,353	149,841,016	7,884,663
Goochland	112,371,153	117,515,620	5,144,467
Grayson	53,824,822	51,516,064	(2,308,758)
Greene	36,933,082	37,088,335	155,253
Greensville	298,743,718	637,659,191	338,915,473
Halifax	1,081,308,181	1,081,629,456	321,275
Hanover	598,761,215	697,992,136	99,230,921
Henrico	1,049,968,336	1,086,906,176	36,937,840
Henry	154,909,109	165,812,365	10,903,256
Highland	22,673,720	22,860,108	186,388
Isle of Wight	159,979,524	148,452,523	(11,527,001)
James City	226,292,523	238,780,328	12,487,805
King and Queen	31,363,930	33,431,706	2,067,776
King George	251,598,333	270,681,222	19,082,889
King William	52,570,012	50,613,609	(1,956,403)
Lancaster	60,647,781	63,956,272	3,308,491
Lee	60,511,839	56,396,455	(4,115,384)
Loudoun	2,283,979,745	2,667,986,836	384,007,091
Louisa	2,410,533,818	2,296,595,127	(113,938,691)
Lunenburg	65,580,766	75,218,195	9,637,429
Madison	46,066,588	46,680,490	613,902
Mathews	25,624,582	27,421,573	1,796,991
Mecklenburg	302,479,640	312,156,369	9,676,729
Middlesex	52,816,875	54,506,634	1,689,759
Montgomery	202,312,848	211,331,402	9,018,554
Nelson	83,959,734	92,065,614	8,105,880
New Kent	123,773,267	131,146,946	7,373,679
Northampton	53,789,964	58,245,081	4,455,117
Northumberland	53,156,983	54,583,803	1,426,820
Nottoway	69,550,024	82,318,889	12,768,865
Orange	110,091,852	110,614,639	522,787
Page	76,585,870	78,039,779	1,453,909
Patrick	58,772,744	61,334,116	2,561,372
Pittsylvania	295,020,964	314,485,708	19,464,744
Powhatan	93,672,159	102,361,976	8,689,817
Prince Edward	78,945,098	81,551,165	2,606,067
Prince George	165,056,505	162,973,075	(2,083,430)
Prince William	1,729,168,865	1,718,164,173	(11,004,692)
Pulaski	118,049,769	113,999,142	(4,050,627)
Rappahannock	54,485,837	53,095,126	(1,363,711)
Richmond	74,976,377	77,344,241	2,367,864
Roanoke	263,035,089	273,950,994	10,915,905
Rockbridge	181,511,320	184,839,707	3,328,387
Rockingham	287,794,680	304,951,857	17,157,177
Russell	290,257,261	278,720,547	(11,536,714)

Scott	$85,002,106	$77,300,007	$(7,702,099)
Shenandoah	$200,474,883	203,902,615	3,427,732
Smyth	114,466,519	116,672,917	2,206,398
Southampton	164,056,896	216,905,091	52,848,195
Spotsylvania	373,416,673	404,772,591	31,355,918
Stafford	407,764,871	429,519,308	21,754,437
Surry	1,924,207,989	1,889,501,831	(34,706,158)
Sussex	91,624,047	89,837,277	(1,786,770)
Tazewell	154,912,599	173,993,105	19,080,506
Warren	951,010,410	908,882,401	(42,128,009)
Washington	264,792,838	264,684,399	(108,439)
Westmoreland	63,953,749	65,943,360	1,989,611
Wise	1,385,464,269	1,392,168,568	6,704,299
Wythe	246,862,266	258,493,518	11,631,252
York	448,089,397	401,465,612	(46,623,785)
Total Counties	$35,809,377,039	$37,175,664,908	$1,366,287,869
Total Cities & Counties	$43,709,215,573	$45,138,511,152	$1,429,295,579

COMPARISON OF FEES COLLECTED BY THE DIVISION OF SECURITIES AND RETAIL FRANCHISING FOR THE YEARS ENDING DECEMBER 31 , 2017 AND DECEMBER 31, 2018

	2017	2018	Increase or (Decrease)
Securities Act	$12,705,942.27	$13,376,536.10	$670,593.83
Retail Franchising Act	$550,150.00	$569,300.00	$19,150.00
Trademarks-Service Marks	$30,030.00	$25,590.00	($4,440.00)
Penalties	$145,900.00	$101,765.00	($44,135.00)
Cost of Investigations	$56,595.38	$44,500.00	($12,095.38)
Total	$13,488,617.65	$14,117,691.10	$629,073.45

PROCEEDINGS AND ACTIVITIES BY DIVISIONS DURING THE YEAR 2018

DIVISION OF UTILITY ACCOUNTING AND FINANCE

The Division of Utility Accounting and Finance (Division) assists the Commission with its review and analysis of accounting and financial information in utility regulatory matters. The Division conducts audits and prepares testimony and reports in rate proceedings, as well as in applications involving performance based reviews, rate adjustment clauses, affiliate transactions, mergers and acquisitions, financing plans, and certificates of public convenience and necessity. The Division also conducts audits of electric utility fuel costs and analyzes depreciation studies of electric, electric cooperatives, gas, and water and sewer utilities.

Below is a listing of analyses conducted and reports/testimony filed in rate proceedings, certificate cases and financial review filings analyzed by the Division during 2018.

General Rate Cases/Biennial Reviews	
Electric Companies	1
Electric Cooperatives	3
Gas Companies	5
Water Companies	3
Other	0
Total General Rate Cases/Biennial Reviews	12
Certificates of Public Convenience and Necessity	2
Rate Adjustment Clauses	
Electric Companies	27
Water Companies	0
Steps to Advance Virginia's Energy (SAVE) Plans/CARE Plans	
Gas Companies	7
Annual Informational Filings/Earnings Tests	
Electric Companies	0
Gas Companies	2
Water Companies	2
Total Annual Informational Filings/Earnings Tests	4
Fuel Factor Cases - Electric Companies	3
Depreciation Studies	
Electric Companies	3
Electric Cooperatives	1
Natural Gas Companies	0
Water Companies	1
Total Depreciation Studies	5
Prudency Reviews	2
Other Reviews and Studies	10

During 2018 the Division submitted reports recommending action in applications filed pursuant to Chapter 3 (Issuance of Stocks, Bonds, etc.), Chapter 4 (Affiliates Act), and Chapter 5 (Utility Transfers Act) of Title 56 of the Code of Virginia, and CSP Licensure cases as follows:

Issuance of Stocks, Bonds, etc.	17
Affiliates Act Cases	
Service Agreements	13
Other Transactions	10
Total	23
Utility Transfers Act Cases	
Transfers of Control	13
Transfers of Assets	6
Total	19
Total Chapter 3, 4 and 5 Cases	59
CSP Licensure Cases	9

DIVISION OF PUBLIC UTILITY REGULATION

The Division of Public Utility Regulation assists the Commission in fulfilling its statutory responsibilities and duties pursuant to Title 56, Chapter 10 of the Code of Virginia. Activities include: (i) reviewing investor-owned electric, natural gas and water/sewer utilities' cost of service studies; (ii) reviewing cost allocation methodology and rate design philosophies; (iii) reviewing long term utility resource plans; (iv) overseeing implementation of competition in landline local communications services; (v) certifying competitive local exchange and interexchange carriers; (vi) maintenance of telecommunications interconnection agreements; (vii) regulation of small incumbent local exchange carriers; and, (viii) providing expert testimony in these matters.

The Division provides expert testimony in certificate cases for service/exchange areas and major facility construction of public utilities and independent power producers. After such certificates are granted, the Division is responsible for maintaining the official certificates and associated maps. The Division monitors the collection of gas costs by gas utilities, the incurrence of wholesale purchased power expenses by electric cooperatives, the recovery of fuel expenses by investor-owned electric utilities, the construction and operation of major facilities of the investor-owned utilities, and the implementation of competition in the telecommunications market. It reviews extraordinary costs and policies related to nuclear power, including decommissioning of nuclear power plants and the storage of spent nuclear fuel.

The Division investigates and resolves informal consumer complaints/inquiries relative to electric, natural gas, water/sewer and the telecommunications industries. The Division also participates in, as appropriate, formal complaints filed with the Commission. Finally, the Division develops annual energy related financial forecasts and provides the Commission with technical expertise pertaining to mergers, acquisitions, and regulatory policy relative to these industries.

At the end of 2018, there were subject to the regulatory oversight of the Division:

14	Incumbent Local Exchange Telephone Companies
173	Competitive Local Exchange Telephone Companies
124	Intrastate Long Distance Telephone Companies
24	Payphone Service Providers
11	Operator Service Providers
3	Investor-Owned Electric Companies
13	Electric Cooperatives
7	Natural Gas Companies
35	Water/Sewer Companies

SUMMARY OF 2018 ACTIVITIES

Consumer Complaints and Inquiries Received	3,753
Written Public Comments Relative to Commission Cases Received	2,342
Testimony and Reports Filed by Staff	109
Affiliates Applications	19
Certificates of Convenience and Necessity Granted, Transferred, or Revised	47
Meters Tests Witnessed	3
Community Meetings and Presentations	3

BUREAU OF FINANCIAL INSTITUTIONS

The Bureau of Financial Institutions is responsible under Title 6.2 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 transmitter licensees, mortgage lenders and brokers, mortgage loan originators, credit counseling agencies, check cashers, motor vehicle title lenders, and payday lenders. 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 applications for various certificates of authority as shown below:

APPLICATIONS RECEIVED AND ACTED UPON
BY THE BUREAU OF FINANCIAL INSTITUTIONS IN 2018

	Received	Acted Upon
New Banks	1	1
Bank Branches	20	21
Bank Branch Office Relocations	7	7
Establish a Branch (out-of-state bank)	8	8
Out-of-State Bank Branch Relocations	2	2
Bank Acquisitions Pursuant to § 6.2-704A	3	2
Bank Acquisitions Pursuant to § 6.2-704C	2	2
Bank Merger	2	2
Notice of Intent to Acquire Bank Outside Virginia	2	2
Credit Union Mergers	1	2
Credit Union Service Facilities	2	2
Out of State Credit Union to Conduct Business in VA	1	1
New Independent Trust Companies	1	0
New Consumer Finance	10	6
Consumer Finance Offices	70	70
Consumer Finance Other Business	12	8
Consumer Finance Office Relocations	8	9
Acquisitions of Consumer Finance Companies	3	3
New Mortgage Lenders and/or Brokers	149	166
Acquisitions of Mortgage Lenders/Brokers	38	33
Mortgage Additional Offices	657	649
Exempt Mortgage Company Registrations	4	2
Mortgage Loan Originator Licensees	4,419	4,734
Transitional Mortgage Loan Originator	31	38
Bona Fide Non-Profit Designations	9	8
New Motor Vehicle Title Lender	0	3
Motor Vehicle Title Lender Additional Offices	2	3
Acquire a Motor Vehicle Title Lender	1	0
Motor Vehicle Title Lender Office Relocations	5	4
Motor Vehicle Title Lender Other Business	3	2
New Money Order Sellers/Money Transmitters	18	12
Acquisitions of Money Order Sellers/Money Transmitters	10	5
Credit Counseling Agency Additional Offices	2	2
Credit Counseling Office Relocations	4	3
New Check Cashers	35	31
Payday Office Relocations	4	0
Payday Lender Other Business	2	1
Payday Lender Additional Offices	0	3
New Payday Lenders	0	2
Acquisitions of Payday Lenders	1	0

At the end of 2018, there were under the supervision of the Bureau 55 banks with 1,081 branches, 47 Virginia bank holding companies, 3 non-Virginia bank holding companies with a subsidiary Virginia bank, 3 subsidiary trust companies, 1 savings institution, 29 credit unions, 2 industrial loan associations, 18 consumer finance companies with 244 Virginia offices, 108 money transmitters, 34 credit counseling agencies, 361 check cashers, 178 mortgage lenders with 577 offices, 375 mortgage brokers with 443 offices, 262 mortgage lender/brokers with 1,993 offices, 19,319 mortgage loan originators, 5 private trust companies, 27 motor vehicle title lenders with 423 offices, and 16 payday lenders with 161 offices.

BUREAU OF INSURANCE REGULATION
ACTIVITIES FOR THE FISCAL YEAR ENDING JUNE 30, 2018

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. Here in the Commonwealth of Virginia, the functions of the Bureau have increased with the complexity and importance of insurance in our daily lives. In keeping with the Commission's mission, Bureau staff strives to balance the interests of insurance consumers with its duty to regulate Virginia's business responsibly.

The Bureau is divided into the following five divisions: The Financial Regulation Division 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 insurers, accident and sickness insurers, health service plans, and health maintenance organizations; the Property and Casualty Market Regulation Division regulates the activities of property and casualty insurers (automobile and homeowners); the Agent Regulation Division licenses and regulates the activities of licensed insurance agents, agencies and public adjusters; and the Policy, Compliance and Administration Division monitors state and federal legislation impacting insurance regulation, prepares reports and studies for the Bureau, collects various special taxes and assessments on insurance companies, and supports the other Bureau divisions in an auxiliary role in performing their respective regulatory functions.

The regulatory functions of the Bureau include: (1) monitoring the activities of insurance agents, agencies and public adjusters to ensure their actions comply with state law; (2) answering questions and assisting consumers with problems concerning insurance companies or agents by investigating consumer complaints; (3) conducting on-site field examinations of insurance company practices in Virginia to ensure compliance with state law and to verify whether claims are paid on a timely basis, underwriting decisions are not unfairly discriminatory, and that marketing materials are not misleading; (4) promoting and protecting the interests of covered persons under managed care health insurance plans (MCHIP) and assisting consumers in understanding and exercising their rights of appeal of adverse decisions made by MCHIPs; and (5) evaluating insurance policies and rates to ensure compliance with state law, that policies are written in understandable language, and that premiums charged are reasonable and not unfairly discriminatory.

SUMMARY OF 2018 ACTIVITIES

New insurance companies licensed to do business in Virginia	26
Insurance company financial statements analyzed	1,181
Financial examinations of insurance companies conducted	23
Property and Casualty insurance rules, rates and form submissions	3,577
Life and Health insurance policy forms and rates submissions	2,598
Property and Casualty insurance complaints received	2,324
Life and Health insurance complaints received	2,150
Market conduct examinations completed by the Life and Health Division	3
Market Regulation Continuum Actions completed by the Life and Health Division	17
Market conduct examinations completed by the Property and Casualty Division	7
Market Regulation Continuum Actions completed by the Property and Casualty Division	32
Insurance agents and agencies licensed	271,539
Assessment audits	4,803
Ombudsman Office inquiries received	494
Individuals assisted by Ombudsman Office in appealing MCHIP denials	124

EXTERNAL APPEAL FISCAL YEAR 2018

Number of External Review (ER) Requests Reviewed	556
Eligible (ER) Requests	171
Ineligible ER Requests	385
Final Adverse Decision Upheld By Reviewer	106
Final Adverse Decision Overturned by Reviewer	53
Final Adverse Decision Modified or Partially Overturned	8
Health Carrier Reversed Itself	2
Terminated or Withdrawn	2

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:

HOW Insurance Company, a Risk Retention Group, Home Owners Warranty Corporation and Home Warranty Corporation (the HOW Companies). Date of receivership: October 7, 1994. The company will not resume the transaction of the business of insurance. For more information/updates you can e-mail www.howcorp.com..

The Commission is the Receiver, and Commissioner of Insurance, Scott A. White, is the Deputy receiver, of HOW. Any inquiries concerning the conduct of the receivership of HOW may be directed to their Special Deputy Receiver, Patrick H. Cantilo, Esquire, Cantilo & Bennett, LLP, Suite 300, 11401 Century Oaks Terrace, Austin, Texas 78758.

Reciprocal of America (ROA) and The Reciprocal Group (TRG). Date of receivership: January 29, 2003. An Order of Liquidation with a Finding of Insolvency and Directing the Cancellation of Direct Insurance Policies was entered on June 20, 2003, and on October 28, 2003, the proposed plan of liquidation was approved by entry of an Order Setting Final Bar Date and Granting the Deputy Receiver Continuing Authority to Liquidate Companies.

The Commission is the Receiver, and the Commissioner of Insurance, Scott A. White, is the Deputy Receiver of ROA and TRG. Any inquiries concerning the conduct of the receivership of ROA and TRG may be directed to Dan Bumpus with the Commission's Office of General Counsel or by e-mail at www.reciprocalgroup.com.

Southern Title Insurance Corporation (STIC). Date of receivership: December 20, 2011. The State Corporation Commission was named receiver for STIC by the Circuit Court of the City of Richmond. An Order of Liquidation with a Finding of Insolvency was entered on July 28, 2014.

The Commission is the Receiver, and the Commissioner of Insurance, Scott A. White, is the Deputy Receiver of STIC. Any inquiries concerning the conduct of the receivership of STIC may be directed to Dan Bumpus with the Commission's Office of General Counsel.

DIVISION OF SECURITIES AND RETAIL FRANCHISING

The Division of Securities and Retail Franchising of the State Corporation Commission is charged with the administration of the following laws:

Virginia Securities Act (known as the "Blue Sky" Law), Virginia Code Sections 13.1-501 through 13.1-527.3.
Virginia Trademark and Service Mark Act, Virginia Code Sections 59.1-92.1 through 59.1-92.21.
Virginia Retail Franchising Act, Virginia Code Sections 13.1-557 through 13.1-574.

Summary of 2018 Activities

UNDER THE VIRGINIA SECURITIES ACT:

16	agent of issuer registrations and renewals denied, withdrawn, or terminated
15	securities registrations approved
10	securities registrations denied, withdrawn, or terminated
3	exemption notice filings for federal-covered securities denied, withdrawn, or terminated
3,040	investment company notice filings originals and renewals accepted
249	investment company notice filings originals and renewals denied, withdrawn, or terminated
85	exemptions from registration approved and accepted
3,343	exemption notice filings for federal-covered securities accepted
141	broker-dealer registrations and renewals approved
133	broker-dealer registrations and renewals denied, withdrawn, or terminated
14	broker-dealer audits completed
238,388	broker-dealer agent registrations and renewals approved
34,835	broker-dealer agent registrations and renewals denied, withdrawn, or terminated
13	investment advisor eras approved
195	investment advisor other amendments approved
62	investment advisor other amendments denied, withdrawn, or terminated
989	investment advisor registrations, renewals, and amendments approved
286	investment advisor registrations, renewals, and amendments denied, withdrawn, or terminated
53	investment advisor audits completed
565	audit violation deficiencies resolved
17,156	investment advisor representative registrations and renewals approved
2,863	investment advisor representative registrations and renewals denied, withdrawn, or terminated
46	agent of issuer registrations and renewals approved
96	investigations completed

UNDER THE VIRGINIA TRADEMARK AND SERVICE MARK ACT:

655	trademarks and/or service marks approved, renewed, or assigned
394	trademarks and/or service marks denied, abandoned, expired, or withdrawn

UNDER THE VIRGINIA RETAIL FRANCHISING ACT:

1,967	franchise registrations, renewals, or post-effective amendments approved
400	franchise registrations, renewals, or post-effective amendments denied, withdrawn, non-renewed, or terminated
24	investigations completed

ORDERS, JUDGMENTS AND SETTLEMENTS:

11	orders granting exemptions and/or official interpretations
0	orders filing and/or canceling surety bonds
49	orders for subpoena of records by banks, corporations, and individuals
2	orders of show cause
12	judgments of compromise and settlement
15	final orders and/or judgments
1	temporary injunctions
10	special supervision

TELEPHONE CALLS, E-MAILS AND COMPLAINTS:

5	investigation general inquiry calls/e-mails
730	calls/e-mails regarding pending investigations
216	enforcement general inquiry calls/e-mails
1,447	calls/e-mails regarding pending enforcements
612	calls/e-mails regarding pending registrations
17,603	registration general inquiry calls/e-mails
601	calls/e-mails regarding pending audits
12	audit general inquiry calls/e-mails
7,027	examination general inquiry calls/e-mails
186	calls/e-mails regarding pending examinations
131	complaints resulting in investigations
17	complaints referred
18	complaints with no authority to investigate
3	complaints with no violation of Securities or Retail Franchising Acts

UNIFORM COMMERCIAL CODE

The Clerk's Office is the central filing office in the Commonwealth for financing statements, amendments, assignments and terminations filed under the Uniform Commercial Code – Secured Transactions. The Clerk's Office is the filing office in the Commonwealth for notices and certificates applicable to the personal property of corporations and partnerships filed under the Uniform Federal Lien Registration Act.

SUMMARY OF CALENDAR YEAR ACTIVITIES

	12/31/17	12/31/18
Financing/Subsequent Statements Filed	81,730	84,106
Federal Tax Liens/Subsequent Liens Filed	4,339	3,698
Reels of Microfilmed Documents Sold	464	359

DIVISION OF UTILITY AND RAILROAD SAFETY

The Division of Utility and Railroad Safety ("Division") assists the Commission in administering three safety programs: Gas and Hazardous Liquid Pipeline Safety, Railroad Safety and Underground Utility Damage Prevention.

The Pipeline Safety Section of the Division helps ensure the safe operation of gas and hazardous liquid pipeline facilities, through various types of inspections. These inspections include; comprehensive reviews of required programs and plans, the inspection of pipeline facilities, review of operator records, and the performance of risked-based field inspections of pipeline activities including construction and repairs. The Division also responds to and investigates reported pipeline Incidents[1] and Accidents[2] as reported to the Division's 24-hour, 365 day staffed on-call emergency number. The Division also investigates certain other pipeline emergencies that may be of significant impact to the Commonwealth but have not yet risen to reporting criteria at the time of discovery.

In 2018, the Division's pipeline safety activities encompassed the inspection of intrastate gas distribution and transmission pipelines, intrastate hazardous liquid pipelines, and certain interstate gas and liquid pipelines.

The distribution systems are comprised of seven private natural distributions gas companies and three municipal owned distributions systems who collectively operate a total of 21,598 miles of main piping and 19,136 miles of service pipeline. These 40,735 miles of distribution pipeline provide service to 1,281,327 Virginia customers.

[1] Incident as defined by §191.3.
[2] Accident as defined by §195.50.

Pipeline safety activities also include inspections of intrastate transmission lines. These pipelines are operated by the seven private distribution companies, one intrastate gas transmission line operator, and three landfill transmission line operators. These transmission pipeline companies operate over 500 miles of intrastate transmission pipelines in the Commonwealth. Additionally, there are five gathering line companies who operate 34 miles of gathering line piping, 39 master-metered distribution systems, and 10 propane companies who operate jurisdictional distribution systems (two of which also operate private natural gas distribution systems).

The Division acts as an interstate agent for the US Department of Transportation, Pipeline and Hazardous Materials Safety Administration ("PHMSA") and inspects three interstate hazardous liquid pipeline companies along with the inspection of Virginia's two intrastate hazardous liquid companies. These five hazardous liquid pipeline companies operate 1,145 miles of hazardous liquid pipelines in Virginia.

Since 2017, the Division has entered into a temporary agreement with PHMSA to inspect construction of the Mountain Valley Pipeline and Atlantic Coast Pipeline interstate gas transmission pipelines in response to §56-555.2 of the Code of Virginia.

Summary of Calendar Year 2018 Activities

Gas Safety Inspection days conducted	1,234
Interstate gas safety inspection days conducted	112
Hazardous liquid safety inspection days conducted	83
Number of probable violations cited	80
Number of probable violations submitted to PHMSA	24
Number of compliance actions taken	46
Pipeline incidents[3] or accidents[4] investigated	5
Number of citizen complaints investigated	5

The Rail Safety Section of the Division in coordination with the Federal Railroad Administration, helps ensure the safe operation of jurisdictional railroads by conducting inspections of tracks, signals, highway rail grade crossings, railroad operations, shipment of hazardous materials by rail, motive power and equipment and investigations of certain accidents and citizen complaints. The Division's inspections involve more than 3,000 miles of track, over 4,000 highway and private grade crossings, thousands of rolling stock, which also include tank cars, and intermodal containers and 69 yard facilities.

Summary of 2018 Activities

Number of Hazmat Units[5] Inspected	2,719
Number of Track Units[6] Inspected	12,307
Number of Locomotive and Car Units[7] Inspected	62,347
Number of Operating Practice Units[8] Inspected	1,541
Number of Signal/Grade Crossing[9] Units Inspected	532
Number of Defects Noted	7,246
Number of Violations Cited	52
Number of Accidents/NRC Incidents Investigated	28
Number of Complaints Investigated	10

The Damage Prevention Section of the Division investigates all reports of "probable violations" of the Underground Utility Damage Prevention Act ("Act") and on a monthly basis presents its findings and recommendations to an Advisory Committee appointed by the Commission in accordance with the Act. This Committee then makes enforcement recommendations to the Commission. The Division provides free training relative to the Act and safe digging practices to excavators, utilities and others, disseminates damage prevention educational material and promotes partnership among the stakeholders to further underground utility damage prevention in Virginia.

Summary of 2018 Activities

Underground Utility Damage Reports Investigated	1,113
Number of Individuals Having Received Damage Prevention Training	884
Number of Damage Prevention Educational Material Disseminated	155,982
Number of Damage Prevention Field Audits Conducted	450

[3] Incident as defined by §191.3.
[4] Accident as defined by §195.50.
[5] Each hazmat record review along with each visual inspection of a tank car, bulk/non-bulk package and/or freight container is considered a hazmat unit.
[6] Each mile of track, record, crossing at grade, among other things, is considered a track unit.
[7] Each locomotive, car, motive power equipment record, among other things, is considered a unit.
[8] Each location where operations are or may occur such as switchyards, field offices, yard offices, trains, yard crew locations and dispatching are considered an operating practice unit.
[9] Each signal/switch/grade crossing record review along with each visual inspection of a signal/grade crossing component is considered a signal/grade crossing unit.

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INDEX OF LEADING MATTERS DISPOSED OF BY FORMAL ORDERS

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LIST OF CASES ESTABLISHED IN 2018

BAN/BFI	BUREAU OF FINANCIAL INSTITUTIONS
BAN20180001	DFS GSD Corp. d/b/a Discover Payment Solutions - For a money order license
BAN20180002	Lindo Amanecer, Latino Market, Inc. - To open a check casher at 3020 Broad Rock Blvd., Richmond, VA
BAN20180003	Cash-2-U Financial Services of Virginia, LLC d/b/a Cash-2-U Title Loans - To relocate a motor vehicle title lending office from 4118 West Broad Street, Richmond, VA to 4721 West Broad Street, Richmond, VA
BAN20180004	Internet Escrow Services, Inc. - For a money order license
BAN20180005	NRM Acquisition LLC - To acquire 25 percent or more of New Penn Financial, LLC
BAN20180006	NRM Acquisition LLC - To acquire 25 percent or more of Shelter Mortgage Company, L.L.C.
BAN20180007	Tien Shin Chang - To acquire 25 percent or more of The Rate Factory, LLC
BAN20180008	OneMain Financial Services, Inc. - To open a consumer finance office at 1962 Rio Hill Center, Rio Hill Shopping Center, Albemarle County, VA
BAN20180009	OneMain Financial Services, Inc. - To open a consumer finance office at 1539 South Main Street, Suite 1539, Blackstone, VA
BAN20180010	OneMain Financial Services, Inc. - To open a consumer finance office at 851 East 2nd Street, Maxway Plaza, Chase City, Mecklenburg County, VA
BAN20180011	OneMain Financial Services, Inc. - To open a consumer finance office at 4300 Portsmouth Boulevard, Suite 178, City of Chesapeake, VA
BAN20180012	OneMain Financial Services, Inc. - To open a consumer finance office at 798 Southpark Boulevard, Suite 30, City of Colonial Heights, VA
BAN20180013	OneMain Financial Services, Inc. - To open a consumer finance office at 327 Southgate Shopping Center, Culpeper, Culpeper County, VA
BAN20180014	OneMain Financial Services, Inc. - To open a consumer finance office at 290 Shen Elk Plaza, Shen-Elk Shopping Center, Elkton, Rockingham County, VA
BAN20180015	OneMain Financial Services, Inc. - To open a consumer finance office at 301 Market Drive, Suite J, Emporia Commons Shopping Center, City of Emporia, VA
BAN20180016	OneMain Financial Services, Inc. - To open a consumer finance office at 1260 South Craig Avenue, City of Covington, VA
BAN20180017	OneMain Financial Services, Inc. - To open a consumer finance office at 7345 Lee Highway, Shoppes at Fairlawn, Fairlawn, Pulaski County, VA
BAN20180018	OneMain Financial Services, Inc. - To open a consumer finance office at 3940 Plank Road, Suite H, Spotsylvania County, VA
BAN20180019	OneMain Financial Services, Inc. - To open a consumer finance office at 6549 Market Drive, Gloucester, Gloucester County, VA
BAN20180020	OneMain Financial Services, Inc. - To open a consumer finance office at 3005 West Mercury Boulevard, City of Hampton, VA
BAN20180021	OneMain Financial Services, Inc. - To open a consumer finance office at 1719 S. High Street, Rockingham Square, City of Harrisonburg, VA
BAN20180022	OneMain Financial Services, Inc. - To open a consumer finance office at 1072 Regional Park Road, Lebanon, Russell County, VA
BAN20180023	OneMain Financial Services, Inc. - To open a consumer finance office at 96 East Midland Trail, Suite 200, Stonewall Square Shopping Center, Rockbridge County, VA
BAN20180024	OneMain Financial Services, Inc. - To open a consumer finance office at 501 East Main Street, Suite 112, Louisa Marketplace, Louisa County, VA
BAN20180025	OneMain Financial Services, Inc. - To open a consumer finance office at 2144 Wards Road, Lynchburg Hills Plaza, City of Lynchburg, VA
BAN20180026	OneMain Financial Services, Inc. - To open a consumer finance office at 8695 Sudbury Road, Canterbury Village, City of Manassas, VA
BAN20180027	OneMain Financial Services, Inc. - To open a consumer finance office at 7344 Bell Creek Road, Hanover Square, Mechanicsville, Hanover County, VA
BAN20180028	OneMain Financial Services, Inc. - To open a consumer finance office at 9947 Hull Street Road, Oxbridge Square, Chesterfield County, VA
BAN20180029	OneMain Financial Services, Inc. - To open a consumer finance office at 732 Commonwealth Drive, Norton Commons, City of Norton, VA
BAN20180030	OneMain Financial Services, Inc. - To open a consumer finance office at 25258 Lankford Highway, Onley, Accomack County, VA
BAN20180031	OneMain Financial Services, Inc. - To open a consumer finance office at 567 N. Madison Road, Orange County, VA
BAN20180032	OneMain Financial Services, Inc. - To open a consumer finance office at 1369 Towne Square Boulevard NW, City of Roanoke, VA
BAN20180033	OneMain Financial Services, Inc. - To open a consumer finance office at 400 Old Franklin Turnpike, Suite 102, Rocky Mount, Franklin County, VA
BAN20180034	OneMain Financial Services, Inc. - To open a consumer finance office at 2129 General Booth Boulevard, Suite 110, City of Virginia Beach, VA
BAN20180035	OneMain Financial Services, Inc. - To open a consumer finance office at 821 Town Center Drive, Suite A, Waynesboro Town Center, City of Waynesboro, VA
BAN20180036	OneMain Financial Services, Inc. - To open a consumer finance office at 5050 Richmond Road, Suite A, Warsaw, Richmond County, VA
BAN20180037	OneMain Financial Services, Inc. - To open a consumer finance office at 2007 South Loudoun Street, Commonwealth Plaza, City of Winchester, VA
BAN20180038	OneMain Financial Services, Inc. - To open a consumer finance office at 1066 Hisey Avenue, Suite 103, Woodstock, Shenandoah County, VA

BAN20180039	OneMain Financial Services, Inc. - To open a consumer finance office at 330 Commonwealth Drive, Suite 6, Wytheville Commons, Wytheville, Wythe County, VA
BAN20180040	OneMain Financial Services, Inc. - To open a consumer finance office at 1269 North Military Highway, Suite 1, Broadcreek Shopping Center, City of Norfolk, VA
BAN20180041	OneMain Financial Services, Inc. - To open a consumer finance office at 9699 West Broad Street, Suite B, Glen Allen, Henrico County, VA
BAN20180042	International Money Express, Inc. - To acquire 25 percent or more of Intermex Wire Transfer, LLC
BAN20180043	OneMain Financial of America, Inc. - To relocate a consumer finance office from 9699 W. Broad Street, Suite B, Glen Allen, VA to 11422 W. Broad Street, Glen Allen, VA
BAN20180044	Costa Del Sol Latino Market, LLC - To open a check casher at 2750 Hungary Spring Road, Henrico, VA
BAN20180045	GreenPath, Inc. d/b/a GreenPath Financial Wellness - To relocate a credit counseling office from 1920 Old Tustin Avenue, Santa Ana, CA to 1561 E. Orangethorpe Avenue, Suite 100, Fullerton, CA
BAN20180046	Dollar Party & More, Inc. - To open a check casher at 7305 Arlington Blvd., Falls Church, VA
BAN20180047	OneMain Financial Group, LLC - To relocate a consumer finance office from Halifax Square Shopping Center, South Boston, VA to 3601 Old Halifax Road, Suite 1000, South Boston, VA
BAN20180048	MVB Bank, Inc. - To open a branch at 1313 Dolley Madison Blvd, McLean, VA
BAN20180049	University of Virginia Community Credit Union, Inc. - To open a credit union service office at 633 Meadowbrook Shopping Center, Culpeper, VA
BAN20180050	Red Barn Convenience Stores, Inc. d/b/a Red Barn Food Store - To open a check casher at 106 Pinner Street, Suffolk, VA
BAN20180051	Namaste Market LLC - To open a check casher at 2929 Gallows Road, #130, Falls Church, VA
BAN20180052	Jennifer Grocery, Inc. - To open a check casher at 1312 Patterson Avenue, Roanoke, VA
BAN20180053	Benchmark Community Bank - To open a branch at 316 W. Atlantic Street, City of Emporia, VA
BAN20180054	Highlands Community Bank - To open a branch at 9008 Sam Snead Hwy, Hot Springs, Bath County, VA
BAN20180055	Bank of Charles Town - To open a branch at 1201 Wolf Rock Drive, Suite 125, Purcellville, VA
BAN20180056	Union Bank & Trust - To relocate an office from Three James Center, City of Richmond, VA to One James Center, 901 East Cary Street, Suite 1700, City of Richmond, VA
BAN20180057	Government Payment Services, Inc. - For a money order license
BAN20180058	First Sentinel Bank - To open a branch at 427 Main Street, Bland, Bland County, VA
BAN20180059	JPMorgan Chase Bank, National Association - To open a branch at 2825 Wilson Boulevard, Arlington County, VA
BAN20180060	El Mercadito, Inc. d/b/a El Mercadito Hispano - To open a check casher at 495-B Elden Street, Herndon, VA
BAN20180061	SunTrust Bank - To relocate an office from 1518 Hull Street Road, City of Richmond, VA to 1200 Semmes Avenue, City of Richmond, VA
BAN20180062	The Capital Corps, LLC - To acquire 25 percent or more of Commerce Home Mortgage, Inc.
BAN20180063	Steven Surgarman - To acquire 25 percent or more of Commerce Home Mortgage, Inc.
BAN20180064	Jeffrey Seabold - To acquire 25 percent or more of Commerce Home Mortgage, Inc.
BAN20180065	Simar Holdings Corp. - To acquire 25 percent or more of Commerce Home Mortgage, Inc.
BAN20180066	Michael A. Casasnovas - To acquire 25 percent or more of Liberty Mortgage Corporation
BAN20180067	Red Sea Finance, Inc. - For a money order license
BAN20180068	John Marshall Bank - To open a branch at 8229 Boone Boulevard, Suite 102, Vienna, Fairfax County, VA
BAN20180069	Crystal Jewelry Clinton, Inc. - To open a check casher at 8228 Richmond Highway, Suite B, Alexandria, VA
BAN20180070	BMG LoansAtWork, LLC - To open a consumer finance office at 2920 West Broad Street, Suite 9, City of Richmond, VA
BAN20180071	OMH Holdings, L.P. - To acquire 25 percent or more of OneMain Financial Group, LLC
BAN20180072	OMH Holdings, L.P. - To acquire 25 percent or more of OneMain Financial Services, Inc.
BAN20180073	OMH Holdings, L.P. - To acquire 25 percent or more of OneMain Financial of America, Inc.
BAN20180074	OMH Holdings, L.P. - To acquire 25 percent or more of OneMain Mortgage Services, Inc.
BAN20180075	LL Capital Partners I, LP - To acquire 25 percent or more of Tammac Holdings Corporation
BAN20180076	Select Bank - To open a branch at 4925 Boonsboro Road, City of Lynchburg, VA
BAN20180077	Towne Bank - To open a branch at 101 West Main Street, Suite 1000, World Trade Center, City of Norfolk, VA
BAN20180078	OneMain Financial Services, Inc. - To conduct consumer finance business where home security plans will also be sold
BAN20180079	OneMain Financial Services, Inc. - To conduct consumer finance business where non-credit life insurance will also be sold
BAN20180080	OneMain Financial Services, Inc. - To conduct consumer finance business where damage collateral protection insurance will also be sold
BAN20180081	Metro City Bank - To open a branch at 7023 Little River Turnpike, Annandale, VA
BAN20180082	Adventurous Entertainment, LLC - For a money order license
BAN20180083	Omni Financial of Nevada, Inc. - To open a consumer finance office at 131 W. Little Creek Road, City of Norfolk, VA
BAN20180084	Omni Financial of Nevada, Inc. - To open a consumer finance office at 15525 Warwick Boulevard, Unit 114, City of Newport News, VA
BAN20180085	Omni Financial of Nevada, Inc. - To open a consumer finance office at 4229 Crossings Boulevard, Prince George County, VA
BAN20180086	Fast Prestamos, Inc. - To open a check casher at 5919 Knightwood Pl., Chesterfield, VA
BAN20180087	Zoom Title Loans LLC - for authority for an other business operator to conduct an open-end credit business from the licensee's motor vehicle title lending offices
BAN20180088	Zoom Title Loans LLC - To establish an additional motor vehicle title lending office at 1131 Rio Road East, Unit A, Charlottesville, VA
BAN20180089	Farmers & Merchants Bank - To open a branch at 2782 Stuarts Draft Highway, Stuarts Draft, Augusta County, VA
BAN20180090	Kristy C. Rodriguez d/b/a Tienda Mexicana Los Nayarita's - To open a check casher at 3938 South Boston Road, Ringgold, VA
BAN20180091	K. S. Moon Co. - To open a check casher at 624 S. Hick Street, Lawrenceville, VA
BAN20180092	Faris and Joe LLC d/b/a Nick's Deli & Country Store - To open a check casher at 11127 Marsh Road, Bealeton, VA
BAN20180093	Guaranteed Payday Loans L.L.C. - for authority for an other business operator to conduct business as an authorized delegate or agent of a money order seller or money transmitter from the licensee's payday lending offices

BAN20180094	Habitat for Humanity Peninsula and Greater Williamsburg - To be designated as a bona fide nonprofit organization
BAN20180095	Caul's Grocery d/b/a Caul's Grocery - To open a check casher at 4530 Monacan Trail Road, North Garden, VA
BAN20180096	WMIH Corp. - To acquire 25 percent or more of Nationstar Mortgage LLC
BAN20180097	BHN Intermediate Holdings, Inc. - To acquire 25 percent or more of Blackhawk Network California, Inc.
BAN20180098	Martinsville Du Pont Employees Credit Union, Incorporated d/b/a ValleyStar Credit Union - To merge into it Waynesboro Employees Credit Union, Inc. Waynesboro, VA
BAN20180099	Pioneer Bank - To open a branch at 630 Peter Jefferson Parkway, Suite 190, Albemarle County, VA
BAN20180100	OneMain Financial Services, Inc. - To conduct consumer finance business where auto club memberships will also be sold
BAN20180101	Amherst County Habitat for Humanity, Inc. - To be designated as a bona fide nonprofit organization
BAN20180102	Parkway Acquisition Corp. - To acquire Great State Bank
BAN20180103	Better Housing Coalition - To be designated as a bona fide nonprofit organization
BAN20180104	Mukesh and Anita Bajaj - To acquire 25 percent or more of Mason McDuffie Mortgage Corporation
BAN20180105	Benchmark Community Bank - To relocate an office from 1775 Graham Avenue, Suite 204, Henderson, NC to 1775 Graham Avenue, Suite 105, Henderson, NC
BAN20180106	NMJ LLC - To open a check casher at 5045 Jefferson Davis Highway, Fredericksburg, VA
BAN20180107	Safe S.T.E.M. Institute LLC - To open a check casher at 22054 Shawn Road, Suite B, Sterling, VA
BAN20180108	Payne's Auto Loans, LLC - for authority for an other business operator to sell pre-paid credit cards from the licensee's motor vehicle title lending offices
BAN20190109	PCC Check Cashing, LLC - for authority for an other business operator to sell pre-paid credit cards from the licensee's payday lending offices
BAN20180110	Samir Dedhia - To acquire 25 percent or more of SD Capital Funding Corp.
BAN20180111	Ocwen Financial Corporation - To acquire 25 percent or more of PHH Mortgage Corporation
BAN20180112	Virginia Commonwealth Bank - To open a branch at 300 32nd Street, City of Virginia Beach, VA
BAN20180113	Trident Finxera Holdings LP - To acquire 25 percent or more of Finxera, Inc.
BAN20180114	ECP Helios Partners IV, L.P. - To acquire 25 percent or more of Residential Mortgage Services, Inc.
BAN20180115	Archerfield Funding, LLC - To open a consumer finance office
BAN20180116	Christian Duncan - To acquire 25 percent or more of Frontline Financial, LLC
BAN20180117	TEBO Financial Services, Inc. - To open a consumer finance office
BAN20180118	Fast Auto Loans, Inc. - for authority for an other business operator to conduct an open-end credit business from the licensee's motor vehicle title lending offices
BAN20180119	George Matthew Garten - To acquire 25 percent or more of Industrial Loan Company
BAN20180120	KMD Partners, LLC - To open a consumer finance office
BAN20180121	First US Bancshares, Inc. - To acquire The Peoples Bank, Rose Hill, VA
BAN20180122	OneMain Financial Services, Inc. - To relocate a consumer finance office from 9699 West Broad Street, Suite B, Glen Allen, Henrico County, VA to 11422 West Broad Street, Glen Allen, Henrico County, VA
BAN20180123	OneMain Financial Group, LLC - To relocate a consumer finance office from 2013 Walmart Way, Suite 2033 & Suite 2037, Midlothian, Chesterfield County, VA to 2033 Walmart Way, Midlothian, Chesterfield County, VA
BAN20180124	Consumer Education Services, Inc. d/b/a Cesi Debt Solutions - To open an additional credit counseling office at 6030 Chester Street, Wilmington, NC
BAN20180125	Consumer Education Services, Inc. d/b/a Cesi Debt Solutions - To open an additional credit counseling office at 7113 Spanglers Spring Way, Raleigh, NC
BAN20180126	TEBO Financial Services, Inc. - To conduct consumer finance business where extended warranty protection plans will also be sold
BAN20180127	TEBO Financial Services, Inc. - To conduct consumer finance business where insurance GAP Waivers will also be sold
BAN20180128	TEBO Financial Services, Inc. - To conduct consumer finance business where auto club memberships will also be sold
BAN20180129	TEBO Financial Services, Inc. - To conduct consumer finance business where sales finance business will also be conducted
BAN20180130	Hanover Habitat for Humanity, Inc. - To be designated as a bona fide nonprofit organization
BAN20180131	Richmond Metropolitan Habitat for Humanity, Inc. - To be designated as a bona fide nonprofit organization
BAN20180132	Zero Hash LLC - For a money order license
BAN20180133	Pearl Business Trust - To acquire 25 percent or more of SIRVA Mortgage, Inc.
BAN20180134	JPMorgan Chase Bank, National Association - To open a branch at SWC Chain Bridge Rd. and Dolley Madison Blvd., McLean, VA
BAN20180135	JPMorgan Chase Bank, National Association - To open a branch at NWC North Washington Street and King Street, Alexandria, VA
BAN20180136	JPMorgan Chase Bank, National Association - To open a branch at NWC Wilson Blvd. and North Randolph Street, Arlington, VA
BAN20180137	Celebrity Financial, Inc. - To acquire 25 percent or more of Midwest Equity Mortgage, LLC
BAN20180138	Aarav LLC d/b/a Safe Ship - To open a check casher at 10037 Three Notch Road, Troy, VA
BAN20180139	SW Bidco Limited - To acquire 25 percent or more of Choice Money Transfer, Inc.
BAN20180140	NC Financial Solutions of Virginia, LLC - To open a consumer finance office at 625 Piney Forest Road, Suite 306-B, City of Danville, VA
BAN20180141	New Skrill USA Holdco LLC - To acquire 25 percent or more of Skrill USA, Inc.
BAN20180142	Essex Bank - To open a branch at Stonehenge Village, 12640 Stone Village Way, Midlothian, VA
BAN20180143	Billie Edward Phillips, Jr. - To acquire 25 percent or more of Associated Mortgage Bankers, Inc.
BAN20180144	Bank of Botetourt - To relocate an office from 3214 Electric Road, Suite 107, Roanoke County, VA to 3232 Electric Road, Roanoke County, VA
BAN20180145	Tidewater Loans LLC d/b/a American Title Loans - To relocate a motor vehicle title lending office from 4830 Virginia Beach Boulevard, Virginia Beach, VA to 3519 High Street # B, Portsmouth, VA
BAN20180146	Regional Finance Company of Virginia, LLC - To conduct consumer finance business where auto club memberships will also be sold
BAN20180147	FVCBankcorp, Inc. - To acquire Colombo Bank

BAN20180148	FVCbank - To merge into it Colombo Bank
BAN20180149	Regional Finance Company of Virginia, LLC d/b/a Regional Finance - To open a consumer finance office at 1434 Sams Drive, Suite 105, City of Chesapeake, VA
BAN20180150	Money Management International, Inc. - To relocate a credit counseling office from 13430 North Black Canyon Highway, Phoenix, AZ to 2401 W. Peoria Avenue, Suite 100, Phoenix, AZ
BAN20180151	Regional Finance Company of Virginia, LLC d/b/a Regional Finance - To conduct consumer finance business where sales finance business will also be conducted
BAN20180152	Regional Finance Company of Virginia, LLC d/b/a Regional Finance - To conduct consumer finance business where non-filing insurance business will also be conducted
BAN20180153	Habitat for Humanity of South Hampton Roads, Inc. - To be designated as a bona fide nonprofit organization
BAN20180154	InstaMed Communications, LLC - For a money order license
BAN20180155	Latinos Enterprises, Inc. d/b/a JM Latinos Services - To open a check casher at 3901-B Mount Vernon Avenue, Alexandria, VA
BAN20180156	Omni Financial of Nevada, Inc. - To relocate a consumer finance office from 15525 Warwick Boulevard, Unit 114, City of Newport News, VA to 15525 Warwick Boulevard, Unit 109, City of Newport News, VA
BAN20180157	Stearns Ventures, LLC - To acquire 25 percent or more of Certainty Home Loans, LLC
BAN20180158	Fajjar Inc - To open a check casher at 13931 Hull Street Road, Midlothian, VA
BAN20180159	First Community Bankshares, Inc. - To acquire First Community Bank, Bluefield, VA
BAN20180160	Matthew J. Piester - To acquire 25 percent or more of Mortgage Advisory Group, Inc.
BAN20180161	Series C of Panorama Growth Partners (Flex) LP - To acquire 25 percent or more of Alterra Group, LLC
BAN20180162	Fulton Bank, National Association - To open a branch at 95 Community Street, Albemarle County, VA
BAN20180163	Robinhood Crypto, LLC - For a money order license
BAN20180164	Advance America, Cash Advance Centers of Virginia, Inc. d/b/a Advance America, Cash Advance Centers - To relocate a motor vehicle title lending office from 7289 Commerce Street, Springfield, VA to 7700 Backlick Road, Suite A, Springfield, VA
BAN20180165	Advance America, Cash Advance Centers of Virginia, Inc. d/b/a Advance America, Cash Advance Centers - To relocate a payday lending office from 7289 Commerce Street, Springfield, VA to 7700 Backlick Road, Suite A, Springfield, VA
BAN20180166	Greater Fredericksburg Habitat for Humanity, Inc. - To be designated as a bona fide nonprofit organization
BAN20180167	Towne Bank - To open a branch at 2839 Charles Blvd., Greenville, NC
BAN20180168	Consumer Credit Counseling Foundation, Inc. - To relocate a credit counseling office from 2301 Armstrong Street, Suite 207, Livermore, CA to 5758 W. Las Positas Blvd., Suite C, Pleasanton, CA
BAN20180169	OneMain Financial Services, Inc. - To relocate a consumer finance office from 3940 Plank Road, Suite H, Spotsylvania County, VA to 9815 Jefferson Davis Hwy., Spotsylvania County, VA
BAN20180170	Hangzhou Alibaba Network Technology Co., Ltd. - To acquire 25 percent or more of Alipay US, Inc.
BAN20180171	SAS Concepts Inc. - To open a check casher at 8021 Leesburg Pike, Vienna, VA
BAN20180172	Sofi Digital Assets, LLC - For a money order license
BAN20180173	Benchmark Community Bank - To open a branch at 110 South College Street, Youngsville, NC
BAN20180174	Virginia Commonwealth Bank - To open a branch at 1801 Bayberry Court, Suite 101, Henrico County, VA
BAN20180175	Mountain States Credit Union - Out of state credit union to open an in state office
BAN20180176	Holston Habitat for Humanity, Inc. - To be designated as a bona fide nonprofit organization
BAN20180177	TEBO Financial Services, Inc. - To conduct consumer finance business where credit life and disability insurance will also be sold
BAN20180178	OneMain Financial Group, LLC - To open a consumer finance office at 1962 Rio Hill Shopping Center, Albemarle County, VA
BAN20180179	OneMain Financial Group, LLC - To open a consumer finance office at 1539 South Main Street, Suite 1539, Blackstone, Nottoway County, VA
BAN20180180	OneMain Financial Group, LLC - To open a consumer finance office at 851 East 2nd Street, Maxway Plaza, Chase City, Mecklenburg County, VA
BAN20180181	OneMain Financial Group, LLC - To open a consumer finance office at 4300 Portsmouth Boulevard, Suite 178, City of Chesapeake, VA
BAN20180182	OneMain Financial Group, LLC - To open a consumer finance office at 798 Southpark Boulevard, Suite 30, City of Colonial Heights, VA
BAN20180183	OneMain Financial Group, LLC - To open a consumer finance office at 1260 South Craig Avenue, City of Covington, VA
BAN20180184	OneMain Financial Group, LLC - To open a consumer finance office at 327 Southgate Shopping Center, Culpeper, Culpeper County, VA
BAN20180185	OneMain Financial Group, LLC - To open a consumer finance office at 290 Shen Elk Plaza, Shen Elk Shopping Center, Elkton, Rockingham County, VA
BAN20180186	OneMain Financial Group, LLC - To open a consumer finance office at 301 Market Drive, Suite J, Emporia Commons Shopping Center, City of Emporia, VA
BAN20180187	OneMain Financial Group, LLC - To open a consumer finance office at 7345 Lee Highway, Shoppes at Fairlawn, Fairlawn, Pulaski County, VA
BAN20180188	OneMain Financial Group, LLC - To open a consumer finance office at 3940 Plank Road, Suite H, Spotsylvania County, VA
BAN20180189	OneMain Financial Group, LLC - To open a consumer finance office at 11422 W. Broad Street, Glen Allen, Henrico County, VA
BAN20180190	OneMain Financial Group, LLC - To open a consumer finance office at 6549 Market Drive, Gloucester, Gloucester County, VA
BAN20180191	OneMain Financial Group, LLC - To open a consumer finance office at 3005 West Mercury Boulevard, City of Hampton, VA
BAN20180192	OneMain Financial Group, LLC - To open a consumer finance office at 1719 S. High Street, Rockingham Square, City of Harrisonburg, VA
BAN20180193	OneMain Financial Group, LLC - To open a consumer finance office at 1072 Regional Park Road, Lebanon, Russell County, VA

BAN20180194	OneMain Financial Group, LLC - To open a consumer finance office at 96 East Midland Trail, Suite 200, Stonewall Square Shopping Center, Rockbridge County, VA
BAN20180195	OneMain Financial Group, LLC - To open a consumer finance office at 501 East Main Street, Suite 112, Louisa Marketplace, Louisa County, VA
BAN20180196	OneMain Financial Group, LLC - To open a consumer finance office at 2144 Wards Road, Lynchburg Hills Plaza, City of Lynchburg, VA
BAN20180197	OneMain Financial Group, LLC - To open a consumer finance office at 8695 Sudley Road, Canterbury Village, City of Manassas, VA
BAN20180198	OneMain Financial Group, LLC - To open a consumer finance office at 7344 Bell Creek Road, Hanover Square, Mechanicsville, Hanover County, VA
BAN20180199	OneMain Financial Group, LLC - To open a consumer finance office at 1269 North Military Highway, Suite 1, Broadcreek Shopping Center, City of Norfolk, VA
BAN20180200	OneMain Financial Group, LLC - To open a consumer finance office at 9947 Hull Street Road, Oxbridge Square, Chesterfield County, VA
BAN20180201	OneMain Financial Group, LLC - To open a consumer finance office at 732 Commonwealth Drive, Norton Commons, City of Norton, VA
BAN20180202	OneMain Financial Group, LLC - To open a consumer finance office at 25258 Lankford Highway, Onley, Accomack County, VA
BAN20180203	OneMain Financial Group, LLC - To open a consumer finance office at 567 N. Madison Road, Orange County, VA
BAN20180204	OneMain Financial Group, LLC - To open a consumer finance office at 1369 Towne Square Boulevard NW, City of Roanoke, VA
BAN20180205	OneMain Financial Group, LLC - To open a consumer finance office at 400 Old Franklin Turnpike, Suite 102, Rocky Mount, Franklin County, VA
BAN20180206	OneMain Financial Group, LLC - To open a consumer finance office at 2129 General Booth Boulevard, Suite 110, City of Virginia Beach, VA
BAN20180207	OneMain Financial Group, LLC - To open a consumer finance office at 5050 Richmond Road, Suite A, Warsaw, Richmond County, VA
BAN20180208	OneMain Financial Group, LLC - To open a consumer finance office at 821 Town Center Drive, Suite A, Waynesboro Town Center, City of Waynesboro, VA
BAN20180209	OneMain Financial Group, LLC - To open a consumer finance office at 1066 Hisey Avenue, Suite 103, Woodstock, Shenandoah County, VA
BAN20180210	OneMain Financial Group, LLC - To open a consumer finance office at 330 Commonwealth Drive, Suite 6, Wytheville Commons, Wytheville, Wythe County, VA
BAN20180211	OneMain Financial Group, LLC - To open a consumer finance office at 2007 South Loudoun Street, Commonwealth Plaza, City of Winchester, VA
BAN20180212	LBC Express Holdings Inc - To acquire 25 percent or more of LBC Mundial Corporation
BAN20180213	Stephen Brown - To acquire 25 percent or more of Summit Mortgage Corporation
BAN20180214	Campostella Inc. - To open a check casher at 415 Campostella Road, Norfolk, VA
BAN20180215	Citizens and Farmers Bank - To open a branch at 3920 Lenox Avenue, Albemarle County, VA
BAN20180216	A.M. I. Inc. d/b/a Solo Mart #1 - To open a check casher at 4710 Marshall Avenue, Newport News, VA
BAN20180217	Meritize Lending, LLC - To open a consumer finance office at 1655 North Fort Myer Drive, Suite 700, Arlington County, VA
BAN20180218	Coinzoom, Inc. - For a money order license
BAN20180219	SoFi Lending Corp. - To open a consumer finance office at 10701 Parkridge Boulevard, Suite 120, Reston, Fairfax County, VA
BAN20180220	Advance America, Cash Advance Centers of Virginia, Inc. d/b/a Advance America, Cash Advance Centers - To relocate a payday lending office from 6506 Hull Street, Richmond, VA to 433 East Belt Boulevard, Richmond, VA
BAN20180221	Advance America, Cash Advance Centers of Virginia, Inc. d/b/a Advance America, Cash Advance Centers - To relocate a motor vehicle title lending office from 6506 Hull Street Road, Richmond, VA to 433 East Belt Boulevard, Richmond, VA
BAN20180222	Essex Bank - To open a branch at 3062 Solomons Island Road, Edgewater, MD
BAN20180223	Union Bank & Trust - To relocate an office from 6551 Centralia Road, Chester, Chesterfield County, VA to 10620 Iron Bridge Road, Chester, Chesterfield County, VA
BAN20180224	Alex Koutouzis - To acquire 25 percent or more of Brand Mortgage Group, LLC
BAN20180225	Holland Capital, LLC - To acquire 25 percent or more of Atlantic Bay Mortgage Group, L.L.C.
BAN20180226	ZGM Holdco, Inc. - To acquire 25 percent or more of Mortgage Lenders of America, L.L.C.
BAN20180227	Bank of the James - To open a branch at 5 Village Highway, Rustburg, Campbell County, VA
BAN20180228	Computershare Mortgage Services LLC - To acquire 25 percent or more of LenderLive Network, LLC
BAN20180229	NLC Investments, LLC - To acquire 25 percent or more of Nations Lending Corporation
BAN20180230	Usman Enterprises Incorporated d/b/a Ma Hollins - To open a check casher at 900 S. Main Street, Danville, VA
BAN20180231	John Marshall Bank - To open a branch at 14130 Noblewood Plaza, Suite 201, Woodbridge, Prince William County, VA
BAN20180232	SMRF TRS, LLC - To acquire 25 percent or more of Luxury Mortgage Corp.
BAN20180233	The Maggie Walker Community Land Trust - To be designated as a bona fide nonprofit organization
BAN20180234	Kirby Laird Holliday - To acquire 25 percent or more of Cornerstone Home Lending, Inc.
BAN20180235	Matthew Laird - To acquire 25 percent or more of Cornerstone Home Lending, Inc.
BAN20180236	Adam Laird - To acquire 25 percent or more of Cornerstone Home Lending, Inc.
BAN20180237	Joshua K. Erskine - To acquire 25 percent or more of CalCon Mutual Mortgage LLC
BAN20180238	Shane A. Erskine - To acquire 25 percent or more of CalCon Mutual Mortgage LLC
BAN20180239	JRAD MTG LLC - To acquire 25 percent or more of CalCon Mutual Mortgage LLC
BAN20180240	Clark, Sharp & Reynolds, LLC - For a money order license
BAN20180241	Bank of Fincastle, The - To open a branch at the intersection of Roanoke Road and Herndon Street, Fincastle, Botetourt County, VA
BAN20180242	Finablr Limited - To acquire 25 percent or more of Travelex Currency Services Inc.

BAN20180243	First Community Bank - To relocate an office from 102 Wall Street SW, Abingdon, Washington County, VA to 271 West Main Street, Abingdon, Washington County, VA
BAN20180244	BCause Trust, Inc. - To open a new independent trust company at 192 Ballard Court, Suite 303, Virginia Beach, VA
BAN20180245	Ameri Cash Group, LLC - To acquire 25 percent or more of ACAC, Inc.
BAN20180246	Ameri Cash Group, LLC - To acquire 25 percent or more of ACAC, Inc.
BAN20180247	Atticus Lee Sawatzki d/b/a Engineering Investments - To open a check casher at 1115 Colley Ave. Unit B-2, Norfolk, VA
BAN20180248	Ananta International, LLC d/b/a Amigos Deli & Supermarket - To open a check casher at 8723 Cooper Road, Alexandria, VA
BAN20180249	FSR & ESN INC. - To open a check casher at 6856 Midlothian Turnpike, Richmond, VA
BAN20180250	Wyre Payments, Inc. - For a money order license
BAN20180251	Virginia Finance, LLC - To relocate a consumer finance office from 625 Piney Forest Road, Suite 204B, City of Danville, VA to 625 Piney Forest Road, Suite 203B, City of Danville, VA
BAN20180252	University of Virginia Community Credit Union, Inc. - To open a credit union service office at 5714 Three Notch'd Road, Crozet, VA
BAN20180253	Bittrex, Inc. - For a money order license
BAN20180254	PayDay Advance, L.L.C. - To relocate a payday lending office from 625 Piney Forest Road, Suite 204A, Danville, VA to 625 Piney Forest Road, Suite 203A, Danville, VA
BAN20180255	Currencies Direct Inc. - For a money order license
BAN20180256	VisionBank - To open a bank at 8201 Greensboro Drive, McLean, Fairfax County, VA
BAN20180257	400 WBST Inc. - To open a check casher at 400 West Broad Street, Falls Church, VA
BAN20180258	LIM, INCORPORATED d/b/a Mr. B's Welcome Center - To open a check casher at 3833 North Valley Pike, Harrisonburg, VA
BAN20180259	NCF Charitable Trust - To acquire 25 percent or more of Movement Mortgage, LLC
BAN20180260	Manufacturers and Traders Trust Company - To relocate an office from 1861 Wiehle Avenue, Reston, VA to 1886 Metro Center Drive, Reston, VA
BAN20180261	OneMain Financial Group, LLC - To relocate a consumer finance office from 3940 Plank Road, Suite H, Spotsylvania County, VA to 9815 Jefferson Davis Highway, Spotsylvania County, VA
BAN20180262	North State Acceptance, L.L.C. - To open a consumer finance office at 10437 Midlothian Turnpike, City of Richmond, VA
BAN20180263	LVC USA, Inc. - For a money order license
BAN20180264	MSB USA Inc. - For a money order license
BAN20180265	Axar Special Opportunity Fund V LLC - To acquire 25 percent or more of J.G. Wentworth Home Lending, LLC
BAN20180266	Variety Amaya, LLC - To open a check casher at 2790 Graham Road, Falls Church, VA
BAN20180267	Lempira Latin Store 2, Incorporated - To open a check casher at 1107 South Military Highway Suite 5, Chesapeake, VA
BAN20180268	Othi Brothers, Inc. - To open a check casher at 8002 Winchester Road, Front Royal, VA
BAN20180269	Sukh Sai, LLC d/b/a Varina Exxon - To open a check casher at 3275 New Market Road, Henrico, VA
BAN20180270	Bank of the James - To open a branch at 45 South Main Street, City of Lexington, VA
BAN20180271	HKSA Ventures Inc. - To open a check casher at 511-C E Atlantic Street, Emporia, VA
BAN20180272	Towne Bank - To relocate an office from 9961 Iron Bridge Road, Chesterfield County, VA to 9761 Iron Bridge Road, Chesterfield County, VA
BAN20180273	Paysafe Group Holdings Limited - To acquire 25 percent or more of Skrill USA, Inc.
BAN20180274	Union Bankshares Corporation - To acquire Access National Corporation
BAN20180275	First Bank and Trust Company, The - To relocate an office from 667 West Main Street, Abingdon, Washington County, VA to 711 West Main Street, Abingdon, Washington County, VA
BAN20180276	Towne Bank - To open a branch at 802 Green Valley Road, Suite 100, Greensboro, NC
BAN20180277	Union Bank & Trust - To merge into it Access National Bank
BAN20180278	Annie L. Johnson - To acquire 25 percent or more of United Security Financial Corp.
BAN20180279	Kim & Gu, LLC - To open a check casher at 285 Berry Hill Road, Orange, VA
BAN20180280	Cumberland Mining & Materials LLC - For a money order license
BAN20180281	Christian Credit Counselors, Inc. - To relocate a credit counseling office from 5838 Edison Place, Suite 200, Carlsbad, CA to 5838 Edison Place, Suite 130, Carlsbad, CA
BAN20180282	eBay Commerce Inc. - For a money order license
BAN20180283	Auto Equity Loans of DE, LLC d/b/a Auto Equity Loans - To establish an additional motor vehicle title lending office at 3235 Columbia Pike, Arlington, VA
BAN20180284	American National Bankshares Inc. - To acquire HomeTown Bankshares Corporation
BAN20180285	UAE Exchange International Holding Limited - To acquire 25 percent or more of MoneyDart Global Services Inc.
BAN20180286	ACAC, Inc. d/b/a Approved Cash - To relocate a payday lending office from 544 E. Stuart Drive, Suite C, Galax, VA to 546 E. Stuart Drive, Suite C, Galax, VA
BAN20180287	ACAC, Inc. d/b/a Approved Cash - To relocate a motor vehicle title lending office from 544 East Stuart Drive, Suite C, Galax, VA to 546 E. Stuart Drive, Suite C, Galax, VA
BAN20180288	Isayara Administracao E. Participacoes S/A - To acquire 25 percent or more of Pronto Money Transfer Inc
BFI-2016-00132	Stephen Craig Fithian - Alleged violation of VA Code § 6.2-1608
BFI-2017-00131	In Re: Annual assessment of licensees under Chapter 18 of Title 6.2 of the Code of Virginia
BFI-2017-00132	In Re: Annual assessment of licensees under Chapter 22 of Title 6.2 of the Code of Virginia
BFI-2017-00139	Commercial Financial Services 1107, LLC - Alleged violation of VA Code § 6.2-1608
BFI-2017-00140	PHH Mortgage Corporation - Order approving Settlement Agreement
BFI-2017-00142	Parke Stanley - Alleged violation of VA Code § 6.2-1622
BFI-2017-00143	Plentura Mortgage, LLC and Dwayne Cook - Alleged violation of 10 VAC 5-100-50 B
BFI-2018-00005	William E. Taylor, Jr. - Alleged violation of VA Code § 6.2-1608
BFI-2018-00008	Action Mortgage, LLC - Alleged violation of VA Code §§ 6.2-1604, *et al.*
BFI-2018-00010	YapStone, Inc. & YapStone Holdings, Inc. - Alleged violation of VA Code § 6.2-1901
BFI-2018-00011	Firstsource Group USA, Inc. - Alleged violation of VA Code § 6.2-1608

BFI-2018-00012	Interlaken Mortgage Corp.- Alleged violation of VA Code § 6.2-1608
BFI-2018-00013	Pursuant to VA Code § 6.2-1532, *et al.* consumer finance companies annual assessment/reduction for fiscal year 2018
BFI-2018-00014	Pursuant to VA Code § 6.2-1612, *et al.* mortgage lenders and brokers annual assessment/reduction for fiscal year 2018
BFI-2018-00016	Pursuant to § 6.2-2012 of the VA Code & 10 VAC 5-110-30 of the SCC rules governing credit counseling agencies, 10 VAC 5-110-10 *et seq.*, licensees under Chapter 20 of Title 6.2 of the Code of VA be assessed for fiscal year 2018
BFI-2018-00017	Bridgewater Capital of North Carolina, Inc. (used in VA by: Bridgewater Capital, Inc.) - Alleged violation of 10 VAC 5-160-90 B
BFI-2018-00018	Guaranteed Payday Loans L.L.C. - Alleged violation of VA Code § 6.2-1811
BFI-2018-00020	Annual assessment and reduction of banks and savings institutions under Chapters 8 and 11 of Title 6.2 of the Code of Virginia
BFI-2018-00021	Annual assessment of industrial loan associations under Chapter 14 of Title 6.2 of the Code of Virginia
BFI-2018-00022	In Re: Annual assessment of licensees VA Code § 6.2-1904 B and 10 VAC 5-120-50
BFI-2018-00025	7 Corners Financial, Inc. - Alleged violation of VA Code § 6.2-1534
BFI-2018-00027	Sabina Mortgage, Inc. - Alleged violation of VA Code § 6.2-1610
BFI-2018-00029	Vicken Kassouny - Alleged violation of VA Code § 6.2-1620
BFI-2018-00030	Assurity Financial LLC - Alleged violation of VA Code § 6.2-1532
BFI-2018-00031	Annual assessment of Payday Lending pursuant to VA Code §§ 6.2-1814 A, *et al.* for fiscal year 2019
BFI-2018-00032	Annual assessment of Motor Vehicle Title Lending pursuant to VA Code §§ 6.2-2213 A, *et al.* for fiscal year 2019
BFI-2018-00034	CreditGuard of America, Inc. - Alleged violation of VA Code § 6.2-2012
BFI-2018-00036	Wang PetaData, Inc. & Xiangyang Wang - Alleged violation of VA Code § 6.2-1619
BFI-2018-00080	Sunshine Inc. - Alleged violation of VA Code §§ 6.2-1610, *et al.*
BFI-2018-00089	Fourth Lucky Inc. d/b/a Lucky Convenience Stores - Alleged violation of VA Code § 6.2-2103
BFI-2018-00090	Hasan Abueznaid d/b/a Ma Hollins - Alleged violation of VA Code § 6.2-2103
BFI-2018-00096	Colonial Mart Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2018-00097	Ruben Ramos Torres d/b/a La Jalpita #1- Alleged violation of VA Code § 6.2-2103
BFI-2018-00100	Oasis Food Mart Inc. d/b/a Oasis Food Mart - Alleged violation of VA Code § 6.2-2103
BFI-2018-00101	Guadalupe Sanchez Ventura d/b/a Ventura Grocery - Alleged violation of VA Code § 6.2-2103
BFI-2018-00103	FFS of Arlington LLC - Alleged violation of VA Code § 6.2-2103
BFI-2018-00104	El Torito Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2018-00105	Crystal Jewelry Inc. d/b/a Crystal Jewelry - Alleged violation of VA Code § 6.2-2103
BFI-2018-00107	Ace Foods Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2018-00108	GNC Services, Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2018-00110	Rubins Checks Cashed Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2018-00111	Floose Corporation - Alleged violation of VA Code § 6.2-2103
BFI-2018-00112	Molina and Reyes, LLC - Alleged violation of VA Code § 6.2-2103
BFI-2018-00114	MayFlower Ventures, LLC - Alleged violation of VA Code § 6.2-2103
BFI-2018-00116	Pineda's Money Mart Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2018-00118	Jewelry and Coin Exchange, Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2018-00120	Hispano Express LLC - Alleged violation of VA Code § 6.2-2103
BFI-2018-00122	Sabatinos Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2018-00123	Zolia Segura Vicente d/b/a Los Angeles - Alleged violation of VA Code § 6.2-2103
BFI-2018-00124	Dinero Express LLC - Alleged violation of VA Code § 6.2-2103
BFI-2018-00126	Cash From US LLC - Alleged violation of VA Code § 6.2-2103
BFI-2018-00127	Dona Fer Grocery Store, LLC - Alleged violation of VA Code § 6.2-2103
BFI-2018-00128	Blessed Financial Services, Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2018-00129	Hercules Food Incorporated - Alleged violation of VA Code § 6.2-2103
BFI-2018-00132	Fast Prestamos Inc. - Alleged violation of VA Code § 6.2-2103
BFI-2018-00134	Home America Lending Co. - Alleged Violation of the 10 VAC 5-160 B
BFI-2018-00138	Duncan Christian - Alleged violation of VA Code § 6.2-1608

CLK — CLERK'S OFFICE

CLK-2018-00001	Election of Chairman pursuant to VA Code § 12.1-17
CLK-2018-00002	Administrative Order designating supervision of divisions to the members of the Commission as provided
CLK-2018-00003	The Election of Judith W. Jagdmann to the State Corporation Commission
CLK-2018-00004	Allemore Industries - for cancellation of corporate existence pursuant to VA Code § 13.1-1235
CLK-2018-00007	Allison C. Pienta - Petition of Disclosure for Records of Business Entity
CLK-2018-00008	Four Seasons Roofing, Inc. - For involuntary dissolution and termination of corporate existence pursuant to VA Code § 13.1-749
CLK-2018-00009	Seth G. Heald, Michael F. Murphy, and John C. Levasseur v. Rappahannock Electric Cooperative - Petition for Declaratory and Injunctive Relief
CLK-2018-00010	Raymond Gargiulo - Request for Declaratory Judgment

INS — BUREAU OF INSURANCE (BOI)

INS-2016-00222	Advanced Title & Settlements, L.L.C. and Lee and Heather Mergler - Alleged violations of VA Code §§ 55-525.24 A and 55-525.24 B of the Code of Virginia
INS-2017-00153	State Auto Property & Casualty Insurance Company and State Automobile Mutual Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2017-00160	Richard I. Hickey - Alleged violations of VA Code §§ 38.2-1845, *et al.*

INS-2017-00208	American Insurance Organization LLC - Alleged violation of VA Code § 38.2-512 A
INS-2017-00218	All American Title & Escrow Company, L.C. - Alleged violation of VA Code § 55-525.20 A and 55-525.24 A
INS-2017-00219	Premier Title and Escrow, LLC - Alleged violation of VA Code § 55-525.20 A and 55-525.24 A
INS-2017-00220	Duc Tan Nguyen, Global Insurance Partners Inc., Global Financial Brokerage Inc. and Global Financial Partners Inc. - Alleged violation of VA Code §§ 38.2-512 A and 38.2-1810 (10)
INS-2017-00221	Kim-Hoan Vu and Global Financial Group, Inc. - Alleged violation of VA Code §§ 38.2-512, 38.2-1831 (1) and 38.2-1831 (10)
INS-2017-00225	Danielle Cherie Byrne - Alleged violation of VA Code § 38.2-512
INS-2017-00226	Taylor J. Gillette - Alleged violation of VA Code § 38.2-1831 (1)
INS-2017-00227	Darla Michelle Harrison - Alleged violation of VA Code § 38.2-1831 (1)
INS-2017-00228	Ray L. Leatherwood - Alleged violation of VA Code § 38.2-1831 (1)
INS-2017-00229	Paul Dean Manchester - Alleged violation of VA Code § 38.2-1831 (1)
INS-2017-00232	Leslie Diane Scofield-Hilliker - Alleged violation of VA Code §§ 38.2-502 (6), *et al.*
INS-2017-00236	Transamerica Premier Life Insurance Company and Transamerica Life Insurance Company - Alleged violation of 14 VAC 5-400-50 A
INS-2017-00242	Heidi E. Manivong - Alleged violation of VA Code §§ 38.2-1826, *et al.*
INS-2017-00243	Alexander Ortiz - Alleged violation of VA Code §§ 38.2-1826, *et al.*
INS-2017-00244	Apex Title & Settlement Services, LLC - Alleged violation of VA Code § 38.2-1820 B 2
INS-2017-00245	Surety Lender Services, LLC - Alleged violation of VA Code § 55-525.24
INS-2017-00247	U.S. Law Shield of Virginia, Inc. - Alleged violation of VA Code § 38.2-1301
INS-2017-00248	Kathie A. Larson - Alleged violation of VA Code §§ 38.2-1826 C, *et al.*
INS-2017-00249	Colonial Penn Life Insurance Company - Alleged violation of VA Code § 38.2-610 A, *et al.*
INS-2017-00250	Reciprocal of America and the Reciprocal Group - For Order Appointing Deputy Receiver
INS-2017-00251	American Casualty Co. of Reading, PA, Continental Casualty Co., National Fire Insurance Co. of Hartford, Transportation Insurance Co. and Valley Forge Insurance Co - Alleged violation of VA Code § 38.2-1906 D
INS-2018-00002	American Family Life Assurance Company of Columbus (AFLAC) - For approval of settlement agreement Pacific Life Insurance Company - for & on behalf of VA Bureau of Ins. & Ins. Regulators of FL, CA, CT, IL, MI, ND PA & VA
INS-2018-00003	State Farm Life Insurance Company - For approval of settlement agreement Pacific Life Insurance Company - for & on behalf of VA Bureau of Ins. & Ins. Regulators of FL, CA, CT, IL, MI, ND PA & VA
INS-2018-00004	5 Star Life Insurance Company - Alleged violation of VA Code §§ 38.2-508, *et al.*
INS-2018-00005	Precious Okpro Abraham - Alleged violation of VA Code § 38.2-1819
INS-2018-00006	Liberty Insurance Corporation and Liberty Mutual Insurance Company - Alleged violation of VA Code § 38.2-1906 A
INS-2018-00007	Sean Stewart - Alleged violation of VA Code § 38.2-1831 (1)
INS-2018-00008	Douglas Wayne Koenig - Alleged violation of VA Code §§ 38.2-1826, *et al.*
INS-2018-00009	A. Vaie J. Knox - Alleged violation of VA Code § 38.2-1826
INS-2018-00010	CVS Health Corporation - Form A Statement Regarding the Acquisition of Control of Coventry Health Care of Virginia, Inc., Innovation Health Insurance Company and Innovation Health Plan, Inc.
INS-2018-00011	Nations Title Agency, Inc. - Alleged violation of VA Code § 55-525.24 B
INS-2018-00012	American Home Title, LLC - Alleged violation of VA Code §§ 55-525.20, *et al.*
INS-2018-00013	Scott Alan Flanders - Alleged violation of VA Code §§ 38.2-1809 A, *et al.*
INS-2018-00014	Daniel A. Cuesta - Alleged violation of VA Code § 38.2-1826
INS-2018-00016	Richard Jerome Kresinske - Alleged violation of VA Code §§ 38.2-512 A, *et al.*
INS-2018-00017	Granite State Insurance Company, New Hampshire Insurance Company and AIG -Alleged violation of VA Code § 38.2-1906 D
INS-2018-00018	Granite State Insurance Company, #23809; National Union Fire Insurance Company of Pittsburgh, Pa, #19445 - Alleged violation of VA Code § 38.2-1906 D
INS-2018-00019	Dwight Gregory Harden Jr - Alleged violation of VA Code § 38.2-1831 (1)
INS-2018-00020	Zachary Carr - Alleged violation of VA Code § 38.2-1831 (1)
INS-2018-00021	Sara Keown - Alleged violation of VA Code § 38.2-1831 (1)
INS-2018-00023	Dana Hutchison - Alleged violation of VA Code § 38.2-1826
INS-2018-00024	Nora Elizabeth Pierre - Alleged violation of VA Code § 38.2-512, *et al.*
INS-2018-00025	Brianna Sainz - Alleged violation of VA Code § 38.2-1831 (1)
INS-2018-00026	Pamela Roberson - Alleged violation of VA Code § 38.2-1826, *et al.*
INS-2018-00027	A-Best Insurance and Financial Services, Inc. and Yalin Liu - Alleged violation of VA Code § 38.2-1822, *et al.*
INS-2018-00028	HealthKeepers, Inc. - Alleged violation of VA Code § 38.2-3542 C
INS-2018-00029	In Re: Approval of Multi-State Regulatory Settlement Agreement between HCC Life Insurance Co., HCC Medical Insurance Services LLC, HCC Insurance Holdings, Inc., & the States of Inndiana, Florida, Kansas, Utah for & on behalf of the VA Bureau of Insurance
INS-2018-00030	Ex Parte: In the matter of adoption of adjusted prima facie rates for credit life and credit accident and sickness insurance pursuant to §§ 38.2-3725, 38.2-3726, 38.2-3727 and 38.2-3730 of the Code of Virginia
INS-2018-00031	Metis Holdings Inc. - Form A - Application for Approval of Acquisition of Control of a Merger with a Domestic Insurer
INS-2018-00032	GEICO Secure Insurance Co., GEICO Advantage Insurance Co., GEICO Choice Insurance Co., GEICO Indemnity Co., Government Employees Insurance Co., General Insurance Co. and GEICO Casualty Co. - Alleged violation of VA Code §§ 38.2-517 A 3, *et al.*
INS-2018-00033	Tokio Marine Kiln Syndicates, Ltd. and Beazley Furlonge Limited - Alleged violation of VA Code § 38.2-1024
INS-2018-00034	Ramanda Lekeisha Wells - Alleged violation of VA Code § 38.2-1831 (1)
INS-2018-00036	Katharine Whitfield - Alleged violation of VA Code § 38.2-1826
INS-2018-00038	Direct General Insurance Company - Alleged violation of VA Code §§ 38.2-305 A, *et al.*
INS-2018-00039	Matthew Paul Doverspike - Alleged violation of VA Code §§ 38.2-512, *et al.*
INS-2018-00040	John Thomas Hurdle II - Alleged violation of VA Code §§ 38.2-512 A, *et al.*

INS-2018-00041	Alan Christopher Redmond - Alleged violation of VA Code § 38.2-1826
INS-2018-00042	Randall Wayne Dixon - Alleged violation of VA Code § 38.2-1826 B
INS-2018-00043	American Resources Insurance Company - Alleged violation of VA Code § 38.2-1030 and withdrawl of license.
INS-2018-00045	Farrakh Ahmed - Alleged violation of VA Code § 38.2-1826 B
INS-2018-00048	Jorge Rodrigo Bonilla Salazar - Alleged violation of VA Code § 38.2-1826
INS-2018-00049	Donte E. Boykin - Alleged violation of VA Code § 38.2-1831 (1)
INS-2018-00051	David Phillip Cardwell - Alleged violation of VA Code § 38.2-1826
INS-2018-00052	Rhonda Ramey Dugger - Alleged violation of VA Code § 38.2-512 A
INS-2018-00053	Jeremy T. Ernest - Alleged violation of VA Code § 38.2-1826
INS-2018-00054	Melodi Faith Chavon Moore - Alleged violation of VA Code § 38.2-1813
INS-2018-00055	Hanna Perez - Alleged violation of VA Code § 38.2-1809
INS-2018-00056	Juan Alberto Porras - Alleged violation of VA Code §§ 38.2-1826 C and 38.2-1831 (1)
INS-2018-00058	Britaine Asja Reid - Alleged violation of VA Code § 38.2-1831 (1)
INS-2018-00059	Tai Trumaine Robison - Alleged violation of VA Code § 38.2-1826
INS-2018-00060	Roderick Phillip Sampson Sr. - Alleged violation of VA Code §§ 38.2-1809 and 38.2-1813
INS-2018-00061	Myra Evette Smith - Alleged violation of VA Code § 38.2-1826
INS-2018-00062	Brian Taylor - Alleged violation of VA Code §§ 38.2-512 A B and 38.2-1831 (10)
INS-2018-00063	David Sylvon Victor - Alleged violation of VA Code § 38.2-1831 (1)
INS-2018-00065	Philip James George - Alleged violation of VA Code § 38.2-1831 (1)
INS-2018-00066	Samuel D. Brown - Alleged violation of VA Code § 38.2-1831 (1)
INS-2018-00067	John Pate & Associates LLC - Alleged violation of VA Code §§ 38.2-1826, *et al.*
INS-2018-00071	National Council on Compensation Insurance, Inc. - For revisions of advisory loss costs and assigned risk workers' compensation insurance rates 2018
INS-2018-00072	A Better Bail Bonds Inc., *et al.* - Alleged violation of VA Code §§ 38.2-1820 and 38.2-1826 E
INS-2018-00073	Berkley National Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2018-00074	Bankers Independent Insurance Company - Alleged violations of VA Code §§ 38.2-1028 and 38.2-1036
INS-2018-00075	Doris Rebecca Bowden - Alleged violation of VA Code § 38.2-1826
INS-2018-00076	Veronica Lynette Edward - Alleged violation of VA Code § 38.2-1826
INS-2018-00077	Kenneth Berry Hill Sr. - Alleged violation of VA Code § 38.2-1826
INS-2018-00078	Gue H. Kim - Alleged violation of VA Code § 38.2-1826
INS-2018-00080	Ronald Vincent Pullman - Alleged violation of VA Code § 38.2-1826
INS-2018-00081	Ronald Smith - Alleged violation of VA Code § 38.2-1826
INS-2018-00082	Brendon William Thomas - Alleged violation of VA Code § 38.2-1826
INS-2018-00083	In the matter of presentations of premium rates in connection with health insurance coverage issued in the individual and small group markets
INS-2018-00084	Assurety Title & Escrow, LLC - Alleged violation of VA Code § 55-525.20 B (3)
INS-2018-00085	Hutton Patt Title & Escrow LLC - Alleged violation of VA Code §§ 55-525.24 and 55-525.20
INS-2018-00086	RL Title and Escrow Inc. - Alleged violation of VA Code § 38.2-1820 B
INS-2018-00087	The Service Center Title Agency Inc. - Alleged violation of VA Code § 38.2-1822 C
INS-2018-00090	Michael J. Muhammad - Alleged violation of VA Code §§ 38.2-502 (1), 38.2-512 A and 38.2-1831 (10)
INS-2018-00091	John J. Kelly - Alleged violation of VA Code §§ 38.2-502 (1), 38.2-512 A and 38.2-1831 (10)
INS-2018-00092	Stillwater Insurance Company - Alleged violation of VA Code § 38.2-2206
INS-2018-00093	American Casualty Company of Reading, PA and Transportation Insurance Company - Alleged violation of VA Code §§ 38.2-1906 D, *et al.*
INS-2018-00094	Bruce Frank White - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*
INS-2018-00095	Adil Zekkani - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*
INS-2018-00096	Alison Dean Ruschell Oliphant, *et al.* - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*
INS-2018-00097	Chad Thomas Rumfelt - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*
INS-2018-00098	Christopher S. Martin - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*
INS-2018-00099	Darwin E. Lucas - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*
INS-2018-00100	Evandra A. Fontes - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*
INS-2018-00101	Gadi G. Binness - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*
INS-2018-00102	Gordon V. T. Bewick - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*
INS-2018-00103	Gregory George Locher - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*
INS-2018-00104	James c. Nimmich - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*
INS-2018-00105	James L. Schwarzkopf - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*
INS-2018-00106	Kenneth R. Schreiber - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00107 Kevin Marcus Smart - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00108 Kristina M. Kahmer - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00109 Kyle Sloane - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00110 Larry James Knight - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00111 Latoya Y. Epps - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00112 Luann Longtin - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00113 Nikolaos L. Paras - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00115 Penni Jean Campbell - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00116 Seneyda Veronica Valladares - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00117 Trenton L. Eversull - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00118 ADCO General Corporation - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00119 Casswod Insurance Agency Ltd. - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00120 Limestone Group Inc. - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00121 Moving Insurance LLC - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00122 Navesink Risk Services - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00123 Rich Haag & Associates Inc. - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00124 Schwartz & Associates Inc. - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00125 Sirius Insurance Agency LLC - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00126 Specialty Program Group LLC - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00127 Velocity Risk Underwriters LLC - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00129 B&B Protector Plans Inc. - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00130 Andrew Kosta Banoff - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00131 Timothy C Briles - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00132 Terry H. Buckner - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00133 Timothy Eugene Chaix - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00134 David J Jackson & Company LLC - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00135 Demetriou General Agency Inc - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00137 Luigi G Errico - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00138 Suzette M Fernandez - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00139 Cynthia L Fox - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00140 Jason L. Gibson - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00143 Howard W Phillips and Company - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00145 David John Jackson - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00146 James B Johnston Inc - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00147 Ronen Kaminitz - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*

INS-2018-00149	Terry Michael Lee - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*
INS-2018-00150	Brian Telton Lyons - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*
INS-2018-00152	OTM Insurance Specialists LLC - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*
INS-2018-00153	Christina Lynn Pattavina - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*
INS-2018-00154	R E Chaix & Associates Insurance Brokers - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*
INS-2018-00155	Carole Jeanne Steen - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*
INS-2018-00156	Superior Access Insurance Services Inc - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*
INS-2018-00157	Ryan Christopher Taylor - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*
INS-2018-00158	David George Waldorf - Alleged violation of VA Code §§ 38.2-403 and 38.2-406 - Case Numbers INS-2018-00094 through INS-2018-00158 - Licenses revoked under order in Case Number INS-2018-00096 - Alison D. R. Oliphant, *et al.*
INS-2018-00159	Selective Ins. Co. of America, Selective Ins. Co. of SC, Selective Ins. Co. of SE and Selective Way Ins. Co. - Alleged violation of VA Code § 38.2-317
INS-2018-00160	Mercury Casualty Company - Alleged violation of VA Code §§ 38.2-305 A, *et al.*
INS-2018-00161	Integon Casualty Insurance Company, Integon National Insurance Company and National General Insurance Company - Alleged violations of VA Code §§ 38.2-305 A, 38.2-305 B, *et al.*
INS-2018-00162	MGA Insurance Company - Alleged Violation of §§ 38.2-305 A, 38.2-305 B, 38.2-502 1, 38.2-510 A 1, 38.2-510 A 6, 38.2-511, 38.2-512 A, 38.2-604 B, 38.2-610 A, 38.2-1812 E, 38.2-1822 A, 38.2-1833, 38.2-1906 D, 38.2-2208 A, 38.2-2208 B and 38.2-2212 E of the VA Code, *et al.*
INS-2018-00163	Anthem Health Plans of Virginia, Inc. and affiliate HealthKeepers, Inc. - Petition to Permit Anthem Affiliate American Imaging Management, Inc. to Provide Services to Anthem Members from Locations Outside of Virginia
INS-2018-00164	Gahan Sharei Adams - Alleged violation of VA Code § 38.2-1826
INS-2018-00165	Amanda R. Ansley - Alleged violation of VA Code §§ 38.2-512, 38.2-1809 and 38.2-1826
INS-2018-00166	D. Juane Antoinette Anthony - Alleged violation of VA Code § 38.2-1826
INS-2018-00167	Samuel Eugene Belcher - Alleged violation of VA Code §§ 38.2-1826 and 38.2-1831 (1)
INS-2018-00168	Edward Anderson, Jr. - Alleged violation of VA Code § 38.2-1826 C
INS-2018-00169	Michael Edwards - Alleged violation of VA Code § 38.2-1826
INS-2018-00170	Matthew Kennedy Dorbeck - Alleged violation of VA Code §§ 38.2-512 A, 38.2-1831 (10) and 14 VAC 5-30-40
INS-2018-00171	Todd Christian Hunsaker - Alleged violation of VA Code §§ 38.2-1826 and 38.2-1831 (1)
INS-2018-00172	Bobby Culpepper - Alleged violation of VA Code §§ 38.2-1826 and 38.2-1831 (1) (9)
INS-2018-00173	Numar Najera Jr. - Alleged violation of VA Code § 38.2-1826
INS-2018-00174	Domingo Gonzalez - Alleged violation of VA Code § 38.2-1831 (10)
INS-2018-00175	Jeremy Jackson - Alleged violation of VA Code §§ 38.2-1826 C and 38.2-1831 (1) (9)
INS-2018-00176	Sampson Pearson - Alleged violation of VA Code § 38.2-1826
INS-2018-00178	Gerald Antonio Pimpleton - Alleged violation of VA Code §§ 38.2-1826 and 38.2-1831 (1)
INS-2018-00179	Joseph Gerard Smallwood - Alleged violation of VA Code §§ 38.2-1826 A & C
INS-2018-00180	Wilbur Edgar Steg - Alleged violation of VA Code §§ 38.2-1826 and 38.2-1831 (1)
INS-2018-00181	Rampart Insurance Company - Alleged violation of VA Code § 38.2-1028
INS-2018-00182	In the matter of Amending the Rules Governing Credit for Reinsurance
INS-2018-00183	Acadia Insurance Company, Continental Western Insurance Company, Fireman's Insurance Company of Washington DC and Union Insurance Company - Alleged violation of VA Code §§ 38.2-317, *et al.*
INS-2018-00184	MGA Insurance Company, Inc. - Alleged violation of VA Code § 38.2-1906 A
INS-2018-00186	Blair K. Edwards - Alleged violation of VA Code §§ 38.2-1826, *et al.*
INS-2018-00187	The General Automobile Insurance Company - Alleged violation of VA Code §§ 38.2-305 A, *et al.*
INS-2018-00189	Jada Lauren Sims - Alleged violation of VA Code § 38.2-1826
INS-2018-00191	Charlotte R. Rackley - Alleged violation of VA Code § 38.2-1826
INS-2018-00195	Ayesha Renee Cannon - Alleged violation of VA Code § 38.2-1826
INS-2018-00196	The Anderson Insurance and Investment Agency Inc., *et al.* - Alleged violation of VA Code §§ 38.2-1820, *et al.*
INS-2018-00198	Rachel Glover - Alleged violation of VA Code §§ 38.2-1826 and 38.2-1831 (1)
INS-2018-00200	Exodus Contractor Inc., and Charlie Hwang - Alleged violation of VA Code § 38.2-1845.2
INS-2018-00202	Irizaba LP - Acquisition of Shenandoah Life Insurance Company
INS-2018-00203	Jack D. Bergstresser, Jr. - Alleged violation of VA Code §§ 38.2-1826 B, *et al.*
INS-2018-00204	Agency Insurance Company of Maryland Inc. - Alleged violation of VA Code §§ 38.2-510 CC, *et al.*
INS-2018-00205	Jeffrey Alan Oliveros - Alleged violation of VA Code §§ 38.2-1826, *et al.*
INS-2018-00206	Glynis Aundrea Snell - Alleged violation of VA Code §§ 38.2-1826, *et al.*
INS-2018-00207	Deborah Lynn Nason - Alleged violation of VA Code § 38.2-518 F
INS-2018-00211	Optima Health Plan - Petition for a declaratory judgment, order permitting rate revision, and expedited action.
INS-2018-00213	Liberty Mutual Fire Insurance Co., Liberty Mutual Insurance Co., The First Liberty Insurance Corp., LM Insurance Corp., Liberty Insurance Corp. and LM General Insurance Co. - Alleged violation of VA Code §§ 38.2-305 A, *et al.*
INS-2018-00214	Petition of Piedmont Community Healthcare HMO, Inc. - For a declaratory Judgment, order permitting rate revision, and expedited action
INS-2018-00215	MGA Insurance Company Inc. - Alleged violation of 14 VAC 5-400-70 D

INS-2018-00216	The First Liberty Insurance Co., Liberty Insurance Co, Liberty Mutual Fire Insurance Co, Liberty Mutual Insurance Co, LM General Insurance Co, and LM Insurance Co. - Alleged violation of 14 VAC 5-400-70 D
INS-2018-00218	Elephant Insurance Company - Alleged violation of Alleged Violation of VA Code §§ 38.2-502 (1), *et al.*
INS-2018-00222	Allan Robert Kleckner - Alleged violation(s) of the Code of VA §§ 8.2-1809 and 38.2-1826 A and C
INS-2018-00223	Kimberly Spears - Alleged violation of VA Code § 38.2 - 1826
INS-2018-00224	Jenneffer Michelle Luke - Alleged violation(s) of the VA Code §§ 38.2-1826 A and C
INS-2018-00225	Sergio Archuleta - Alleged violation(s) of the VA Code §§ 38.2-1809 and 38.2-1826 C
INS-2018-00226	Electric Insurance Company - Alleged violation of the VA Code § 38.2-1906 D
INS-2018-00227	Progressive Northern Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2018-00228	Gold Cup Title & Escrow LTD - Alleged violation of VA Code §§ 55-525.24 B, *et al.*
INS-2018-00229	Montgomery Mutual Insurance Co. - Alleged violation of VA Code § 38.2-1906 A
INS-2018-00230	Litiz Mutual Insurance Company - Alleged violation of VA Code § 38.2-1906 D
INS-2018-00232	Joi Pitts - Alleged violation of VA Code § 38.2-1831 (1)
INS-2018-00233	Markel American Insurance Company - Alleged violation of VA Code §§ 38.2-1906 D, *et al.*
INS-2018-00236	USAA Casualty Insurance Company, USAA General Indemnity Insurance Company, Garrison Property and Casualty Insurance Company and United Services Automobile Association - Alleged violation of VA Code § 38.2-2201; See Also INS-2017-00190
INS-2018-00237	State Farm Fire and Casualty Company - Alleged violation of VA Code § 38.2-1906 A
INS-2018-00238	Rockingham Casualty Company and Rockingham Insurance - Alleged violation of VA Code §§ 38.2-228, *et al.*
INS-2018-00239	CSAA Affinity Insurance Company, CSAA General Insurance Company and CSAA Mid-Atlantic Insurance Company - Alleged violation of VA Code §§ 38.2-317 A, *et al.*
INS-2018-00241	Kesia Lloyd - Alleged violation of VA Code §§ 38.2-1826 C, *et al.*
INS-2018-00246	Stormy Garrison - Alleged violation of VA Code § 38.2-1831 (1)
INS-2018-00247	American Casualty Co of Reading Pennsylvania, Continental Casualty Co, The Continental Insurance Co, National Fire Insurance Co of Hartford, Transportation Insurance Co, Valley Forge Insurance Co - Alleged Violation of VA Code § 38.2-1906 D
INS-2018-00248	Charley McGuire Goldun - Alleged violation of VA Code §§ 38.2-1826 and 38.2-1831 (1)
INS-2018-00250	Dominic F. Alessi - Alleged violation of VA Code §§ 38.2-1826 and 38.2-1831 (1)
INS-2018-00251	Devon Ross - Alleged violation of VA Code §§ 38.2-1826 and 38.2-1831 (1)
INS-2018-00255	Texas Title Insurance Guaranty Association - Petition for Review of Deputy Receiver's Determination.
INS-2018-00257	Grange Mutual Casualty Company - Alleged violation of VA Code § 38.2-317

PST **PUBLIC SERVICE TAXATION**

PST-2017-00001	Virginia Electric and Power Company - Supplemental Assessment for Tax Years 2014, 2015, and 2016.
PST-2017-00002	Cellco Partnership - Supplemental Assessment for Tax Years 2014, 2015, and 2016
PST-2017-00003	Central Telephone Company of Virginia - Supplemental Assessment for Tax Years 2014, 2015, and 2016
PST-2017-00004	Alltel Communications, LLC - Supplemental Assessment for Tax Years 2014, 2015, and 2016
PST-2017-00005	Appalachian Natural Gas Distribution Company - Supplemental Assessment for Tax Year 2016
PST-2017-00006	Appalachian Natural Gas Distribution Company - Supplemental Assessment for Tax Year 2016
PST-2017-00013	The refund of overpaid License Tax on Gross Receipts for the Taxable Year 2016
PST-2017-00014	The assessment of Water, Heat, Light, and Power Corporations. Electric Suppliers: Gas and Pipeline Distribution Corporations: and Telecommunications Companies for the 2017 Tax Year
PST-2017-00015	Fiber Connect LLC - Supplemental Assessment for Tax Year 2017
PST-2017-00016	Public Service Companies within Prince William County - Supplemental assessment for taxation of public service company property located within Bull Run Mountain, Lake Jackson, and Occoquan Forest Sanitary Districts for the Tax Year 2017
PST-2017-00017	AT&T Corp. - Supplemental assessment for Tax Year 2016
PST-2017-00018	Virginia Electric and Power Company - Supplemental assessment for Tax Years 2016 and 2017
PST-2017-00019	BVU Authority - Supplemental Assessment for omitted Gross Receipts for Tax Years 2014, 2015, and 2016
PST-2017-00020	MCI Communications Services, Inc. - Assessment Correction
PST-2017-00022	Wheelabrator Portsmouth, Inc. - Application for Review and Correction of Tax Assessment of Value of Property subject to Location Taxation - Tax Year 2017
PST-2017-00024	Lumos Networks Inc. - Supplemental Assessment for Tax Year 2017
PST-2017-00025	Waterford Telephone Company - Supplemental Assessment for Taxation for the Tax Year 2014
PST-2018-00001	MCI Communications Services Inc. - Supplemental Assessment for Tax Years 2015 and 2016
PST-2018-00002	Waterford Telephone Company - Supplemental Assessment for Tax Years 2015, 2016, and 2017
PST-2018-00003	BARC Electric Cooperative - Supplemental Assessment for Tax Year 2017
PST-2018-00004	The Assessment of the Special Regulatory Revenue Tax on Railroad Companies for the Tax Year 2018
PST-2018-00005	The Assessment of the Rolling Stock Tax on Motor Vehicle Carriers for the Tax Year 2018
PST-2018-00006	The Assessment of the Special Regulatory Revenue Tax on Motor Vehicle Carriers and Virginia Pilots' Association for the Tax Year 2018
PST-2018-00007	The Assessment of the Special Regulatory Revenue Tax on Telecommunications Companies for the Tax Year 2018
PST-2018-00008	The Assessment of the Special Regulatory Revenue Tax and the State License Tax on Water Companies for the Tax Year 2018
PST-2018-00009	The Assessment of the Gross Receipts Subject to the Minimum Tax on Telecommunications Companies and Certain Electric Suppliers for the Tax Year 2018
PST-2018-00010	Central Water Company, Inc. - Supplemental Assessment for Tax Years 2015, 2016, and 2017
PST-2018-00011	Burke's Garden Telephone Company, Inc. - Supplemental Assessment for Taxation for Tax Year 2017
PST-2018-00012	The refund of overpaid License Tax on Gross Receipts for the Taxable Year 2018
PST-2018-00013	The assessment of Water, Heat, Light, and Power Corporations. Electric Suppliers: Gas and Pipeline Distribution Corporations: and Telecommunications Companies for the 2018 Tax Year

PST-2018-00014	Virginia Electric and Power Company - Supplemental assessment for Tax Years 2015, 2016, and 2017
PST-2018-00015	Northern Virginia Electric Cooperative - Supplemental Assessment for Tax Year 2018
PST-2018-00016	Virginia Electric and Power Company - Supplemental Assessment for Tax Year 2018
PST-2018-00017	AT&T Communications of Virginia, LLC - Supplemental Assessment for Tax Year 2018
PST-2018-00018	AT&T Corp. - Supplemental Assessment for Tax Year 2018
PST-2018-00019	T-Mobile License, LLC - Supplemental Assessment for Tax Year 2018
PST-2018-00020	Virginia Electric and Power Company - Supplemental Assessment for Tax Year 2018
PST-2018-00021	Pembroke Telephone Cooperative - Supplemental Assessment for Tax Year 2018
PST-2018-00022	Public Service Companies within Prince William County - Supplemental assessment for taxation of public service company property located within Bull Run Mountain, Lake Jackson, and Occoquan Forest Sanitary Districts for the Tax Year 2018
PST-2018-00023	Reston/Lake Anne Air Conditioning Corp. - Supplemental Assessment for Tax Years 2016 and 2017
PST-2018-00024	Sunset Fiber (DE), LLC - Supplemental Assessment for the Tax Year 2018
PST-2018-00025	T-Mobile License, LLC and SunCom Wireless License Company, LLC - Supplemental Assessment for Tax Year 2018

PUR **PUBLIC UTILITY REGULATION**

PUR-2017-00142	Virginia Natural Gas, Inc. - For approval of a disposition of utility asset pursuant to Chapter 5 of Title 56 of the Code of Virginia
PUR-2017-00175	Burke's Garden Telephone Company - Request to amend the Company's certificated service territory
PUR-2017-00176	Network Innovations Virginia, Inc. - Application for CPCN to provide Resold Local Exchange Telecommunications Services throughout the Commonwealth of Virginia
PUR-2017-00177	Washington Gas Light Company - Application for approval of Service Agreement, pursuant to the Affiliates Act Va. Code § 56-775 *et seq.*
PUR-2018-00001	Columbia Gas of Virginia, Inc. - Application for approval of a service agreement between CVA and Northern Indiana Public Service Company LLC pursuant to Chapter 4 of Title 56 of the Code of Virginia
PUR-2018-00002	Vero Fiber Networks, LLC - For a Certificate to provide local exchange telecommunications services throughout the Commonwealth of Virginia
PUR-2018-00003	Toll Road Investors Partnership II, L.P. - Application for an increase in tolls pursuant to § 56-542 I of the Virginia Code.
PUR-2018-00004	Highland Telephone Cooperative - Interconnection Agreement between Highland Telephone Cooperative and Level 3 Communications LLC
PUR-2018-00005	Ex Parte: Regulatory Accounting related to the federal Tax Cuts and Jobs Act of 2017
PUR-2018-00007	Texas Retail Energy LLC - Application for license to do Business as a Competitive Service Provider of Electricity in the Commonwealth of Virginia and $250.00 check for filing fee
PUR-2018-00008	Appalachian Power Company - Application for approval of certain affiliate transactions pursuant to § 56-76 *et seq.* of the Code of Virginia
PUR-2018-00009	Virginia Electric and Power Company - Application for approval to establish a Virginia community solar pilot program, pursuant to VA Code § 56-585.1 (3)
PUR-2018-00010	Mecklenburg Electric Cooperative - For authority to incur indebtedness
PUR-2018-00011	Washington Gas Light Company - Application for Approval of new natural gas distribution rates for its Virginia customers.
PUR-2018-00012	Appalachian Power Company and AEP West Virginia Transmission Company, Inc. - Application for authority to enter into an Affiliate transaction under Title 56, Chapter 4 of the Code of Virginia
PUR-2018-00013	Roanoke Gas Company - Rate Request
PUR-2018-00014	Atmos Energy Corporation - General Rate Application
PUR-2018-00015	Appalachian Natural Gas Distribution - General Rate Case
PUR-2018-00016	Dark Fiber Infrastructure LLC - For certificates of public necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia
PUR-2018-00017	Rappahannock Electric Cooperative and Shenandoah Valley Electric Cooperative - For revision of service territory boundary lines under the Utility Facilities Act
PUR-2018-00018	Appalachian Power Company - For revision of a rate adjustment clause: Rider, G, Dresden Generating Plant
PUR-2018-00019	Rappahannock Electric Cooperative - Application For approval of Community Solar Tariff
PUR-2018-00020	A & N Electric Cooperative - Application For approval of a Community Solar Tariff
PUR-2018-00021	Application of Mecklenburg Electric Cooperative For approval of a Community Solar Tariff
PUR-2018-00022	Northern Neck Electric Cooperative - Application for approval of a Community Solar Tarif.
PUR-2018-00024	Virginia Electric and Power Company - Application for Amended Authority to Participate in a $6 Billion 5-Year Revolving Credit Facility
PUR-2018-00025	Sprint Communications Company of Virginia, Inc. - Notification of Intra-Company Change at Holding Company Level
PUR-2018-00026	Northern Virginia Electric Cooperative and Virginia Electric and Power Company d/b/a Dominion Energy Virginia - For revision of service territory boundary lines under the Utility Facilities Act. Map D49
PUR-2018-00027	Peoples Mutual Telephone & RiverStreet Management Services, LLC, For approval to enter into financing arrangements under Chapters 3 and 4 of Title 56 of the Code of Virginia
PUR-2018-00028	Kentucky Utilities Company d/b/a Old Dominion Power Company - Application to Revise its Fuel Factor
PUR-2018-00029	Massanutten Public Service Corporation - Motion for a Waiver of Requirement to file an Annual Informational Filing for 2017
PUR-2018-00030	Roanoke Gas Company - Application for Approval of a Gas Supply Incentive Mechanism
PUR-2018-00031	A & N Electric Cooperative - Application for a general increase in electric rates
PUR-2018-00032	Talk America Services, LLC - For authority to Partially Discontinue Local Exchange Services
PUR-2018-00033	Columbia Gas of Virginia, Inc. - Application for approval of an extension of service in an uncertificated area of Pittsylvania County pursuant to Va. Code § 56-265.3 B
PUR-2018-00034	Down Under Construction LLC, Daryl Dunbar & Douwn Under Communications, LLC - Joint Application for Approval to Transfer Control of Down Under Communications, LLC to Down Under Construction LLC pursuant to Va. Code §§ 56-88 *et seq.*

PUR-2018-00035	Virginia Electric & Power Company & VP Property, Inc. - Application for Approval to Enter into a Bill of Sale Agreement Under Chapter 4, Title 56 of the Code of Virginia
PUR-2018-00036	Kentucky Utilities Company d/b/a Old Dominion Company - Motion for a Waiver of Requirements to File an Annual Informational Filing for 2017
PUR-2018-00037	Roanoke Gas Company - Application for approval to receive case capital contributions from an affiliate pursuant to Chapter 4 of Title 56 of the Code of Virginia
PUR-2018-00038	Virginia Natural Gas, Inc. - Application for approval of its 2018 annual update to Rate Schedule PT-1
PUR-2018-00039	Appalachian Power Company - Complaint of Appalachian Power Company regarding the license of Collegiate Clean Energy, LLC to operate as a Competitive Service Provider
PUR-2018-00040	Columbia Gas of Virginia, Inc. - Application for Reauthorization of Gas Supply and Other Supply Related Agreements with Affiliates
PUR-2018-00041	Shenandoah Valley Electric Cooperative - Application for approval of a Prepaid Electric Service Tariff, Schedule PES
PUR-2018-00042	Virginia Electric and Power Company - for revision of a rate adjustment clause: Rider U, new underground distribution facilities, for the Rate Year Commencing February 1, 2019
PUR-2018-00043	Appalachian Power Company - Petition for approval of a rate adjustment clause for participation in the Renewable Energy Portfolio Program pursuant to §§ 56-585.1 A (5) d and 56-585.2 E of the Code of Virginia
PUR-2018-00044	Joint Petition & Application of E.I. Du Pont de Nemours & Co., Spruance Genco, LLC and Spruance Operating Services, LLC for approval of the disposition & acquisition of utility assets under the Utility Transfers Act, Chapter 5 of Title 56 of VA Code §§ 56-88 *et seq.*
PUR-2018-00045	Virginia Electric & Power Company and Dominion Energy, Inc. - For authority to modify and continue an Inter-Company Credit Agreement under Chapters 3 and 4, Title 56 of the Code of Virginia
PUR-2018-00046	Southwestern Virginia Gas Company - For authority incur long-term debt
PUR-2018-00047	Airbus DS Communications of Virginia Inc. - Application for amended and reissued certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services to reflect a company name change
PUR-2018-00048	Appalachian Power Company - Application for the determination of the fair rate of return on common equity pursuant to Va. Code § 56-585.1:1 C
PUR-2018-00049	Kentucky Utilities Company d/b/a Old Dominion Power Company - Verified Application to Engage in Affiliate Transactions
PUR-2018-00050	Virginia Electric and Power Company and Dominion Energy Kewaunee, Inc. - Petition for exemptions or, alternatively, for approval of non-inventory, zero-dollar transfers and future exemptions under Chapter 4 of Title 56 of the Code of Virginia
PUR-2018-00051	Appalachian Power Company's - Integrated Resource Plan filing for 2018 pursuant to VA Code §§ 56-597 *et seq.*
PUR-2018-00052	Dark Fiber and Infrastructure, LLC, USA Corporate Holding, Inc., and Goff Network Technologies - Virginia, Inc. for approval of the transfer of telecommunications assets of Goff Network Technologies - Virginia, Inc.
PUR-2018-00053	In the matter concerning the implementation by Virginia Electric and Power Company d/b/a Dominion Energy Virginia of customer bill credits pursuant to Enactment Clause Nos. 4 and 5 of Senate Bill 966
PUR-2018-00054	In the matter concerning the implementation by Appalachian Power Company d/b/a American Electric Power-Virginia of reductions in rates for generation and distribution services pursuant to Enactment Clause Nos. 6 and 7 of Senate Bill 966
PUR-2018-00055	In the matter concerning the implementation by Virginia Electric and Power Company d/b/a Dominion Energy Virginia of reductions in rates for generation and distribution services pursuant to Enactment Clause Nos. 6 and 7 of Senate Bill 966
PUR-2018-00056	Columbia Gas of Virginia, Inc.'s Motion for Extension, which is in regards to its annual information filing for 2018 currently due on August 28, 2018
PUR-2018-00057	Columbia Gas of Virginia, Inc. - for authority to amend and extend its Conservation and Ratemaking Efficiency Plan pursuant to VA Code § 56-602
PUR-2018-00058	Talk America Services, LLC - Notice of Partial Discontinuation of Exchange Access and Interstate Long Distance Services
PUR-2018-00059	In the matter concerning the implementation by Appalachian Power Company d/b/a American Electric Power-Virginia of a pilot program for the deployment of electric power storage batteries pursuant to Enactment Clause Nos. 9 & 10 of Senate Bill 966
PUR-2018-00060	In the matter concerning the implementation by Virginia Electric and Power Company d/b/a Dominion Energy Virginia of a pilot program for the deployment of electric power storage batteries pursuant to Enactment Clause Nos. 9 and 10 of Senate Bill 966
PUR-2018-00061	In the matter concerning the implementation by Virginia Electric and Power Company d/b/a Dominion Energy Virginia of a pilot aggregation program pursuant to House Bill 1451
PUR-2018-00063	Virginia Electric and Power Company - For approval of an extension to special rates, terms and conditions pursuant to § 56-235.2 of the Code of Virginia
PUR-2018-00065	Virginia Electric and Power Company - Integrated Resource Plan filing for 2018 pursuant to Va. Code §§ 56-597 *et seq.*
PUR-2018-00066	Virginia Electric and Power Company - For approval of a rate adjustment clause Rider T pursuant to § 56-585.1 A 4 of the Code of Virginia
PUR-2018-00067	Virginia Electric and Power Company - To revise its fuel factor pursuant to VA Code § 56-249.6
PUR-2018-00068	WANRACK, LLC - Application of WANRack, LLC, for certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in the Commonwealth of Virginia
PUR-2018-00069	Kentucky Utilities Company d/b/a Old Dominion Power Company - Integrated Resource Plan filing
PUR-2018-00070	Verizon - Petition of an intra company transfer of control of XO Virginia, LLC from XO Communication Services, LLC TO MCImetro Access Transmission Services Corp.
PUR-2018-00071	Columbia Gas of Virginia, Inc. - Application for approval of a Meter Exchange Agreement between CVA, Columbia Gas of Ohio, Inc., Columbia Gas of Pennsylvania, Inc., Columbia Gas of Kentucky, Inc. and Columbia Gas of Maryland, Inc.
PUR-2018-00072	Appalachian Natural Gas Distribution Company - Application for approval of a SAVE Plan and Rider as provided by Chapter 26 of Title 56 of the Code of Virginia
PUR-2018-00073	Power Management Co., LLC d/b/a PMC Lightsavers LLC - Application for license to do business as an electricity and gas aggregator
PUR-2018-00075	Virginia Electric and Power Company - Application for approval and certification of electric transmission facilities: Chesterfield - Hopewell Lines #211 and #228 230 kV transmission line partial rebuild

PUR-2018-00076	Kentucky Utilities Company d/b/a Old Dominion Power Company - Application for an (1) Order Authorizing the Issuance of Securities & Assumption of Obligations & (2) an Order Amending & Extending Existing Authority with Respect to Revolving Line of Credit
PUR-2018-00077	Sunset Digital Communications, Inc., *et al.* - Joint Petition for approval of the transfer of the telecommunications assets of BVU Authority and related transactions
PUR-2018-00078	Joint Application of MLN TopCo Ltd., Mitel Networks Corporation & Mitel Cloud Services of Virginia, Inc. f/k/a Mitel NetSolutions, Inc. for Approval to Transfer Control of Mitel Cloud Services, Inc. to MLN TopCo Ltd.
PUR-2018-00079	Virginia Natural Gas, Inc. - For approval of its 2018 SAVE Rider update
PUR-2018-00080	Washington Gas Light Company - For general rate increase
PUR-2018-00081	Lightower Fiber Networks II, LLC - For an Amended and Reissued Certificate of Public Convenience and Necessity to Reflect its Current Name Crown Castle Fiber LLC
PUR-2018-00082	Virginia Electric and Power Company - For approval and certification of electric transmission facilities: Chesterfield-Lakeside Line #217 230 kV transmission line rebuild
PUR-2018-00083	Virginia Electric and Power Company - For revision of rate adjustment clause: Rider B, Biomass Conversions of the Altavista, Hopewell, and Southampton Power Stations for the Rate Year Commencing April 1, 2019
PUR-2018-00084	Virginia Electric and Power Company - For revision of rate adjustment clause: Rider GV, Greensville County Power Station for the Rate Year Commencing April 1, 2019
PUR-2018-00085	Virginia Electric and Power Company - For revision of rate adjustment clause: Rider R, Bear Garden Generating Station for the Rate Year Commencing April 1, 2019
PUR-2018-00086	Virginia Electric and Power Company - For revision of rate adjustment clause: Rider S, Virginia City Hybrid Energy Center for the Rate Year Commencing April 1, 2019
PUR-2018-00087	Virginia Electric and Power Company - For revision of rate adjustment clause: Rider W, Warren County Power Station for the Rate Year Commencing April 1, 2019
PUR-2018-00088	Costco Wholesale Corporation - Petition for Approval to Aggregate the Demand of Two or More Nonresidential Customers for Electric Energy within Virginia Electric and Power Company's Service Territory pursuant to Va. Code § 56-577 A 4
PUR-2018-00089	Columbia Gas of VA & Washington Gas Light Co. - For realignment of territories in Prince William County, VA
PUR-2018-00090	Virginia Electric and Power Company - For Approval and Certification of Electric Facilities Lanexa-Northern Neck Line #224 230 kV Transmission Line Partial Rebuild Projects
PUR-2018-00091	Virginia Electric and Power Company - For approval to modify an experimental tariff to facilitate customer-owned distributed solar generation pursuant to Chapter 771 of the 2011 Virginia Acts of Assembly
PUR-2018-00092	Talk America Services, LLC - Application for Partial Discontinuation of Local Exchange Services
PUR-2018-00093	Sunset Digital Communications - Application for certificates of public convenience and necessity to provide local exchange & interexchange telecommunications services in the Commonwealth of Virginia
PUR-2018-00094	Sunset Fiber, LLC, a Delaware limited liability company - Application for certificates of public convenience and necessity to provide local exchange & interexchange telecommunications services in the Commonwealth of Virginia
PUR-2018-00095	Appalachian Natural Gas Distribution Company - For expedited approval of a special rate and contract pursuant to § 56-235.2 of the Code of Virginia
PUR-2018-00096	Virginia Electric and Power Company - For Approval and Certification of Electric Facilities Landstown-Thrasher Line #231 230 kV Transmission Line Rebuild
PUR-2018-00097	FiberLight of Virginia, LLC - Notice of Reorganization
PUR-2018-00098	Mecklenburg Electric Cooperative - Application for Authority to Incur Debt to Provide a Zero-Interest Loan under the Rural Economic Development Loan and Grant Program
PUR-2018-00099	PGEC Enterprises, LLC - Application for Certificates of Public Convenience and Necessity to Provide Competitive Local Exchange and Interexchange Telecommunications Services in the Commonwealth of Virginia
PUR-2018-00100	Virginia Electric and Power Company - For approval of a plan for electric distribution grid transformation projects pursuant to § 56-585.1 A 6 of the Code of Virginia
PUR-2018-00101	Virginia Electric & Power Company - For approval & certification of proposed US-3 Solar Projects pursuant to VA Code §§ 56-580 D, *et al.* and for approval of a rate adjustment clause, designated Rider US-3, under VA Code § 56-585.1 A 6
PUR-2018-00102	Roanoke Gas Company - Application for a modification to its SAVE Plan and Rider and to implement a 2019 SAVE Projected Factor Rate and True-Up Factor Rate
PUR-2018-00103	Washington Gas Light Company - for authority to enter into an Affiliate Service Agreement
PUR-2018-00104	Joint Petition of AMCS Networking Services, LLC (used in VA by AMCS LLC), Summit Infrastructure Group, LLC, and Summit Infrastructure Group, Inc. for approval of the transfer of assets of Summit Infrastructure Group, LLC.
PUR-2018-00105	Virginia Electric and Power Company and Atlantic Coast Pipeline, LLC - Application for exemption from or approval to enter into retail service agreements under Chapter 4, Title 56 of the Code of Virginia
PUR-2018-00106	Verizon Virginia LLC and Verizon South Inc. - Planned Disconnection of Service to CoreTel Virginia LLC for Nonpayment of Charges
PUR-2018-00107	In the matter of revising the Commission's Regulations Governing Interconnection of Small Electrical Generators
PUR-2018-00108	Aqua Virginia Inc., Great Bay Utilities, Inc., Kevin L. Gouldman and Northern Neck Water, Inc. - Joint Petition for Approval of a Transfer of Utility Assets
PUR-2018-00109	Appalachian Power Company, *et al.* - Petition for approval pursuant to the Act Governing Regulation of Relations with Affiliates Interests, VA Code §§ 56-76 *et seq.*
PUR-2018-00110	Sprint Communications Company of Virginia, Inc., *et al.* - Joint Petition for Approval of an Indirect Transfer of Control of Sprint Communications Company of Virginia, Inc. to T-Mobile USA, Inc.
PUR-2018-00112	Network Billing Systems, LLC, Cbeyond Communications LLC and Birch Communications of Virginia, Inc. - Notice of Pro Forma Change to Their Ownership
PUR-2018-00113	Central Virginia Electric Cooperative and Central Virginia Services, Inc. - Joint Application for approval of affiliate arrangements
PUR-2018-00114	Columbia Gas of Virginia, Inc. - For Approval of an Amended and Restated Service Agreement between Columbia Gas of Virginia, Inc. and Northern Indiana Public Service Company LLC pursuant to Chapter 4 of Title 56 of the Code of Virginia
PUR-2018-00115	Washington Gas Light Company - Application for Authority to Participate in Tax Sharing Policy

PUR-2018-00116	Washington Gas Light Company - For Authority to Receive Cash Capital Contributions from an affiliate pursuant to VA Code §§ 56-76 *et seq.*
PUR-2018-00117	Virginia Electric and Power Company and Dominion Energy, Inc. - Application for Approval to Amend and Extend a Lease Agreement Under Chapter 4, Title 56 of the Code of Virginia
PUR-2018-00118	Appalachian Power Company - For approval to continue a rate adjustment clause, Rider EE-RAC
PUR-2018-00119	Petition of the Bedford Regional Water Authority and CaGNaC, Inc. - for approval of the transfer of a public utility pursuant to Chapter 5 of Title 56 of the Code of Virginia
PUR-2018-00120	Columbia Gas of Virginia, Inc. and Virginia Natural Gas - Clarification of Service Territories into City of Chesapeake and the City of Portsmouth
PUR-2018-00121	Virginia Electric and Power Company - Petition for a prudency determination with respect to the to the Coastal Virginia Offshore Wind Project pursuant to VA Code § 56-585.1:4 F
PUR-2018-00122	Joint Application of Lingo Communications, LLC, Lingo Management, LLC, Birch Communications of Virginia, Inc., TNCI Impact LLC, and Matrix Telecom of Virginia, LLC for Approval of the Proposed Transfer of Indirect Control of Matrix Telecom of Virginia, LLC
PUR-2018-00124	Southside Electric Cooperative - For authority to incur long-term indebtedness
PUR-2018-00125	Central Va Electric Coop - For general rate relief
PUR-2018-00126	In the matter of Repealing the Rules Governing Exemptions for Large General Service Customers Under § 56-585.1 A 5 C of the Code of Virginia
PUR-2018-00128	Elizabeth V. Lodal and Jan M. Lodal - Petition for Injunctive and Other Relief v. Virginia Electric and Power Company
PUR-2018-00129	Joint Petition for Approval of a Transfer of Control by Gamewood Technology, Group, Inc., Gamewood Telecom, Inc., RiverStreet Management Services, LLC and Wilkes Telephone Membership Corporation
PUR-2018-00130	Washington Gas Light Company - Application for approval of revised and new service agreements between Washington Gas and its affiliates
PUR-2018-00131	Columbia Gas of Virginia, Inc. - For authority to increase rates and charges and to revise the terms and conditions applicable to gas service
PUR-2018-00132	Columbia Gas of Virginia, Inc. - For approval to implement a 2019 SAVE Plan Infrastructure Reliability and Replacement Adjustment in accordance with § 20 of its General Terms and Conditions
PUR-2018-00133	Virginia Electric and Power Company - Application for approval to establish voluntary rate, designated Rider CRC, pursuant to VA Code § 56-234 B
PUR-2018-00134	Appalachian Power Company v. Collegiate Clean Energy, LLC - Complaint
PUR-2018-00135	Virginia Electric and Power Company - Petition for a prudency determination with respect to the Water Strider Solar Purchase Power Agreement pursuant to VA Code § 56-585.1 4 F
PUR-2018-00136	Tenebris Fiber LLC - Application for a certificate of public convenience and necessity to provide Local Exchange Telecommunications Services in the Commonwealth of Virginia
PUR-2018-00137	Atmos Energy Corporation - Application for an Order Authorizing the Implementation of A Universal Shelf Registration for Senior Debt Securities & Common Stock & Financial Derivative Instruments in Connection with Future Issuance of Securities
PUR-2018-00138	Virginia-American Water Company - and American Water Works Service Company, Inc. - Application for approval of a leasing arrangement under Chapter 4 of Title 56 of the Code of Virginia
PUR-2018-00139	Virginia Electric and Power Company - For Approval and Certification of Electric Facilities Fudge Hollow-Low Moor Line #112 and East Mill-Low Moor Line #161 138 kV Transmission Line Partial Rebuild Project
PUR-2018-00140	Elite Energy Group, Inc. - Application to provide broker/aggregator services for electricity and natural gas services to retail and commercial customers in the Commonwealth of Virginia and $250 check for license fee
PUR-2018-00141	Summit Energy Services, Inc. - Application for Electric and Natural Gas Aggregator Licenses
PUR-2018-00142	Teliax Virginia, LLC - Application for a Certificate of Public Convenience and Necessity to Provide Facilities-Based Competitive Local Exchange and Interexchange Service in the Commonwealth of Virginia
PUR-2018-00143	Virginia Natural Gas, Inc. - 2017 Annual Informational Filing
PUR-2018-00145	Washington Gas Light Company - For approval of the SAVE Rider for 2019
PUR-2018-00146	Electric Advisors, Inc. - for a license to conduct business as an energy broker for natural gas supply in the state of Virginia
PUR-2018-00147	Northern Neck Electric Cooperative and Virginia Electric and Power Company d/b/a Dominion Energy Virginia - For revision of service territory boundary lines under the Utility Facilities Act
PUR-2018-00148	Prince George Electric Cooperative and PGEC Enterprises, LLC - Application for Authority to Guaranty Long-term Indebtedness of an Affiliated Entity and Request for Expedited Consideration and $250 check for filing fee
PUR-2018-00149	Resource Energy Systems, LLC - Application for Competitive Service Provider License
PUR-2018-00150	Kroger Limited Partnership I - Petition for approval to aggregate its demand pursuant to VA Code § 56-577 A 4
PUR-2018-00151	Harris Teeter, LLC - Petition for approval to aggregate its demand pursuant to VA Code § 56-577 A 4
PUR-2018-00152	Central Virginia Electric Cooperative & Central Virginia Services, Inc. - Joint application for approval Pursuant to Title 56, Chapter 3 and 4 of the Virginia Code
PUR-2018-00153	Appalachian Power Company - Application to revise its fuel factor pursuant to § 56-249.6 of the Code of Virginia
PUR-2018-00155	EMPOWER Broadband, Inc. - Application for Designation as an Eligible Telecommunications Carrier
PUR-2018-00156	PGEC Enterprises, LLC - Application for Designation as an Eligible Telecommunications Carrier
PUR-2018-00157	BARConnects, LLC - Application for Designation as an Eligible Telecommunications Carrier
PUR-2018-00158	Target Corporation - Petition for approval to aggregate or combine demands of two or more nonresidential customers of electric energy pursuant to § 56-577 A 4 of the Code of Virginia
PUR-2018-00159	Virginia Electric and Power Company - For a declaratory judgment or, in the alternative, for approval and certification of electric facilities: Fork Union substation and related line cut-in project
PUR-2018-00160	Application of Crown Castle Fiber, LLC, Crown Castle NG Atlantic LLC, InSITE Fiber of Virginia, LLC, NewPath Networks, LLC, Sunesys of Virginia, Inc., and 24/7 Mid-Atlantic Network of Virginia, LLC for Approval of a Pro Forma Consolidation
PUR-2018-00161	Virginia Electric and Power Company - For approval of a Revised Services Agreement under Chapter 4 of Title 56 of the Code of Virginia

PUR-2018-00162	Virginia Electric and Power Company - For approval of a Revised Affiliate Services Agreements and future exemptions from the filing and prior approval requirements under Chapter 4 of Title 56 of the Code of Virginia
PUR-2018-00163	XO Virginia, LLC - Notice to the State Corporation Commission of its election to be regulated as a competitive telephone company
PUR-2018-00164	New Albertsons L.P. d/b/a New Albertsons Virginia, L.P. - Petition for permission to aggregate or combine the demands of two or more individual nonresidential retail customers of electric energy pursuant to Va. Code § 56-577 A 4
PUR-2018-00165	Northern Virginia Electric Cooperative - Petition for approval to implement a new Large Power Dedicated Facilities Contract Service Schedule, HV-2
PUR-2018-00166	Virginia Electric and Power Co - For revision of rate adjustment clause: Rider BW, Brunswick County Power Station, for the Rate Year Commencing September 1, 2019
PUR-2018-00167	Virginia Electric and Power Co - For revision of rate adjustment clause: Rider US-2. Scott, Whitehouse, and Woodland Solar Power Stations, for the Rate Year Commencing September 1, 2019
PUR-2018-00168	Application of Virginia Electric and Power Company For approval to implement demand-side management programs and for approval of two updated rate adjustment clauses pursuant to § 56-585.1 A 5 of the Code of Virginia
PUR-2018-00169	Unified Energy Services LLC - Application for a License to Conduct Business as a Competitive Service Provider and $250 check for filing fee
PUR-2018-00170	MGW Networks, L.L.C. - Application for Designation as an Eligible Telecommunications Carrier
PUR-2018-00172	RiverStreet Communications of VA, Inc. - Application for Designation as an Eligible Telecommunications Carrier
PUR-2018-00173	Virginia Electric and Power Company d/b/a Dominion Energy Virginia & Mecklenburg Electric Cooperative - For revision of service territory boundary lines under the Utility Facilities Act
PUR-2018-00174	Central Virginia Electric Cooperative - For authority to issue long-term debt
PUR-2018-00175	Virginia American Water Company - General Rate Request
PUR-2018-00176	ENGIE Resources LLC - Application for Licenses to Conduct Business as a Provider of Electric and Natural Gas Competitive Energy Services
PUR-2018-00177	Rappahannock Electric Cooperative and Shenandoah Valley Electric Cooperative - Revision in boundary lines
PUR-2018-00178	Columbia Gas of Virginia, Inc. - For Authority to Issue Long-Term Debt and to Participate in an Intrasystem Money Pool Arrangement with an Affiliate
PUR-2018-00179	Atmos Energy Corporation and Atmos Energy Holdings, Inc. - Application for Authority to Incur Short-Term Indebtedness and to lend and borrow Short-Term Funds to and from its Affiliate
PUR-2018-00180	Mecklenburg Electric Cooperative and EMPOWER Broadband, Inc. - Application for Approval of Affiliate Agreements and Request for Expedited Consideration
PUR-2018-00181	ExteNet Asset Entity, LLC - Application for a Certificate of Public Convenience and Necessity to Provide Facilities-Based and Resold Competitive Local Exchange and Interexchange Services in the Commonwealth of Virginia
PUR-2018-00182	Virginia Natural Gas, Inc., Southern Company Gas, AGL Services Company and Southern Company Gas Capital Corporation - Application for Authority to Issue Short-Term Debt, Long-Term Debt & Common Stock to an Affiliate under Chapter 3 and 4, Title 56 of Code
PUR-2018-00183	Virginia Electric and Power Company d/b/a Dominion Energy Virginia & Central Virginia Electric Cooperative - for revision of service Territory boundary lines under the Utility Facilities Act
PUR-2018-00184	Joint Petition of Aqua Virginia, Inc. and the City of Chesapeake, Virginia for Approval of a Transfer of Utility Assets
PUR-2018-00186	Virginia Electric and Power Company and The Potomac Edison Company For authority to transfer utility assets to Virginia Electric and Power Company pursuant to the Utility Transfers Act, Va. Code §§ 56-88 *et seq.* and for certification of utilities pursuant to the Utilities Facilities Act, VA Code §§ 56.265.1 *et seq.*
PUR-2018-00187	Joint Petition of Virginia Electric and Power Company and The Potomac Edison Company For authority to transfer utility assets to The Potomac Edison Company pursuant to the Utility Transfers Act, Va. Code §§ 56-88 *et seq.* and for certification of the facility
PUR-2018-00188	Appalachian Power Company - Glendale area improvements 138 kV Transmission Line Project
PUR-2018-00189	Prince George Electric Cooperative - Application for Approval of a Letter of Credit Agreement on Behalf of an Affiliated Entity Pursuant to the Provisions of Chapter 3 and Chapter 4 of Title 56 of the Code of Virginia
PUR-2018-00191	L5E, LLC - Application for approval to act as an Electricity and Natural Gas Aggregator statewide in the Commonwealth of Virginia
PUR-2018-00192	Virginia Electric and Power Company - For approval to establish rate schedule, designated Rate Schedule MBR, pursuant to § 56-234 A of the Code of Virginia
PUR-2018-00193	Washington Gas Light Company - For authority to amend its Conservation and Ratemaking Efficiency Plan
PUR-2018-00194	Virginia Natural Gas, Inc. - For approval of an amendment to its conservation and ratemaking efficiency plan
PUR-2018-00195	Virginia Electric & Power Company - For approval of a rate adjustment clause, designated Rider E, for the recovery of costs incurred to comply with state and federal environmental regulations pursuant to § 56-585.1 A 5 e of the Code of Virginia
PUR-2018-00196	Birch Communications of Virginia Inc. - Application for Amendment & Reissuance of Certificates of Public Convenience & Necessity to Provide Local Exchange & Interexchange Telecommunications Services to Reflect Company Name Change to Lingo Communications
PUR-2018-00197	Appalachian Power Company, *et al.* - Motion for Interim Authority for Continuation of Approved Affiliate Transactions
PUR-2018-00198	Appalachian Power Company - Petition for approval of a plan for electric distribution grid transformation projects pursuant to § 56-584.1 A 6 of the Code of Virginia
PUR-2018-00199	Bollinger Energy Corporation - Application for a License to Conduct Business as a Natural Gas Broker and Aggregator
PUR-2018-00200	Declaration Networks Group, Inc. - Petition Seeking State Corporation Commission Investigation of, and Sanctions Against, the Eastern Shore of Virginia Broadband Authority's Unlawful Provision of Qualifying Communications Services.
PUR-2018-00201	Alternative Utility Services, Inc. - Electricity and Natural Gas Aggregator Application
PUR-2018-00202	Time Clock Solutions, LLC - Application for a certificate of public convenience and necessity to provide local exchange telecommunications services in the Commonwealth of Virginia
PUR-2018-00203	Virginia Natural Gas, Inc. and Sequent Energy Management, L.P. - Application for approval of an Asset Management Agreement under Chapter 4 of Title 56 off the Code of Virginia

SEC **DIVISION OF SECURITIES AND RETAIL FRANCHISING**

SEC-2016-00014	Lincoln Financial Securities Corporation - Alleged violation of VA Code §§ 13.1-504, *et al.*
SEC-2016-00063	37th Parallel Properties Investment Group, LLC - Alleged violation of VA Code §§ 13.1-504 A(i) & 13.1-507
SEC-2017-00032	Wings to Go, Inc. and John Martino - Alleged violation of VA Code §§ 13.1-560, *et al.*
SEC-2017-00038	Hilton Claude Moore - Alleged violation of VA Code § 13.1-504
SEC-2017-00045	Bloop Frozen Yogurt, LLC - Alleged violation of VA Code §§ 13.1-560 and 13.1-563
SEC-2017-00047	Larada Sciences, Inc. - Alleged violation of VA Code §§ 13.1-560
SEC-2017-00051	CommuniClique, Inc. - Alleged violation of VA Code §§ Rule §§ or Other Applicable Code §§ 13.1-502 and 12.1-13
SEC-2017-00052	Critter Control - Alleged violation of VA Code § 13.1-560
SEC-2017-00065	DaVi Nails Salon and Spa, LLC - Alleged violation of VA Code §§ 13.1-560, *et al.*
SEC-2017-00066	Tami Lynne Aloisa - For special supervisory order
SEC-2018-00003	The Lutheran Church - Missouri Synod Foundation Pooled Trust Fund Plan III - Alleged violation of VA Code § 13.1-514.1 B
SEC-2018-00004	Solera National Bancorp, Inc. - Alleged violation of VA Code § 13.1-510
SEC-2018-00007	Results Auction, LLC & Clifton Ray Kaderli - Alleged violation of VA Code §§ 13.1-504 B, *et al.*
SEC-2018-00009	Cetera Advisor Networks LLC & Jaret C. Mutter - For Special Supervision Order.
SEC-2018-00010	National Covenant Properties - For order of exemption pursuant to VA Code § 13.1-514.1 B
SEC-2018-00011	Cornerstone Capital Management, Ltd. and Gregory Scott McCauley - Alleged violation of VA Code § 13.1-504, Rules 21 VAC 5-80-65, 21 VAC 5-80-160 and 21 VAC 5-80-200
SEC-2018-00014	Christian Financial Resources, Inc. - For order of exemption pursuant to VA Code § 13.1-514.1 B
SEC-2018-00015	Columbia Union Revolving Fund - For order of exemption pursuant to VA Code § 131-514.1 B
SEC-2018-00017	Mission Investment Fund of the Evangelical Lutheran Church of America - For an order of exemption pursuant to VA Code § 13.1-514.1 B
SEC-2018-00018	Capital Impact Partners - for registration of securities under VA Code § 13.1-510
SEC-2018-00019	The Solomon Foundation - For order of exemption pursuant to VA Code § 13.1-514.1 B
SEC-2018-00021	Dave Bourne Bail Bonds, Inc. - Petition to Cancel Trademark/Servicemark
SEC-2018-00023	Bella Ballerina Franchising, Inc. and Natalie Perkins - Alleged violation of VA Code §§ 13.1-560 and 13.1-563 (4)
SEC-2018-00034	Jon Mark Dabareiner - Alleged violation of VA Code § 13.1-504 A (ii)
SEC-2018-00036	Wells Fargo Advisors, LLC - Petition for Confirmation of Award of Expungement of Record of FINRA Associate Person Thomas DuVal, along with exhibits hereto
SEC-2018-00037	TCAL Church d/b/a The Community at Lake Ridge - For Qualification Order Pursuant to VA Code § 13.1-510
SEC-2018-00039	Lutheran Church Extension Fund - Missouri Synod (LCEF) - For an order of exemption pursuant to VA Code § 13.1-514.1. B
SEC-2018-00040	Jon Mark Dabareiner and Lombard Securities - Special Supervisory Order 13.1-521
SEC-2018-00042	The Alliance Development Fund, Inc. - For order of exemption pursuant to VA Code § 13.1-514.1. B
SEC-2018-00047	The Baptist Foundation of Oklahoma - For an Order of Exemption under VA Code § 13.1-514.1 B

URS **UTILITY AND RAILROAD SAFETY**

URS-2015-00669	JOLZ Underground Group, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2016-00253	Techno Drill LLC - Alleged violation of VA Code §§ 56-265.17 B 2 and 56-265.24 A
URS-2016-00322	Techno Drill LLC - Alleged violation of VA Code §§ 56-265.24 A (x5), *et al.*
URS-2016-00536	3RS Site Development and Landscaping LLC - Alleged violation of VA Code §§ 56-265.17 A and 56-265.24 A
URS-2017-00010	American Contractors, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2017-00026	Oscar Garcia - Alleged violation of VA Code § 56-265.17 A
URS-2017-00156	Old Town Paint & Plaster Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2017-00243	A&E Earthworks, LLC - Alleged violation of VA Code § 56-265.24 A, 20 VAC 5-309-200
URS-2017-00265	Mike Christley - Alleged violation of VA Code § 56-265.17 A; 20 VAC 5-309-200
URS-2017-00270	Traco Fencing & Property Management - Alleged violation of VA Code § 56-265.24 A
URS-2017-00289	JC & A Communications LLC - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2017-00307	Ayala Landscape Irrigation - Alleged violation of VA Code § 56-265.24 A
URS-2017-00335	Experience Concrete Design, LLC - Alleged violation of VA Code § 56-26517 A
URS-2017-00336	Fences & More - Alleged violation of VA Code § 56-265.24 A
URS-2017-00344	AJC Contracting - Alleged violation of VA Code § 56-265.24 B
URS-2017-00345	Absolute Doors and Windows - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2017-00355	Appalachian Mountain Satellite - Alleged violation of VA Code § 56-265.17 A
URS-2017-00356	Cordero's Concrete Construction Incorporated - Alleged violation of VA Code § 56-265.17 A
URS-2017-00360	City Concrete Corp. - Alleged violation of VA Code § 56-265.17 B 1
URS-2017-00367	Gary Russell Construction, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2017-00372	MC Stonemasons, L.L.C. - Alleged violation of VA Code § 56-265.17 B 1
URS-2017-00376	New Technologies Construction, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2017-00381	Ameri-Co Building, LLC - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2017-00383	MasTec Advanced Technologies - Alleged violation of VA Code § 56-265.17 A
URS-2017-00385	Rodriguez Cable Corp - Alleged violation of VA Code § 56-265.18
URS-2017-00387	TMAC Services, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2017-00388	Venable Abraham Lincoln - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2017-00390	Amurcon Realty Company - Alleged violation of VA Code §§ 56-265.17 A *et al.*
URS-2017-00396	Settle Excavating & Plumbing, LLC - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2017-00398	Utiliquest, LLC - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2017-00400	Gaston Brothers Utilities, LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2017-00408	N-It, Inc. t/a Dig-N-It - Alleged violation of VA Code § 56-265.24 A

URS-2017-00412	J Hutson & Company - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2017-00418	Columbia Gas of Virginia, Inc. - Alleged violation of 49 C.F.R. §§ 192.199 (e), *et al.*
URS-2017-00422	Jethro Byrd Electrical & Plumbing Contractor, Inc. - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2017-00423	T & L Construction Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2017-00424	Affordable Fence and Railing - Alleged violation of VA Code § 56-265.24 A
URS-2017-00429	J.P. Tucker Excavating, Inc.- Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2017-00433	P.E.C. Contracting, LLC - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2017-00439	Vazquez Landscaping - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2017-00440	America Directional Boring Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2017-00442	D&A Fences Corporation - Alleged violation of VA Code § 56-265.17 A
URS-2017-00443	Enhanced Roofing & Remodeling, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2017-00444	Experience Concrete Design, LLC - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2017-00445	Five Star Septic, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2017-00448	Moseley Excavating Service Incorporated - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2017-00449	Stephen's Plumbing Solutions, Inc. - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2017-00453	Experience Concrete Design, LLC - Alleged violation of VA Code § 56-265.17 A; 20 VAC 5-309-200
URS-2017-00455	Hobbie 2A Business Home Improvement, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2017-00460	South Oak Landscaping, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2017-00461	JS Int'l Inc.- Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2017-00466	Southeast Connections LLC - Alleged violation of VA Code § 56-265.19 A
URS-2017-00468	Utiliquest, LLC - Alleged violation of VA Code § 56-265.19 A
URS-2017-00478	Penn Forest Services - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-150 (6) and 20 VAC 5-309-200
URS-2017-00481	Complete Custom Works - Alleged violation of VA Code § 56-265.17 A
URS-2017-00484	Coastal Developments, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2017-00485	Mastec North America, Inc. - Alleged violation of VA Code §§ 56-265.17 A and 56-265.24 A
URS-2017-00486	A&E Earthworks, LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-200
URS-2017-00490	Corvus Workshop, LLC - Alleged violation of VA Code §§ 56-265.17 A and 56-265.24 A; 20 VAC 5-309-200
URS-2017-00492	E R Treadway Concrete Services - Alleged violation of VA Code § 56-265.24 A (x3); 20 VAC 5-309-140 (4) (x3)
URS-2017-00494	Virginia Carolina Pipeworks, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2017-00499	NOVAMAR Underground and Construction - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-150 (6) and 20 VAC 5-309-150 (8)
URS-2017-00501	A1 Pro Plumbing LLC - Alleged violation of VA Code § 56-265.17 A
URS-2017-00506	Juan Wallace - Alleged violation of VA Code § 56-265.17 A
URS-2017-00507	Manuel Solis - Alleged violation of VA Code § 56-265.17 A
URS-2017-00509	Milton Contractor, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2017-00510	Natural Innovations, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2017-00511	OCS of Virginia, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2017-00514	Rock Hard Excavating, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2017-00515	Stemmle Plumbing Repair, Inc. t/a Rooterman of Virginia - Alleged violation of VA Code § 56-265.24 A
URS-2017-00516	Sagres Construction Corporation - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2017-00520	TMorgan Construction LLC - Alleged violation of VA Code § 56-265.24 A
URS-2017-00522	B & A Jones Excavating, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2017-00525	C.E.H. Concrete & Son, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2017-00526	D.H.C. Corporation - Alleged violation of VA Code § 56-265.17 D
URS-2017-00531	JS Int'l Inc - Alleged violation of VA Code § 56-265.17 A
URS-2017-00532	Utiliquest, LLC - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2017-00542	Chris Price Utilities LLC - Alleged violation of VA Code §§ 56-265.17 B 1, *et al.*
URS-2017-00545	Washington Gas Light Company - Alleged violation of 49 C.F.R. §§ 192.199 (e), *et al.*
URS-2017-00546	Seneca Excavating & Landscaping, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2017-00547	Atlas Plumbing, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2017-00548	Genesis Utility Communication, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-150 (6) and 20 VAC 5-309-150 (8)
URS-2017-00549	Flores Cable LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-150 (6) and 20 VAC 5-309-150 (8)
URS-2017-00550	Elvira Landscaping LLC - Alleged violation of VA Code § 56-265.17 A
URS-2017-00551	Benchmark VA LLC Subsurface Utility Services - Alleged violation of VA Code § 56-265.19 A
URS-2017-00552	B & A Jones Excavating, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2017-00553	Asphalt Sealing and Repair Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2017-00554	J. E. Liesfeld Contractor, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2017-00555	H. & S. Construction Company - Alleged violation of VA Code § 56-265.18
URS-2017-00556	Griggs Construction - Alleged violation of VA Code §§ 56-265.17 and 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2017-00557	Garcia Cable, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2017-00558	Rusty L Duggins Excavation - Alleged violation of VA Code § 56-265.17 A
URS-2017-00559	Galvan Landscaping - Alleged violation of VA Code § 56-265.17 A
URS-2017-00560	Total Development Solutions, L.L.C. - Alleged violation of VA Code § 56-265.24 A
URS-2017-00561	The Fence Company, Inc. - Alleged violation of VA Code §§ 56-265.17 and 56-265.24 A
URS-2017-00562	Superior Plumbing, Heating & Air, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2017-00563	Ruppert Landscape, Inc. - Alleged violation of VA Code §§ 56-265.17 and 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2017-00564	Roto-Rooter Services Company - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2017-00565	Virginia Building Services of Roanoke, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2017-00566	Concrete Concepts, Inc. - Alleged violation of VA Code § 56-265.17 A

URS-2017-00567	Bryant's Excavation, Inc. - Alleged violation of VA Code §§ 56-265.24 B, *et al.*
URS-2017-00568	QA Development Corp. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2017-00569	Ross & Sons Utility Contractor, Inc. - Alleged violation of 20 VAC 5-309-200
URS-2017-00570	The King & I, Inc. - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2017-00572	Allterra Site Utilities, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2017-00573	Hardscape Contracting LLC t/a Dominion Pavers - Alleged violation of VA Code § 56-265.17 A
URS-2017-00574	Wise Choice Excavating, LLC - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2017-00575	T & A Contractors, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2017-00577	Carefil Development & Concrete Construction, Inc. - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2017-00578	Archer Western Contractors, Ltd. - Alleged violation of VA Code § 56-265.24 B
URS-2017-00579	Varo Renovation, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2017-00580	River City Construction, Inc. - Alleged violation of VA Code § 56-265.17 B 2
URS-2017-00581	Peters and White Construction Company - Alleged violation of VA Code § 56-265.24 A
URS-2017-00582	Jeffrey Stack, Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2017-00583	Carter Asphalt LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2017-00584	Denison Landscaping, Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2017-00585	Full Circle Concepts II, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2017-00586	G B Glass LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-200
URS-2017-00588	Hercules Fence Company, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2017-00589	Virginia Natural Gas, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2017-00590	W. C. Spratt Incorporated - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2017-00591	Willbros T&D Services - East - Alleged violation of VA Code § 56-265.24 A
URS-2017-00592	Utiliquest, LLC - Alleged violation of VA Code § 56-265.19 A
URS-2017-00593	Roanoke Gas Company - Alleged violation of VA Code § 56-265.19 A
URS-2017-00594	Washington Gas Light Company - Alleged violation of VA Code § 56-265.19 A
URS-2017-00595	S&N Locating Services, LLC - Alleged violation of VA Code § 56-265.19 A
URS-2017-00596	Miller Pipeline, LLC - Alleged violation of VA Code §§ 56-265.24 A and 56-265.19 A; 20 VAC 5-309-140 (3)
URS-2018-00001	Gaston Brothers Utilities, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2018-00002	Kurt Crowell t/a Northern Craftsman - Alleged violation of VA Code § 56-265.17 A
URS-2018-00003	Titan Excavations, LLC - Alleged violation of VA Code § 56-265
URS-2018-00004	Roanoke Gas Company - Alleged violation of 49 C.F.R. §§ 192.199 e, *et al.*
URS-2018-00005	Petition of Columbia Gas of Virginia, Inc., For rulemaking to revise requirement for trenchless excavation set forth in 20VAC5-309-150 of the Rules for Enforcement of the Underground Utility Damage Prevention Act
URS-2018-00007	W. E. Curling Pipeline, Inc. - Alleged violation of VA Code § 56-265-24 A
URS-2018-00008	W. C. Spratt Incorporated - Alleged violation of VA Code § 56-265.24 C
URS-2018-00010	O'Grady's Landscape and Lawn Care, Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2018-00011	Europe's Concrete, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2018-00012	Beem Irrigation, Inc. d/b/a Montgomery Irrigation - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2018-00013	Davis Underground, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2018-00014	Cable Associates, Inc. - Alleged violation of VA Code § 556-265.24 A
URS-2018-00015	Cross Remodeling - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00016	Concrete By Design, Inc. - Alleged violation of VA Code §§ 56-265.17 A and 56-265.24 A
URS-2018-00017	Pilgrim Underground Communications, LLC - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00018	Capital Realty Group Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (2)
URS-2018-00019	S&N Communications, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00020	Allan Myers VA, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2018-00021	Shirley Contracting Company, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2018-00022	RAK, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2018-00024	R. E. Lee Electric Company, Inc. - Alleged violation of VA Code §§ 56-265.17 C and 56-265.18; 20 VAC 5-309-180
URS-2018-00025	JC Roman Construction Company, LLC - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00026	Moore's Electrical & Mechanical Construction, Inc. - Alleged violation of VA Code §§ 56-265.17 A and 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2018-00027	Four Points Excavating, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00028	Fence Me In and Deck Too LLC - Alleged violation of VA Code § 56-265.17 A
URS-2018-00029	Griggs Construction - Alleged violation of VA Code §§ 56-265.17 D, *et al.*
URS-2018-00031	Ruppert Landscape, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00032	Curtis Contracting, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00033	Global Services & Systems, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00034	Turnkey Building Services, LLC - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2018-00035	Calix Plumbing & Pools LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-150 (6)
URS-2018-00036	Global Fiber Technologies LLC - Alleged violation of VA Code § 56-265.24 A
URS-2018-00037	Barfield Concrete, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00038	Trident Civil Inc. - Alleged violation of VA Code § 56-265.24 C
URS-2018-00039	Southern Air, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (3)
URS-2018-00040	Credle Concrete, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00041	C. J. Construction LLC - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00042	T.T. & J. Hauling and Landscaping - Alleged violation of VA Code § 56-265.24 A
URS-2018-00044	Carolina Conduit Systems, Inc.- Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00045	TSS Services, LLC - Alleged violation of VA Code §§ 56-265.17 A and 56-265.24 A; 20 VAC 5-309-140 (2)
URS-2018-00046	Hurricane Fence Co. - Alleged violation of VA Code § 56-265.17 A

URS-2018-00047 Syncon, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2018-00048 MEB General Contractors, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00050 Saunders Fence Co. - Alleged violation of VA Code § 56-265.24 A
URS-2018-00051 Michael & Son Services, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00053 Silver Concrete Construction, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2018-00054 Reliance Concrete Contractors, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00055 Nichols Construction, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2018-00056 Fans Underground Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (3)
URS-2018-00057 Forty-Two Contracting Incorporated - Alleged violation of VA Code §§ 56-265.24 A and 56-265.24 B
URS-2018-00058 Franklin Total Lawn Services LLC - Alleged violation of VA Code § 56-265.17 A; 20 VAC 5-309-200
URS-2018-00059 D. A. Foster Company - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00060 Garcia Cable, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2018-00061 N-It, Inc. t/a Dig-N-It - Alleged violation of VA Code § 56-265.24 A
URS-2018-00062 Digs, Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2018-00063 Dulles Plumbing Group, Inc. - Alleged violations of VA Code §§ 56-265.17 A, *et al.*
URS-2018-00064 Cooper & Claiborne Construction, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00065 Clancy & Theys Construction Company - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2018-00066 Exterior Services, LLC - Alleged violations of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00067 Gaston Brothers Utilities, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2018-00068 BGS II - Alleged violation of VA Code § 56-265.17 A
URS-2018-00069 Premium Lawn Care Services, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2018-00070 Greenguard Associates, Inc. t/a Hertzler & George - Alleged violation of VA Code § 56-265.24 A
URS-2018-00071 Hartsfield Contracting, LLC - Alleged violations of VA Code §§ 56-265.17 A, *et al.*
URS-2018-00072 Northern Virginia Drilling, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00073 GP Associates, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2018-00074 James River Environmental, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00075 J M D Construction Co., Inc. - Alleged violation of VA Code § 56-265.18; 20 VAC 5-309-180
URS-2018-00076 Landscapes By Beckner - Alleged violation of VA Code § 56-265.17 A
URS-2018-00077 McNeil Asphalt Maintenance, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00078 Momentum Earthworks, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2018-00081 M. W. Butler Electrical, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2018-00082 Precision Contracting and Remodeling Inc. - Alleged violation of VA Code §§ 56-265.17 A and 56-265.17 B 1
URS-2018-00083 Faulconer Construction Company, Incorporated - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00084 G. L. Howard, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00085 Chesapeake Bay Contractors, Inc. - Alleged violation of VA Code §§ 56-265.24 A and 56-265.24 C
URS-2018-00086 Hall Electric LLC - Alleged violation of VA Code § 56-265.17 A
URS-2018-00088 Roanoke Gas Company - Alleged violation of VA Code § 56-265.19 A
URS-2018-00089 James R. Carter Paving, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00090 Pease Industries, Inc. t/a Roto Rooter of Richmond - Alleged violation of VA Code § 56-265.17 A
URS-2018-00091 Washington Gas Light Company - Alleged violation of VA Code § 56-265.19 A
URS-2018-00092 Leroy Hull - Alleged violation of VA Code § 56-265.17 A
URS-2018-00093 W. R. Hall, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4) and 20 VAC 5-309-140 (5)
URS-2018-00094 TD Grounds Group - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00095 Miller Pipeline, LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-150 (4) and 20 VAC 5-309-150 (6)
URS-2018-00096 Windle Company Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2018-00097 Vico Construction Corporation - Alleged violation of VA Code §§ 56-265.24 A; 56-265.17 B 1; 20 VAC 5-309-140 (4)
URS-2018-00098 Benfield Electric Co. of Virginia, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00099 Utiliquest, LLC - Alleged violation of VA Code § 56-265.19 A; VAC 5-309-110 M
URS-2018-00101 Jerry's Bobcat Service - Alleged violation of VA Code 56-265.17 A
URS-2018-00102 James River Grounds Management, Inc. - Alleged violations of VA Code §§ 56-265.17 A, *et al.*
URS-2018-00103 Layman's Contracting Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00104 Linco Inc. - Alleged violations of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00105 JS Int'l Inc. - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2018-00107 Anike Group, Incorporated - Alleged violation of VA Code § 56-265.24 A
URS-2018-00108 Atlantic Site Development Corporation, Inc. - Alleged violation of VA Code § 56-265.17 B 2
URS-2018-00109 B. F. Mayes Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00110 Barrow Fence Company, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2018-00111 Basic Construction Company, L.L.C. - Alleged violations of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00112 Blackstone Construction of Virginia, Inc. - Alleged violations of VA Code § 56-265.24 A, *et al.*
URS-2018-00113 Corinthian Contractors, Inc. - Alleged violations of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00114 New Technologies Construction Inc. - Alleged violation of VA Code § 56-265.24 C
URS-2018-00116 Peters and White Construction Company - Alleged violations of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00117 GHL Services, Inc. - Alleged violations of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00118 Resort Pools and Fences, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2018-00119 Resource Controls LLC - Alleged violation of VA Code § 56-265.24 A
URS-2018-00120 Richardson-Wayland Electrical Company LLC - Alleged violations of VA Code §§ 56-265.18 and 56-265.24 A, *et al.*
URS-2018-00121 Precision Pipeline Solutions - Alleged violations of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00122 Mastec North America, Inc. - Alleged violations of VA Code § 56-265.24 A
URS-2018-00123 Willbros T&D Services-East - Alleged violations of VA Code §§ 56-265.19 A and 56-265.24 A, *et al.*
URS-2018-00124 S.J. Conner and Sons Inc. - Alleged violations of VA Code §§ 56-265.17A and 56-265.24 A, *et al.*

URS-2018-00125	H. & S. Construction Company - Alleged violations of VA Code §§ 56-265.17 B 2 and 56-265.24 A
URS-2018-00126	Benchmark VA LLC Subsurface Utility Services - Alleged violations of VA Code § 56-265.19 A
URS-2018-00127	B. Frank Joy, LLC - Alleged violations of VA Code §§ 56-265.24 A and B, *et al.*
URS-2018-00128	Tidewater Utility Construction, Inc. - Alleged violations of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00129	Colao Stone Design, Inc. - Alleged violation of VA Code §§ 38.2-265.17 A, *et al.*
URS-2018-00130	Jack St. Clair, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2018-00132	Dream Landscaping & Lawn Care, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00133	Excel Paving Corporation - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00134	Corman - E. V. Williams a joint venture - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00135	Casper Colosimo & Son, Inc. - Alleged violation of VA Code §§ 56-.265.24 A, *et al.*
URS-2018-00136	S&N Locating Services, LLC - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2018-00138	McKim Construction Company - Alleged violation of VA Code § 56-265.17 A; 20 VAC 5-309-200
URS-2018-00139	William A. Hazel, Inc. - Alleged violation of VA Code §§ 56-265.17 C and 56-265.24 A; 20 VAC 5-309-140 (3)
URS-2018-00140	WCL Excavating L.L.C. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4) and 20 VAC 5-309-200
URS-2018-00141	Wisa Solutions LLC - Alleged violation of VA Code § 56-265.17 A
URS-2018-00142	Global Services & Systems, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2018-00143	Hercules Fence Company, Inc. - Alleged violation of VA Code § 56-265.17 B 1
URS-2018-00144	Earth Crafters, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00145	Peters and White Construction Company - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2018-00146	Plumbright Plumbing, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2018-00147	Electric Contracting Corporation - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2018-00148	RSC Services, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2018-00149	Farmington Country Club - Alleged violation of VA Code §§ 56-265.17 B 1, *et al.*
URS-2018-00150	EMATS, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-200
URS-2018-00151	Acorn Electrical Specialists, Inc. - Alleged violation of VA Code §§ 56-265.17 A and 56-265.24 A; 20 VAC 5-309-200
URS-2018-00153	C. S. Jennings Construction, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4) and 20 VAC 5-309-200
URS-2018-00154	Foster Masonry, Inc. - Alleged violation of VA Code §1 56-265.17 A
URS-2018-00155	Henry S. Branscome, L.L.C. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00156	D's Auto & Wrecker Service, Inc. t/a George's Excavating, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00157	JCB Construction Co., Inc. - Alleged violation of VA Code § 56-265.17 B 1
URS-2018-00158	District Construction LLC - Alleged violation of VA Code §§ 56-265.24 A and 56-265.24 C; 20 VAC 5-309-140 (4)
URS-2018-00159	DLB Enterprises LLC - Alleged violation of VA Code §§ 56-265.24 B and 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2018-00160	John C Flood of Virginia, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00161	EMT Asphalt, Inc. t/a Salem Paving - Alleged violation of VA Code §§ 56-265.17 A and 56-265.24 A; 20 VAC 5-309-140 (4) and 20 VAC 5-309-90 A
URS-2018-00162	W. E. Curling Pipeline, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2018-00163	Lantero, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2018-00164	Atmos Energy Corporation - Alleged violation of VA Code § 56-265.19 A
URS-2018-00165	Long Fence Company, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00166	Beaufort Vass - Alleged violation of VA Code § 56-265.17 A
URS-2018-00167	MasTec Advanced Technologies - Alleged violation of VA Code § 56-265.17 A
URS-2018-00168	Belle Meade Management, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2018-00169	Our Landscaping Services, LLC - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00170	Cable Protection Services, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2018-00171	Ross & Sons Utility Contractor, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2018-00172	Eure Grading, Inc. - Alleged violation of VA Code §§ 56-26517 A and 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2018-00173	Mastec North America, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2018-00174	MetroGreen Fence & Deck, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2018-00175	Probros Plumbing Services. LLC t/a Mr. Rooter of Richmond - Alleged violation of VA Code § 56-265.24 A
URS-2018-00176	Orozco-Miranda S.A. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00177	Rock Solid Concepts LLC - Alleged violation of VA Code § 56-265.17 A
URS-2018-00178	Soils Construction LLC - Alleged violation of VA Code § 56-265.17 A
URS-2018-00179	A. G. Dillard, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2018-00180	Ardent Company, LLC - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00181	C&T Building Services LLC - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2018-00182	Charles D. Johnson and Son, Incorporated - Alleged violation of VA Code § 56-265.24 A
URS-2018-00183	Charlestown Owners Association c/o Cardinal Management Group - Alleged violation of VA Code § 56-265.17 A
URS-2018-00184	Chesapeake Bay Contractors, Inc. - Alleged violation of VA Code § 56-265.18
URS-2018-00185	Classic City Mechanical, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00186	Good Odd Jobs, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2018-00187	Atlas Plumbing, LLC - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00188	Columbia Gas of Virginia, Inc. - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2018-00189	William B. Hopke Co., Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00190	Washington Gas Light Company - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2018-00191	T. A. Sheets General Contractors, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00192	Virginia Natural Gas, Inc. - Alleged violation of VA Code §§. 56-265.19 A, *et al.*
URS-2018-00193	Kesterson Plumbing and Heating Corporation - Alleged violation of VA Code § 56-265.24 C
URS-2018-00194	Kinzie, Incorporated - Alleged violation of VA Code §§ 56-265.17 A and 56-265.24 A
URS-2018-00195	LD DaSilva Inc. - Alleged violation of VA Code §§ 56-265.17 A and 56-265.24 A

URS-2018-00196	Manual Lopez - Alleged violation of VA Code § 56-265.17 A
URS-2018-00197	Miller Pipeline, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2018-00198	NPL Construction Co. - Alleged violation of VA Code § 56-265.24 C
URS-2018-00199	Prince William Home Improvement - Alleged violation of VA Code § 56-265.24 A
URS-2018-00200	Ratcliff Construction, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00201	S & S Concrete, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2018-00202	Tidewater Custom Modular Homes, Inc. - Alleged violation of VA Code §§ 56-265.17 A and 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2018-00203	UtiliQuest, LLC - Alleged violation of VA Code § 56-265.19 A; 20 VAC 5-309-110 M
URS-2018-00204	S&N Locating Services, LLC - Alleged violation of VA Code § 56-265.19 A; 20 VAC 5-309-110 M
URS-2018-00205	Roanoke Gas Company - Alleged violation of VA Code § 56-265.19 A
URS-2018-00206	The Fishel Company - Alleged violation of VA Code §§ 56-265.24 C and 56-265.24 A
URS-2018-00207	Heath Consultants Incorporated - Alleged violation of VA Code § 56-265.19 A
URS-2018-00208	Acorn Electrical Specialists, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2018-00209	Ashburn Contracting Corporation - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00210	Beltway Paving of Southern Maryland, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00211	Bissette Construction Corporation - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00212	Casper Colosimo & Sone, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2018-00213	FANS Underground Inc. - Alleged violation of VA Code § 56-265.24 C
URS-2018-00214	JCB construction Co., Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2018-00215	Joe W. Edwards, Jr. t/a J&B Concrete - Alleged violation of VA Code § 56-265.17 A
URS-2018-00216	L. F. Jennings, Inc. - Alleged violation of VA Code §§ 56-265.17 B 1, *et al.*
URS-2018-00217	Michael & Son Services, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00218	Muller Erosion & Site Services, Inc. - Alleged violation of VA Code § 56-265.18
URS-2018-00219	Omega Contracting, LLC - Alleged violation of VA Code §§ 56-265. 17 A, *et al.*
URS-2018-00221	PCI Contractors, Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2018-00222	Pipeline Construction Co., Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2018-00223	Stonehenge Landscape Inc.- Alleged violation of VA Code § 56-265.17 A
URS-2018-00224	Vico Construction Corporation - Alleged violation of VA Code § 56-365.24 A
URS-2018-00225	Whatley Construction Co., Inc. - Alleged violation of VA Code § 56-265.18
URS-2018-00226	Finley Asphalt & Sealing, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00227	Infrasource Construction, LLC - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2018-00228	T & A Underground, Inc. - Alleged violation of VA Code §§ 56-265.17 B 2, *et al.*
URS-2018-00229	Romero's Fence - Alleged violation of VA Code § 56-265.17 A
URS-2018-00230	Advance Lawn Sprinklers & Landscaping, LLC - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00231	Garth Rumol Taylor, Individually and d/b/a Breeze Solutions LLC - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2018-00232	Denetrica (Denetica) Brooks individually & d/b/a Brooks Quality Plumbing LLC - Alleged violation of VA Code § 56-265.17 A
URS-2018-00233	Credle Concrete, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2018-00234	Greenguard Associates, Inc. t/a Hertzler & George - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00235	Hampton Roads Lawn, LLC - Alleged violation of VA Code § 56-265.17 B 1, at el.
URS-2018-00236	Hernandez RV Fence Inc. - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2018-00238	Edwin A. Sile Contracting - Alleged violation of VA Code § 56-265.17 A
URS-2018-00239	Edgar Osorio - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2018-00240	Resurface Incorporated - Alleged violation of VA Code § 56-265.24 A
URS-2018-00241	New Fiber Underground, LLC - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00242	Cherry Hill Construction, Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2018-00243	Craig Plumbing Company, Ltd. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00244	Harlan Construction Co., Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00245	Washington Gas Light Company - Alleged violation of VA Code § 56-265.19 A
URS-2018-00246	Virginia Natural Gas, Inc. - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2018-00247	Oldetowne Historic Landscape, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00248	Bowers Excavating, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00249	Five Star Septic, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00250	Hercules Fence Company, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00251	MasTec Advanced Technologies - Alleged violation of VA Code § 56-265.17 A
URS-2018-00252	MC Cable Connections, Inc. - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2018-00253	Fielder's Choice Enterprises Inc. - Alleged violation of VA Code § 56-265.18
URS-2018-00254	Eastcomm, LTD. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-150 (4) and 20 VAC 5-309-150 (6)
URS-2018-00255	Brothers Paving & Concrete Corporation - Alleged violation of VA Code § 56-265.17 A
URS-2018-00256	A & M Concrete Corp. - Alleged violation of VA Code § 56-265.24 C
URS-2018-00257	Aquaguard Waterproofing Corporation - Alleged violation of VA Code § 56-265.17 A; 20 VAC 5-309-90 A
URS-2018-00258	C.J. Construction LLC - Alleged violation of VA Code § 56-265.24 A
URS-2018-00259	Dillon Sewer Service, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (3)
URS-2018-00260	Dagan Electric Company, LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-200
URS-2018-00261	New Technologies Construction, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-150 (6)
URS-2018-00262	New York Concrete Corp. - Alleged violation of VA Code § 56-265.24 A
URS-2018-00263	M & M Welding and Fabricators, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2018-00264	Jims Plumbing and Gas LLC - Alleged violation of VA Code § 56-265.24 A
URS-2018-00266	S&N Locating Services, LLC - Alleged violation of VA Code § 56-265.19 A

URS-2018-00267	Shoosmith Construction, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00268	The Lane Construction Corporation t/a Virginia Sign and Lighting Company Division of the Lane construction Corporation - Alleged violation of VA Code § 56-265.24 B
URS-2018-00269	Verizon Virginia, LLC - Alleged violation of VA Code §§ 56-265.19, H, *et al.*
URS-2018-00270	Fiber Optic Construction, LLC - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00271	Jeffrey Stack, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00272	Atmos Energy Corporation - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2018-00273	Benchmark VA LLC Subsurface Utility Services - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2018-00274	Utiliquest, LLC - Alleged violation of VA Code § 56-265.19 A
URS-2018-00275	Armando Vazquez - Alleged violations of VA Code §§ 56-265.17 A, *et al.*
URS-2018-00276	Home Services Doctors LLC - Alleged violation of VA Code § 56-265.17 A
URS-2018-00277	Dominion Sitework, Inc - Alleged violation of VA Code § 56-265.24 A
URS-2018-00278	Creative Rain Irrigation & Grading, Inc - Alleged violation of VA Code § 56-265.24 C
URS-2018-00279	Dave's Concrete, Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2018-00280	Classic City Mechanical, Inc. - Alleged violation of VA Code § 56-265.19 (1) G
URS-2018-00281	Casper Colosimo & Son, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2018-00282	MCS Communications - Alleged violation of VA Code §§ 56-265.17 A; 56-265.24 A (x6); 20 VAC 5-309-150 (6) (x6)
URS-2018-00283	C. Dod Landscaping, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2018-00284	D J S Excavating Co., Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00286	Benchmark VA LLC Subsurface Utility Services - Alleged violation of VA Code § 56-265.19 A
URS-2018-00287	Carter Fence, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2018-00288	Willbros T&D Services, LLC - Alleged violation of VA Code § 56-265.18
URS-2018-00289	Unique Plumbing - Alleged violation of VA Code § 56-265.17 A
URS-2018-00291	Ross & Sons Utility Contractor, Inc. - Alleged violation of VA Code § 56-265.17 B 1
URS-2018-00292	Lanthorn Construction and Plumbing LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2018-00293	Subsurface Construction Company, LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2018-00294	Lenny's Lawn and Landscaping, LLC - Alleged violation of VA Code § 56-265.17 A
URS-2018-00295	Rick Carney Irrigation, Inc. - Alleged violation of VA Code § 56-265.24 D
URS-2018-00296	Quail Run Signs LLC - Alleged violation of VA Code § 56-265.17 A
URS-2018-00297	Garcia Cable, Inc. - Alleged violation of VA Code § 56-265.24 C
URS-2018-00299	Mechanical, Electrical and Plumbing Partners, LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2018-00302	East West Construction, Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2018-00303	Cox Electric KMC, Inc. - Alleged violation of VA Code § 56-265.18
URS-2018-00304	Ponce Electric, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00306	Southeast Connections, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2018-00308	Washington Gas Light - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 4
URS-2018-00309	S&N Locating Services, LLC - Alleged violation of VA Code § 56-265.19 A
URS-2018-00310	Virginia Natural Gas - Alleged violation of VA Code § 56-265.19 A
URS-2018-00311	Peters and White Construction Company - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (3)
URS-2018-00312	NVM Contractors, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00313	Miller Irrigation, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5 - 309 -140 (4)
URS-2018-00314	Demarr Construction, LLC - Alleged violation of VA Code § 56-265.24 B
URS-2018-00315	Chad's Backhoe Service - Alleged violation of VA Code § 56-265.17 A
URS-2018-00316	Broadband Engineering and Construction, Inc. - Alleged violation of VA Code § 56-265.18
URS-2018-00317	A.G. Dillard, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 4
URS-2018-00319	Wagman Heavy Civil, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2018-00321	Turnkey Building Services, LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 4
URS-2018-00322	Total Lawn Care - Alleged violation of VA Code § 56-265.24 B
URS-2018-00323	T.A. Sheets Mechanical General Contractor, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2018-00325	Columbia Gas of Virginia, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2018-00326	Primoris T&D Services, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2018-00327	Thomas Builders of Virginia, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2018-00328	Toben Construction, L.L.C. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00330	Pease Industries, Inc. t/a Roto Rooter of Richmond - Alleged violation of VA Code § 56-265.24 A
URS-2018-00331	Richard Crouch Plumbing & Heating - Alleged violation of VA Code § 56-265.24 A
URS-2018-00332	Santiago's Irrigation - Alleged violation of VA Code § 56-265.17 A; 20 VAC 5-309-200
URS-2018-00334	Vess Excavating, LTD. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00335	S. B. Cox, Incorporated - Alleged violation of VA Code § 56-265.18; 20 VAC 5-309-180
URS-2018-00336	Seneca Valley Builders - Alleged violation of VA Code § 56-265.17 B. 1
URS-2018-00338	Signature Deck - Alleged violation of VA Code § 56-265.17 A
URS-2018-00339	KCW Contracting, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2018-00341	Mason Quality Construction, Inc. - Alleged violation of VA Code § 56-265.17 B. 1
URS-2018-00342	Lyttle Utilities, Incorporated - Alleged violation of VA Code §§, 56-265.24 A, *et al.*
URS-2018-00343	Mastec North America, Inc. - Alleged violation of VA Code § 56-265.24 C
URS-2018-00344	McKinney Drilling Company LLC - Alleged violation of VA Code §§ 56-265.18, *et al.*
URS-2018-00345	Min & J Construction Inc. - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2018-00346	Moffett Paving & Excavating Corp. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00347	Moore's Electrical & Mechanical Construction, Inc. - Alleged violations of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00348	PC Services II, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00349	PrestigeLawnAndLandscape, LLC - Alleged violation of VA Code § 56-265.17 A

URS-2018-00350 Matthews Construction Co., Inc. - Alleged violation of VA Code § 56-265.24 C
URS-2018-00353 AllSite Contracting, LLC - Alleged violation of VA Code § 56-265.17 B 1
URS-2018-00354 AMJ LLC - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2018-00355 Bedford Movers, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00357 Groundscapes, Limited Liability Company - Alleged violation of VA Code § 56-265.24 A
URS-2018-00358 Mister Fence, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2018-00359 H & S Construction Company - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00361 Finley Asphalt & Sealing, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2018-00362 Hailey Enterprises, LLC - Alleged violation of VA Code § 56-265.17 B 1
URS-2018-00363 Genesis Utility Communication, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2018-00364 J.C. Martin, Inc. - Alleged violation of VA Code §§ 56-265.17 A & 56-265.24 A
URS-2018-00365 Joy Custom Design/Build, LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2018-00366 Home Perfection Contracting LLC - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2018-00368 A & M Concrete Corp. - Alleged violation of VA Code § 56-265.24 C
URS-2018-00371 Breeden Mechanical, Inc. - Alleged violation of VA Code § 56-265.17 B 1
URS-2018-00374 Job Care, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00375 New River Valley Rent-All, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00376 Independent Excavating & Land Development, LLC - Alleged violation of VA Code § 56-265.17 B 1
URS-2018-00377 JKS Construction Company - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2018-00378 Deco-Crete, LLC - Alleged violation of VA Code §§ 56-265.24 B, *et al.*
URS-2018-00379 East West Construction, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00380 Virginia Natural Gas, Inc. - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2018-00381 Washington Gas Light Company - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2018-00382 Partners Excavating Co. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00383 Roanoke Gas Company - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2018-00384 Columbia Gas of Virginia, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2018-00387 Acme Enterprises, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00388 S&N Locating Services, LLC - Alleged violation of VA Code § 56-265.19 A; 20 VAC 5-309-110 M
URS-2018-00389 Balzer and Associates, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00390 Nichols Construction, LLC - Alleged violation of VA Code §§ 46-265.24 A, *et al.*
URS-2018-00391 Dwight Snead Landscaping & Paving Co. t/a Dwight Snead Construction Co. - Alleged violation of VA Code § 56-265.24 C
URS-2018-00393 21st Century Services - Alleged violation of VA Code § 56-265.17 A
URS-2018-00394 American Lighting and Signalization, LLC - Alleged violation of VA Code § 56-265.18
URS-2018-00396 Bob Dunman - Alleged violation of VA Code § 56-265.17 A
URS-2018-00397 Chesapeake Underground Services, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2018-00399 Graham Outdoor Services, Inc. t/a Conserva Irrigation - Alleged violation of VA Code § 56-265.24 A
URS-2018-00403 Edgar Olguin - Alleged violation of VA Code § 56-265.17 A
URS-2018-00404 Fitz-Landes Mechanical Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00405 Fredericksburg Fences LLC - Alleged violation of VA Code § 56-265.24 A
URS-2018-00406 Garden Works - Alleged violation of VA Code § 56-265.24 B
URS-2018-00408 Partners Excavating Co. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00409 Resource Contracting, LLC - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2018-00411 Ross & Sons Utility Contractor, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2018-00413 Seaboard Electrical Corp. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00414 Southeast Connections LLC - Alleged violation of VA Code § 56-265.19 A
URS-2018-00415 Stevens Construction Cooperation - Alleged violation of VA Code § 56-265.17 A
URS-2018-00416 Stonewall Concrete Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00418 JCB Construction Co., Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00419 J.N. Loza General Landscaping Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00422 N & N Electric, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00423 T. A. Sheets Mechanical General Contractor, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00424 Tavares Concrete Co., Inc. - Alleged violation of VA Code §§ 56-265.17 A, *et al.*
URS-2018-00425 Cable Protection Services, Inc. - Alleged violation of VA Code §§ 56-265.19 A, *et al.*
URS-2018-00426 Atlas Plumbing, LLC - Alleged violation of VA Code §§ 56-265.24 B, *et al.*
URS-2018-00427 Tidewater Utility Construction, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00429 A & S Contracting - Alleged violation of VA Code § 56-265.17 A
URS-2018-00431 RSC Services, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2018-00433 R E W Corporation - Alleged violation of VA Code § 56-265.24 A
URS-2018-00435 Piedmont Construction Co. Incorporated - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2018-00438 T. A Sheets General Contractors, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2018-00439 TP Landscaping LLC - Alleged violation of VA Code § 56-265.24 A
URS-2018-00440 Watson Electrical Construction Co. LLC - Alleged violation of VA Code § 56-265.24 A
URS-2018-00442 Hurricane Fence Co. - Alleged violation of VA Code § 56-265.24 A
URS-2018-00443 Builders Fence Company - Alleged violation of VA Code § 56-265.24 A
URS-2018-00446 Utiliquest, LLC - Alleged violation of VA Code § 56-265.19 A
URS-2018-00447 Roanoke Gas Company - Alleged violation of VA Code § 56-265.19 A
URS-2018-00448 Atlas Plumbing, LLC - Alleged violation of VA Code § 56-265.24 A
URS-2018-00449 Project & Construction Management Services, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2018-00450 Oyster Point Construction Company - Alleged violation of VA Code § 56-265.17 A
URS-2018-00451 Primoris T&D Services, LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)

URS-2018-00453	Mastec North America, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2018-00455	Tidewater Pet Services, LTD Dba Invisible Fence Brand of Hampton Roads - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (2)
URS-2018-00457	Tessa Construction & Tech Company, LLC - Alleged violation of VA Code § 56-265.24 C
URS-2018-00458	S&N Locating Services, LLC - Alleged violation of VA Code § 56-265.19 A
URS-2018-00459	Southeast Connections LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (5)
URS-2018-00460	Richmond Irrigation LLC - Alleged violation of VA Code §§ 56-265.17 D and 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2018-00461	Rustler Construction, Inc. - Alleged violation of VA Code §§ 56-265.17 A and 56-265.24 A
URS-2018-00463	Virginia Natural Gas, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2018-00464	Varsity Landscaping & Grounds, L.L.C. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2018-00465	Tavares Concrete Co., Inc. - Alleged violation of VA Code §§ 56-265.17 A and 56-265.24 A
URS-2018-00466	Tidewater Utility Construction, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (3)
URS-2018-00467	Kesterson Plumbing and Heating Corporation - Alleged violation of VA Code § 56-265.17 D
URS-2018-00468	Citescape Construction LLC - Alleged violation of VA Code § 56-265.17 A
URS-2018-00472	Augusta Utilities, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (2)
URS-2018-00473	Chesapeake Bay Contractors, Inc. - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2018-00474	Chesapeake Paving Company - Alleged violation of VA Code § 56-265.17 A
URS-2018-00475	Cleveland Cement Contractors, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00476	Duncan Properties and Construction, Inc.- Alleged violation of VA Code § 56-265.17 A
URS-2018-00477	Heads-up Sprinkler Systems, Inc. - Alleged violation of VA Code §§ 56-265.17 A and 56-265.24 A
URS-2018-00478	Newport Concrete, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00479	AMA Construction Company, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00480	Vico Construction Corporation - Alleged violation of VA Code §§ 56-265.24 C and 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2018-00484	D & H Construction - Alleged violation of VA Code § 56-265.17 A
URS-2018-00485	D&A Fences Corporation - Alleged violation of VA Code § 56-265.24 A
URS-2018-00486	D's Auto & Wrecker Service, Inc. t/a George's Excavating, Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2018-00488	IC Contracting LLC - Alleged violation of VA Code § 56-265.17 A
URS-2018-00491	Waterworks of Roanoke, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00493	Superior Plumbing, Heating & Air, Inc. - Alleged violation of VA Code § 56-265.17 B 1
URS-2018-00495	Northern Virginia Deck & Fence, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2018-00496	Mid-Ohio Pipeline Services, LLC - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00497	Peters and White Construction Company - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00498	Loudoun Deck and Fence Company - Alleged violation of VA Code § 56-265.24 A
URS-2018-00499	Secured Network Solutions, Inc. - Alleged violation of VA Code § 56-265.24A; 20 VAC 5-309-150 (4) and 20 VAC 5-309-150 (8)
URS-2018-00502	North Landing Electric Company, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00503	Rebuilding Together/Arlington/Fairfax/Falls Church, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00505	K & B Plumbing & Heating, Inc. - Alleged violation of VA Code §§ 56-265.18, *et al.*
URS-2018-00506	JWB Contractors, LLC - Alleged violation of VA Code § 56-265.14 A; 20 VAC 5-309-140 (4)
URS-2018-00508	John C. Flood of Virginia, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2018-00511	Swope Construction Co. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00512	George Nice & Sons, Inc. - Alleged violation of VA Code § 56-265.24 B; 20 VAC 5-309-200
URS-2018-00515	D. L. Jones Plumbing, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00516	Honeywood Associates, LP - Alleged violation of VA Code § 56-265.17 A
URS-2018-00517	DLB Enterprises LLC - Alleged violation of VA Code § 56-265.24 A; 20 VAC 5-309-140 (4)
URS-2018-00518	Coastal Remodeling LLC - Alleged violation of VA Code § 56-265.17 A; 20 VAC 5-309-200
URS-2018-00520	Cardinal Fence Corporation - Alleged violation of VA Code § 56-265.24 A
URS-2018-00521	Daugherty, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00523	E. C. Pace Company, Inc. - Alleged violation of VA Code §§ 56-265.24 A, *et al.*
URS-2018-00525	Matthew S. Kitchens, Builder, LLC t/a Fence Pro - Alleged violation of VA Code § 56-265.17 B 1
URS-2018-00526	Better Electric, Inc. t/a Best Electric - Alleged violation of VA Code § 56-265.18
URS-2018-00529	Virginia Natural Gas, Inc. - Alleged violation of VA Code § 56-265.19 A
URS-2018-00530	Slurry Pavers, Inc. - Alleged violation of VA Code §§ 56-265.24 B and 56-265.24 A
URS-2018-00531	Appalachian Natural Gas Distribution Company - Alleged violation of VA Code § 56-265.17 A
URS-2018-00535	MC Cable Connections, Inc. - Alleged violation of VA Code § 56-265.24 B
URS-2018-00539	Roanoke Gas Company - Alleged violation of VA Code § 56-265.19 A
URS-2018-00540	Kevcor Contracting Corporation - Alleged violation of VA Code § 56-265.24 B
URS-2018-00542	R.E.M., LLC t/a Roanoke Landscapes - Alleged violation of VA Code § 56-265.17 B 1
URS-2018-00543	Computer Cabling & Telephone Services, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00544	Valley Landscaping, Inc. - Alleged violation of VA Code § 56-265.17 B 1
URS-2018-00545	Inviting Structures, Inc. - Alleged violation of VA Code § 56-265.17 A
URS-2018-00549	L.S. Lee, Inc. - Alleged violation of VA Code § 56-265.24 C
URS-2018-00550	Yesenia Fences Patios Deck LLC - Alleged violation of VA Code § 56-265.17 B 1
URS-2018-00551	Fine Landscapes, Ltd. - Alleged violation of VA Code §§ 56-265.24 B, *et al.*
URS-2018-00553	Hathaway Electric, Inc. - Alleged violation of VA Code § 56-265.24 A
URS-2018-00555	Dickerson Construction, LLC - Alleged violation of VA Code §§ 56-265.18 and 56-265.24 A; 20 VAC 5-309-180
URS-2018-00557	Castle Equipment Corporation - Alleged violation of VA Code § 56-265.17 B 1